MEETING
STATE OF CALIFORNIA
LANDS COMMISSION

CITY OF HUNTINGTON BEACH
COUNCIL CHAMBERS
2000 MAIN STREET
HUNTINGTON BEACH, CALIFORNIA

THURSDAY, OCTOBER 19, 2017
9:04 A.M.

Please note that a correction has been made to the transcript since it was originally published on November 15, 2017. On page 316, line 9, where the transcript previously read, "...that we accept the diffuser element of the project...," it now correctly reads, "...that we except the diffuser element of the project..."

JAMES F. PETERS, CSR
CERTIFIED SHORTHAND REPORTER
LICENSE NUMBER 10063

J&K COURT REPORTING, LLC  916.476.3171
A P P E A R A N C E S

COMMISSION MEMBERS:
Mr. Gavin Newsom, Lieutenant Governor, Chairperson, also represented by Mr. Rhys Williams
Ms. Betty T. Yee, State Controller
Mr. Michael Cohen, Director of Department of Finance, represented by Ms. Eraina Ortega

STAFF:
Ms. Jennifer Lucchesi, Executive Officer
Mr. Mark Meier, Chief Counsel
Ms. Alexandra Borak, Environmental Scientist
Mr. Joe Fabel, Staff Attorney, Legal Division
Ms. Jamie Garrett, Staff Attorney, Legal Division
Ms. Cheryl Hudson, Public Land Management Specialist, Land Management Division
Ms. Jaimie Huyhn, Sea Grant Fellow
Ms. Kim Lunetta, Administrative Assistant
Dr. Peter Raimondi, Marine Biology, University of California, Santa Cruz, Consultant
Mr. Cy Oggins, Chief, Division of Environmental Planning Management Division

ATTORNEY GENERAL:
Mr. Andrew Vogel, Deputy Attorney General
ALSO PRESENT:
Grace Adams, Bolsa Chica Land Trust
Ms. Paloma Aguire, Wildcoast
Don Albrecht
Richard Armendariz
Jim Atkinson, Board President, Mesa Water District
MaryJo Baretich, President, Cabrillo Wetlands Conservancy
Talaat Baselaws
Joann Spotted Bear
Dennis Bilodeau, Orange County Water District
Tony Bisson, Homeowner, Self
Christine Brady
Jordan Brandman, former Councilman, City of Anaheim
Amaida Brashears, Interested Citizen
Keith Bohr, former Huntington Beach Mayor
Sean Bothwell, Coastkeeper
Barbara Boxer, former United States Senator
Glenn Brooks, Resident
Nancy Buchoz, Homeowner/Resident
Michael Bushey, Southern California Edison
Tom Buttera, Resident Huntington Beach
Doug Cable
Craig Cadwallader, Policy Coordinator, Surfrider Foundation, South Bay Chapter
ALSO PRESENT:

Siegfried Calaquian, Millennials for New Water

Joe Carchio, Chairman, Waste Management and former Mayor of Huntington Beach

Carolyn Cavecche, Executive Director, Orange County Taxpayers Association

Mary Ann Celinar, Huntington Beach Huddle

Gina Clayton-Tarvin, President, Board of Trustees, Ocean View School District

Sharon Coke

Debbie Cook, Residents for Responsible Desal (R4RD)

Ernie Courter, Homeowner


Milt Dardis

Doug Davert, President, East Orange County Water District

Gilbert Davila

Peter DeMarco, Vice President, Orange County Business Council

Shirley Detloff, Bolsa Chica Land Trust

Mr. Mike DiBernardo, Port of Los Angeles

Tyler Diep, Councilman, City of Westminster

Leslie Dobalian, San Diego Water Authority

John Earl, Editor/Reporter, Surf City Voice

Edin Enamarado, Environmental Justice
ALSO PRESENT:
Conner Everts, President, Southern California Watershed Alliance
Darrel Ferguson, Vice Chair, Surfrider Foundation
James Fisler, Director, Mesa Water District
Ruben Franco, CEO, Orange County Hispanic Chamber of Commerce
Chris Garrett, Poseidon Water
Mark Gaughan, Past Chairman, Bolsa Chica Conservancy
Joe Geever, Resident for Responsible Desal (R4RD)
Chuck Gibson, Director, Santa Margarita Water District
Michael Grant, Huntington Beach Planning Commission
Marcela Graudins, EJ Coalition, Azul, Oakview Communidad
Cathy Green, Board Member, Orange County Water District and Former Mayor of Huntington Beach
Janet Gunter
Graham Hamilton, Surfrider Foundation Los Angeles Chapter
Lubna Hammad, Indivisible OC-48
John Hanna, Government Affairs Director, South West Carpenter
Raymond Heimstra, Associate Director, Orange County Coastkeeper
Zeke Hernandez, Board Trustee, Rancho Santiago Community College DL5
Donovan Higbee, representing Congresswoman Mimi Walters
Dr. Mikel Hogan, resident of Huntington Beach - verify
APPEARANCES CONTINUED

ALSO PRESENT:

Flossie Horgan, Board Member, Bolsa Chica Land Trust
Susan Jordan, Enviro Coalition, California Coastal Protection Network
Alex Kanavechyk
Clayton King, Lawyer, representing citizens of Huntington Beach
Herb Kleeman, United Association, Local 250
Terrell E. Koken
Jenny Krusoe, AltaSea
Mary Kyle
Ed Laird, Huntington Beach resident and business owner
Ira Leibowitz, representing self
Victor Leipzig, Bolsa Chica Land Trust
Kevin Lizama, Millennials for New Water
Scott Maloni, Poseidon Water
Steve Maren
Araceli Martinez, La Opinion
Aaron McCall, Indivisible OC-48
Roy McCord
John McKirachan, Huntington Beach Resident
Ernesto Medrano
Andreas Mihaly, Millennials for New Water
William Moreno, Millennials for New Water
APPEARANCES CONTINUED

ALSO PRESENT:
Charlene Muhammad, In the Works Media
Kris Murray, Council Member, City of Anaheim
Damon Nagomi, Enviro Coalition, Natural Resources Defense Council
Victor Nguyen, Millennials for New Water
John O'Neil, Council Member, City of Garden Grove
John Palacio, Boardmember, Santa Ana Unified School District
Stephanie Pacheco, resident of Huntington Beach
Staley Prom, Surfrider Foundation
Sofia G. Quillones, Community Treaty of Guadalupe Hidalgo
Steve Ray, Executive Director, Banning Ranch Conservancy
Olga Zapata-Reynolds
Adam Rodel, OCAR, Resident/Business Owner
Oscar Rodriguez, Oak View Community
Morgan Roth, representing Congresswoman Nanette Barragán
Mandy Sacket, Surfrider
Rolando Salmeron, 350.org - Engineer
Jestin Samson
Laura Santos, Environmental Justice, Trustee, Mt. San Antonio College, William C. Velasquez Institute
Althea Santucci, Self
Jennifer Savage, Surfrider
Peter Schurmann, New America Media
ALSO PRESENT:

John Sears, Board Member, East Orange County Water District
Mark Sheldon, Member, Huntington Beach Environmental Board
Jan Shomaker, former Huntington Beach Planning Commissioner
Debbie Sivas, Enviro Coalition
Paul Simonds, Chair, South Orange County Economic Coalition
Adam Smith, California Resources Corporation
Joann Spotted Bear
Cari Swan, Huntington Beach resident
Patricia Taylor, representing Assemblyman Matthew Harper
Dianne Thompson, Co-Chair Gov't Affairs, Huntington Beach Chamber of Commerce
Victor Vallardares, Oak View Community
Norma Vandermolen, resident of Huntington Beach
Donna Varner, South Orange County Economic Coalition
Leslie Vasquez
Dallas Weaver
Bethany Webb, HB Huddle
Erik Weigand, representing Senator Pat Bates
Noel Weiss
Michael Wellborn, President, Friends of Harbors, Beaches & Parks
Kevin Wen, Millennials for New Water
APPEARANCES CONTINUED

ALSO PRESENT:
Fred Whitaker, Councilmember, Orange City
Sandra Whitehouse, AltaSea
Adam Wood, Building Industry Association, Orange County
Frank Zambrano, Southwest Regional Council
Continuation of Rent Actions to be taken by the Executive Officer pursuant to the Commission’s Delegation of Authority:

- Richard A. Bucko and Juanita L. Bucko (Lessee): Continuation of annual rent at $129 per year for a General Lease – Recreational Use located on sovereign land in the Sacramento River, adjacent to 11864 Washington Avenue, near Courtland, Sacramento County. (PRC 8064.1)

- Anthony C. Evans and Carol Ross Evans, Trustees of the Tony and Carol Evans 2000 Revocable Trust, established April 20, 2000 (Lessee): Continuation of annual rent at $1,768 per year for a General Lease – Recreational Use located on sovereign land in Lake Tahoe, adjacent to 8547 Meeks Bay Avenue, near Rubicon Bay, El Dorado County. (PRC 8368.1)

- David J. Ferrari (Lessee): Continuation of annual rent at $754 per year for a General Lease – Recreational Use located on sovereign land in Lake Tahoe, adjacent to 6259 North Lake Boulevard, near Tahoe Vista, Placer County. (PRC 8431.1)

- Imperial Irrigation District (Lessee): Continuation of annual rent at $450 per year for a General Lease – Right-of-Way Use located on sovereign land in the Colorado River, near Yuma, Arizona, Imperial County. (PRC 2344.1)

- Joshua Weiss Harmatz and Leslie Harmatz, Co-Trustees of The Harmatz Family Trust dated December 8, 2009 (Lessee): Continuation of annual rent...
rent at $290 per year for a General Lease – Recreational and Protective Structure Use located on sovereign land in the Sacramento River, adjacent to 4171 Garden Highway, near Sacramento, Sacramento County. (PRC 5697.1)

- Paul S. Heath and Barbara R. Heath, as Trustees of The Paul Heath Family 1981 Trust dated June 18, 1981 as amended January 27, 1992 (Lessee): Continuation of annual rent at $754 per year for a General Lease – Recreational Use located on sovereign land in Lake Tahoe, adjacent to 2940 Lake Terrace Avenue, near Tahoe City, Placer County. (PRC 9014.1)

- Jason Lawrence Hill and Jonathan Martin Hill (Lessee): Continuation of annual rent at $531 per year for a General Lease – Recreational Use located on sovereign land in Lake Tahoe, adjacent to 5672 North Lake Boulevard, near Carnelian Bay, Placer County. (PRC 4871.1)

- Procter R. Hug, Jr. and Barbara E. Hug, as Co-Trustees of the Procter R. Hug, Jr. and Barbara E. Hug Family Trust Agreement dated November 21, 1988; Cheryl Hug English; Procter J. Hug; and Elyse Hug Pasha (Lessee): Continuation of annual rent at $1,206 per year for a General Lease – Recreational and Protective Structure Use located on sovereign land in Lake Tahoe, adjacent to 8670 Brockway Vista Avenue, near Kings Beach, Placer County. (PRC 8935.1)

- George Stanley Langston and Betty Lea Langston as Trustees of the Langston Family Trust of 1990 U.D.T. dated September 28, 1990 (Lessee): Continuation of annual rent at $1,587 per year for a General Lease – Recreational Use located on sovereign land in Lake Tahoe, adjacent to 8501 and 8503 Meeks Bay Avenue, near Meeks Bay, El Dorado County. (PRC 5558.1)

- Mark D. Leng and Sherri E. Leng (Lessee): Continuation of annual rent at $251 per year for a General Lease – Recreational and Protective Structure Use located on sovereign land in the
Sacramento River, adjacent to 2541 Garden Highway, near Sacramento, Sacramento County. (PRC 7833.1)

- Charles S. McDowell and Corinne L. McDowell, Trustees of the McDowell Family Trust, dated June 28, 1994 (Lessee): Continuation of annual rent at $788 per year for a General Lease – Recreational Use located on sovereign land in Georgiana Slough, adjacent to Sacramento County Assessor's Parcel Number 156-0080-069, near Isleton, Sacramento County. (PRC 8489.1)

- Oakley Station, LLC (Lessee): Continuation of annual rent at $754 per year for a General Lease – Recreational Use located on sovereign land in Lake Tahoe, adjacent to 4120 Ferguson Avenue, near Carnelian Bay, Placer County. (PRC 9021.1)

- Donald G. Phillips and Debra L. Phillips (Lessee): Continuation of annual rent at $2,066 per year for a General Lease – Recreational Use, located on sovereign land in Georgiana Slough, adjacent to 17211 Terminous Road, near Isleton, Sacramento County. (PRC 8221.1)

- James C. Ross and Jean L. Scott (Lessee): Continuation of annual rent at $361 per year for a General Lease – Recreational and Protective Structure Use located on sovereign land in the Sacramento River, adjacent to 2331 Garden Highway, near Sacramento, Sacramento County. (PRC 5901.1)

- Sherwood Harbor Marina, LLC (Lessee): Continuation of annual rent at $11,209 per year for a General Lease – Commercial Use located on sovereign land in the Sacramento River, adjacent to 3505 South River Road, near West Sacramento, Yolo County. (PRC 6372.1)

(Lessee): Continuation of annual rent at $1,926 per year for a General Lease – Recreational Use located on sovereign land in Lake Tahoe, adjacent to 2220 Sunnyside Lane, near Tahoe City, Placer County. (PRC 5598.1)

- Richard E. Ward and Jaqueline P. Ward (Lessee): Continuation of annual rent at $477 per year for a General Lease – Recreational and Protective Structure Use located on sovereign land in the Sacramento River, adjacent to 3131 Garden Highway, near Sacramento, Sacramento County. (PRC 9011.1)

- Ursula Wertz, Sole Trustee of the Wertz Family Trust, dated October 25, 1989 (Lessee): Continuation of annual rent at $146 per year for a General Lease – Recreational Use located on sovereign land in Corte Madera Creek, adjacent to 37 Boardwalk One, near Larkspur, Marin County. (PRC 6354.1)

THE FOLLOWING ITEMS ARE CONSIDERED TO BE NONCONTROVERSIAL AND ARE SUBJECT TO CHANGE AT ANY TIME UP TO THE DATE OF THE MEETING.

LAND MANAGEMENT DIVISION

NORTHERN REGION

C01 COUNTY OF DEL NORTE (APPLICANT): Consider application for a General Lease – Public Agency Use, of sovereign land located in the Klamath River, adjacent to Assessor’s Parcel Numbers 140-060-14, 140-060-15, 140-130-28, 140-130-07, 140-130-09, 140-130-11, 140-130-12, and 140-130-13, near Klamath, Del Norte County; for an existing paved access road known as Klamath Beach Road. CEQA Consideration: categorical exemption. (PRC 3477.9; RA# 28615) (A 2; S 2)

(Staff: M.J. Columbus)
R. DANIEL PUTMAN AND KATHLEEN L. WILLIAMS, CO-TRUSTEES OF THE PUTMAN-WILLIAMS LIVING TRUST DATED APRIL 30, 2015 (APPLICANT): Consider application for a General Lease – Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 8307 Meeks Bay Avenue, near Meeks Bay, El Dorado County; for an existing pier, boat lift, and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 4145.1; RA# 01916) (A 5; S 1)(Staff: M.J. Columbus)

SIENNA PARTNERS, LLC; LEE J. SCHWEICHLER, TRUSTEE OF THE ANN W. SCHWEICHLER QUALIFIED PERSONAL RESIDENCE TRUST, DATED SEPTEMBER 10, 2009; AND ANN W. SCHWEICHLER, TRUSTEE OF THE LEE J. SCHWEICHLER QUALIFIED PERSONAL RESIDENCE TRUST, DATED SEPTEMBER 10, 2009 (APPLICANT): Consider acceptance of quitclaim deeds for Lease No. PRC 6819.1, a General Lease – Recreational Use, and PRC 8981.1, a General Lease – Recreational Use, and application for a General Lease – Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 8375 and 8381 Meeks Bay, near Meeks Bay, El Dorado County; for four mooring buoys previously authorized by the Commission and an existing sundeck with safety railings not previously authorized by the Commission and the proposed removal, relocation, and reconstruction of an existing joint-use pier, and appurtenant facilities. CEQA Consideration: categorical exemptions. (PRC 6819.1; PRC 8981.1; RA# 28716) (A 5; S 1) (Staff: M.J. Columbus)

CHARLOTTE M. HAHN, TRUSTEE UNDER AGREEMENT DATED DECEMBER 30, 1980, AS AMENDED; AND MICHAEL P. GARTON AND BEVERLEY J. GARTON (APPLICANT): Consider an application for a General Lease – Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 5220 West Lake Boulevard, near Homewood, Placer County; for an existing pier, boat lift, and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 3680.1; RA# 15016) (A 1; S 1) (Staff: K. Connor)

JOSEPH P. BARATTA, II AND ABIGAIL W. BARATTA (APPLICANT): Consider an application for a
C06  GERALD BAILEY AND LAUREN BAILEY, CO-TRUSTEES OF THE BAILEY FAMILY TRUST DATED NOVEMBER 7, 2016; MICHAEL J. PEASE AND JILL M. PEASE, TRUSTEES OF THE MICHAEL J. AND JILL M. PEASE FAMILY TRUST DATED NOVEMBER 18, 1998 (APPLICANT): Consider application for a General Lease – Recreational Use, of sovereign land located in Donner Lake, adjacent to 14072 South Shore Drive, near Truckee, Nevada County; for an existing pier. CEQA Consideration: categorical exemption. (PRC 7972.1; RA# 27816) (A 1; S 1) (Staff: K. Connor)

C07  GREER M. ARTHUR, JR. AND VERONICA ARTHUR, TRUSTEES AND SUCCESSOR TRUSTEES, OF THE ARTHUR LIVING TRUST DATED DECEMBER 24, 1991 (APPLICANT): Consider an application for a General Lease – Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 2250 North Lake Boulevard, near Tahoe City, Placer County; for an existing pier, boat lift, and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 8001.1; RA# 31216) (A 1; S 1) (Staff: K. Connor)

C08  ARNOLD NAKAZATO; AND BRIAN D. WALSH AND LAURA N. WALSH, TRUSTEES, THE WALSH FAMILY TRUST DATED MARCH 20, 2001 (APPLICANT): Consider application for a General Lease – Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 4798 North Lake Boulevard, near Carnelian Bay, Placer County; for two mooring buoys. CEQA Consideration: categorical exemption. (PRC 8498.1; RA# 16316) (A 1; S 1) (Staff: K. Connor)

C09  ROBERT J. ERNST III AND KATHERINE R. R. ERNST (ASSIGNOR); ROBERT J. ERNST III AND KATHERINE R. ERNST, AS TRUSTEES OF THE ROBERT AND KATHERINE ERNST TRUST, DATED MARCH 27, 2017 (ASSIGNEE): Consider an application for an assignment of
Lease No. PRC 8977.9, a General Lease – Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 3310 Edgewater Drive, near Tahoe City, Placer County; for two existing mooring buoys. CEQA Consideration: not a project. (PRC 8977.9; RA# 31316) (A 1; S 1) (Staff: K. Connor)

C10 NEAL ADAMS AND KRISTINE MCCALLISTER, AS TRUSTEES OF THE 2017 NEAL ADAMS AND KRISTINE MCCALLISTER REVOCABLE TRUST DATED MAY 11, 2017 (APPLICANT): Consider application for a General Lease – Recreational Use, of sovereign land located in the Napa River, adjacent to 1364 Milton Road, city of Napa, Napa County; for an existing walkway and two pilings not previously authorized by the Commission. CEQA Consideration: categorical exemption. (W 27124; RA# 31016) (A 4; S 3) (Staff: K. Connor)

C11 PAUL PHILLIPS (ASSIGNOR); ALAN P. PHILLIPS AND GENIA S. PHILLIPS (ASSIGNEE): Consider application for the assignment, amendment of lease, and revision of rent to Lease No. PRC 3223.1, General Lease – Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 6400 North Lake Boulevard, near Tahoe Vista, Placer County; for an existing pier, boat lift, and two mooring buoys. CEQA Consideration: not projects. (PRC 3223.1; RA# 01217) (A 1; S 1) (Staff: N. Lee)

C12 THARSING FAMILY LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 2366.1, a General Lease – Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 8341 Meeks Bay Avenue, near Meeks Bay, El Dorado County; for an existing pier and one mooring buoy. CEQA Consideration: not projects. (PRC 2366.1) (A 5; S 1) (Staff: M. Schroeder)

C13 RESERVATION RANCH DBA SHIP ASHORE, A GENERAL PARTNERSHIP (ASSIGNOR); TOLOWA DEE-NI’ NATION (ASSIGNEE): Consider application for the
assignment of Lease No. PRC 5284.1, a General Lease – Other, of sovereign land located in Smith River, adjacent to 12370 Highway 101 North, near Smith River, Del Norte County; for existing pilings and remnant pilings, deck, boat ramp, breakwater, fill area, concrete abutment, and riprap. CEQA Consideration: not a project. (PRC 5284.1; RA# 17916) (A 2; S 2) (Staff: M. Schroeder)

C14 TIMOTHY MINTON ANDERSON AND MITZI JOAN MARVEL, TRUSTEES OF THE ANDERSON/MARVEL TRUST AGREEMENT DATED SEPTEMBER 25TH, 2006 (APPLICANT): Consider application for a General Lease – Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 323 Sierra Drive, near Rubicon Bay, El Dorado County; for two existing mooring buoys. CEQA Consideration: categorical exemption. (PRC 5322.1; RA# 31916) (A 5; S 1) (Staff: M. Schroeder)

C15 NANCY L. D’ANDREA, AS TRUSTEE OF THE ROBERT J. D’ANDREA AND NANCY L. D’ANDREA INTER VIVOS TRUST AGREEMENT, DATED DECEMBER 2, 1988 (APPLICANT): Consider application for a General Lease – Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 7149 Highway 89, near Tahoma, El Dorado County; for an existing pier previously authorized by the Commission and an existing marine rail system not previously authorized by the Commission. CEQA Consideration: categorical exemption. (PRC 3655.1; RA# 10216) (A 5; S 1) (Staff: M. Schroeder)

C16 WILLIAM ALBERT SHAW (APPLICANT): Consider application for a General Lease – Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 730 West Lake Boulevard, Tahoe City, Placer County; for two existing mooring buoys. CEQA Consideration: categorical exemption. (PRC 5786.1; RA# 05416) (A 1; S 1) (Staff: M. Schroeder)

C17 EDWARD P. MESSERLY AND SUDHA M. PENNATHUR, AS TRUSTEES OF THE PENNATHUR MESSERLY TRUST, UNDER DECLARATION OF TRUST DATED AUGUST 6, 2010
<table>
<thead>
<tr>
<th>INDEX CONTINUED</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAGE</td>
</tr>
<tr>
<td>(APPLICANT): Consider application for a General Lease – Recreational Use, of sovereign land located in the Napa River, adjacent to 1358 Milton Road, city of Napa, Napa County; for three existing floating boat docks and appurtenant facilities. CEQA Consideration: categorical exemption. (PRC 7051.1; RA# 13516) (A 4; S 3) (Staff: M. Schroeder)</td>
</tr>
<tr>
<td>C18 SMALLS CREEK, LLC, A NEVADA LIMITED LIABILITY COMPANY (LESSEE); TWIN PINES, LLC, A DELAWARE LIMITED LIABILITY COMPANY (APPLICANT): Consider waiver of rent, penalty, and interest; acceptance of a quitclaim deed for Lease No. PRC 7857.1, a General Lease – Recreational Use; and an application for a General Lease – Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 853 Stateline Avenue, city of South Lake Tahoe, El Dorado County; for an existing pier, boat lift and one mooring buoy. CEQA Consideration: categorical exemption. (PRC 7857.1; RA# 12816) (A 5; S 1) (Staff: M. Schroeder)</td>
</tr>
<tr>
<td>C19 RONALD F. MACK AND JUDY A. MACK, CO-TRUSTEES OF THE RON AND JUDY MACK FAMILY TRUST (U/T/A JUNE 8, 1983) (APPLICANT): Consider application for a General Lease – Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 1170 West Lake Boulevard, Tahoe City, Placer County; for two existing mooring buoys. CEQA Consideration: categorical exemption. (PRC 8016.1; RA# 14916) (A 1; S 1) (Staff: M. Schroeder)</td>
</tr>
<tr>
<td>C20 CARSWELL PARTNERS, L.P., A CALIFORNIA LIMITED PARTNERSHIP (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 1985.1, a General Lease – Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 4840 West Lake Boulevard, near Homewood, Placer County; for an existing pier and two mooring buoys. CEQA Consideration: not projects. (PRC 1985.1) (A 1; S 1) (Staff: D. Simpkin)</td>
</tr>
<tr>
<td>C21 RCD TAHOE LP, A CALIFORNIA LIMITED PARTNERSHIP; DAVID J. TEECE; AND LEIGH G. TEECE (LESSEE):</td>
</tr>
</tbody>
</table>
Consider an amendment of lease and revision of rent to Lease No. PRC 2223.1, a General Lease – Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 9125 Emerald Bay Road and 256 Four Ring Road, near Rubicon Bay, El Dorado County; for an existing joint-use pier, boathouse, and four mooring buoys. CEQA Consideration: not projects. (PRC 2223.1) (A 10; S 2) (Staff: D. Simpkin)

C22 JAMES PATRICK BAKER AND ELIZABETH R. BAKER, AS TRUSTEES OF THE JAMES PATRICK BAKER AND ELIZABETH R. BAKER FAMILY TRUST U/A/D SEPTEMBER 16, 2010 (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 3094.1, a General Lease – Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 8797 Rubicon Drive, near Rubicon Bay, El Dorado County; for an existing pier and two mooring buoys. CEQA Consideration: not projects. (PRC 3094.1) (A 5; S 1) (Staff: D. Simpkin)

C23 BRIAN JOHNSON TRUST; AND GARY STEVEN PLEAU AND VIVIAN M. M. PLEAU, TRUSTEES UNDER THE PLEAU LIVING TRUST DATED AUGUST 29, 1996, FBO GARY STEVEN PLEAU AND VIVIAN M.M. PLEAU (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 3546.1, a General Lease – Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 5460 and 5480 West Lake Boulevard, near Homewood, Placer County; for an existing joint-use pier, two boat lifts and four mooring buoys. CEQA Consideration: not projects. (PRC 3546.1) (A 1; S 1) (Staff: D. Simpkin)

C24 BREUNER TAHOE PARTNERSHIP; AND GREBITUS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 3557.1, a General Lease – Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 4920 and 4930 West Lake Boulevard, near Homewood, Placer County; for an existing joint-use pier and four mooring buoys. CEQA Consideration: not projects. (PRC 3557.1) (A 1; S 1) (Staff: D. Simpkin)
JOHN A. MCINTOSH AND LYNNE B. MCINTOSH, TRUSTEES UNDER REVOCABLE TRUST AGREEMENT DATED MAY 27, 1988 (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 4357.1, a General Lease – Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 6740 Powderhorn Lane, near Tahoma, Placer County; for an existing pier and one mooring buoy. CEQA Consideration: not projects. (PRC 4357.1) (A 1; S 1) (Staff: D. Simpkin)

RICK L. ANTLE AND TONYA ANTLE; AND MICHAEL D. CLING AND MARY JEAN CLING (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 8471.1, a General Lease – Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 8833 Winston Way, near Rubicon Bay, El Dorado County; for an existing pier, boat lift, and two mooring buoys. CEQA Consideration: not projects. (PRC 8471.1) (A 5; S 1) (Staff: D. Simpkin)

RUBICON PARK ESTATES IMPROVEMENT ASSOCIATION (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 1711.1, a General Lease – Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 8820 Victoria Circle, near Rubicon Bay, El Dorado County; for an existing pier, swim platform, and 50 mooring buoys. CEQA Consideration: not projects. (PRC 1711.1) (A 5; S 1) (Staff: J. Toy)

WILLIAM E. BITTNER AND NANCY G. BITTNER, CO-TRUSTEES UNDER REVOCABLE TRUST DATED SEPTEMBER 5, 1990 (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 3850.1, a General Lease – Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 3675 Idlewild Way, near Homewood, Placer County; for an existing pier and one mooring buoy. CEQA Consideration: not projects. (PRC 3850.1) (A 1; S 1) (Staff: J. Toy)

JOHN E. WARNOCK AND MARVA M. WARNOCK, AS TRUSTEES OF THE WARNOCK FAMILY TRUST DATED AUGUST 27, 2012 (LESSEE): Consider an amendment of lease and
I N D E X  C O N T I N U E D

revision of rent to Lease No. PRC 4186.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 5470 North Lake Boulevard, near Carnelian Bay, Placer County; for an existing pier and one mooring buoy. CEQA Consideration: not projects. (PRC 4186.1) (A 1; S 1) (Staff: J. Toy)

C30 LAKE POINT PLANNED UNIT DEVELOPMENT HOMEOWNERS ASSOCIATION (LESSEE): Consider an amendment of lease, revision of rent, and correction to prior authorization for Lease No. PRC 4198.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 7650 North Lake Boulevard near Tahoe Vista, Placer County; for an existing pier, boat lift, rock jetty, and two mooring buoys. CEQA Consideration: not projects. (PRC 4198.1) (A 1; S 1) (Staff: J. Toy)

C31 SEAN J. KEENE AND AMMANDA E. KEENE, TRUSTEES OF THE SEAN AND AMMANDA KEENE 2004 TRUST, DATED AUGUST 19, 2008 AS AMENDED (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 4855.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 5820 North Lake Boulevard, near Agate Bay, Placer County; for an existing pier and two mooring buoys. CEQA Consideration: not projects. (PRC 4855.1) (A 1; S 1) (Staff: J. Toy)

C32 RICHARD BOWLING, JR. AND KATHLEEN S. BOWLING, AS CO-TRUSTEES OF THE BOWLING REVOCABLE TRUST DATED DECEMBER 27, 1991 (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 5318.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 4692 North Lake Tahoe Boulevard, near Carnelian Bay, Placer County; for an existing pier, boat lift, and two mooring buoys. CEQA Consideration: not projects. (PRC 5318.1) (A 1; S 1) (Staff: J. Toy)

C33 ROGER B. PRIMM, TRUSTEE OF THE REVISED AND RESTATE ROGER B. PRIMM FAMILY TRUST U/D/T JANUARY 30, 1990 (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC
6863.1, a General Lease – Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 3115 Jameson Beach Road, near South Lake Tahoe, El Dorado County; for an existing pier and two mooring buoys. CEQA Consideration: not projects. (PRC 6863.1) (A 5; S 1) (Staff: J. Toy)

C34 STEPHEN J. GORDON, TRUSTEE OF THE STEPHEN J. GORDON REVOCABLE TRUST; AND JAMES A. ROBERTSON AND CATHY ROBERTSON, AS TRUSTEES OF THE JAMES AND CATHY ROBERTSON TRUST DATED SEPTEMBER 5, 1996 (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 8356.1, a General Lease – Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 8770 and 8774 Brockway Vista Avenue, near Kings Beach, Placer County; for an existing joint-use pier and four mooring buoys. CEQA Consideration: not projects. (PRC 8356.1) (A 1; S 1) (Staff: J. Toy)

BAY/DELTA REGION

C35 FRED E. WEIBEL, JR. AND JUDITH L. WEIBEL, AS TRUSTEES OF THE WEIBEL 1996 LIVING TRUST DATED 10/15/96 (LESSEE): Consider revision of rent to Lease No. PRC 4361.1, a General Lease – Recreational and Protective Structure Use, of sovereign land located in the Calaveras River, adjacent to 4151 Yacht Harbor Drive, near Stockton, San Joaquin County; for an existing boathouse with a boat lift, ramp, walkway, bulkhead, and 28 pilings. CEQA Consideration: not a project. (PRC 4361.1) (A 13; S 5) (Staff: G. Asimakopoulos)

C36 DEVIL’S ISLE, INC. (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 6548.1, a General Lease – Recreational and Protective Structure Use, of sovereign land located in White Slough and Little Potato Slough, adjacent to 14501 West Eight Mile Road, near Stockton, San Joaquin County; for an existing floating boat dock with four single berth slips, three ramps, covered swimming float, and bank protection. CEQA Consideration: not projects. (PRC 6548.1) (A 13; S 5) (Staff: G. Asimakopoulos)
JAMES G. ROSS AND LAUREL J. ROSS, TRUSTEES OF THE ROSS FAMILY TRUST (LESSEE); SUSAN E. CASTON, TRUSTEE OF THE SUSAN E. CASTON SURVIVOR’S TRUST, DATED DECEMBER 22, 2008 (APPLICANT): Consider acceptance of a lease quitclaim deed for Lease No. 6831.1, a General Lease – Recreational Use, and an application for a General Lease – Recreational Use, of sovereign land located in the Sacramento River, adjacent to 13219 River Road, near Walnut Grove, Sacramento County; for an existing floating boat dock and appurtenant facilities. CEQA Consideration: categorical exemption. (PRC 6831.1; RA# 02917) (A 9; S 3) (Staff: G. Asimakopoulos)

COUNTY OF SAN JOAQUIN (LESSEE): Consider correction to prior authorization of Lease No. 9421.9, a General Lease – Public Agency Use, of sovereign land located in Middle River, adjacent to Assessor’s Parcel Numbers 129-200-35 and 129-180-36, on Woodward Island, near Stockton, San Joaquin County; for the construction, use, and maintenance of the Woodward Island Bridge, use of a temporary construction easement, and the removal of the existing Woodward Island Ferry system. CEQA Consideration: not a project. (PRC 9421.9) (A 13; S 5) (Staff: G. Asimakopoulos)

KENNETH TOCH, SUCCESSOR CO-TRUSTEE TO MARILYN TOCH AND KAREN L. WAGGERMAN, CO-TRUSTEES UNDER THE TOCH REVOCABLE INTER VIVOS TRUST DATED APRIL 8, 1983 (ASSIGNOR); ADD T. KENNON, JR. AND BETTY A. KENNON, TRUSTEE OF THE ADD T. KENNON, JR. AND BETTY KENNON FAMILY TRUST U/D DATED OCTOBER 24, 2011 (ASSIGNEE): Consider application for the assignment of Lease No. PRC 6049.1, General Lease – Recreational and Residential Use, of sovereign land located in Mare Island Strait, adjacent to 7 Sandy Beach Road, near Vallejo, Solano County; for a portion of an existing residence, deck, and appurtenant facilities. CEQA Consideration: not a project. (PRC 6049.1; RA# 01317) (A 14; S 3) (Staff: V. Caldwell)

MARIN ROWING ASSOCIATION (APPLICANT): Consider application for a General Lease – Recreational Use of sovereign land located in the San Francisco Bay.
and Protective Structure Use, of sovereign land located in Corte Madera Creek adjacent to 50 Drakes Landing Road, Greenbrae, Marin County; for an existing pier, ramp, and boat dock previously authorized by the Commission and two 3-pile dolphins, a second boat dock, and bank protection not previously authorized by the Commission. CEQA Consideration: categorical exemptions. (PRC 7129.1; RA# 19715) (A 10; S 3) (Staff: A. Franzoia)

C41 BURLINGAME BAY PARK HOTEL, LLC (APPLICANT): Consider application for a General Lease – Recreational and Protective Structure Use of sovereign land located in San Francisco Bay, city of Burlingame, San Mateo County; to maintain access to and functionality of the existing San Francisco Bay Trail; maintain signage and cyclone fencing; remove all trash, rubbish, and debris; reduce potential fire hazards; and monitor shoreline protective structures. CEQA Consideration: categorical exemption. (W 26981; RA# 35315) (A 22; S 13) (Staff: A. Franzoia)

C42 SANTA CLARA VALLEY WATER DISTRICT (APPLICANT): Consider application for a General Lease – Public Agency Use, of sovereign land located in the Lower Guadalupe River and the historic bed of Alviso Slough and Steamboat Slough, near San Jose, Santa Clara County; for flood protection and maintenance management purposes. CEQA Consideration: Subsequent Environmental Impact Report, certified by the Santa Clara Valley Water District, State Clearinghouse No. 2000102055, and adoption of a Mitigation Monitoring Program, Statement of Findings, and Statement of Overriding Considerations. (PRC 3968.9/PRC 3949.9; RA# 28116) (A 25; S 10) (Staff: M. Hays)

C43 PHILLIP R. PETERSON AND TONJA SUE PETERSON (APPLICANT): Consider application for a General Lease – Recreational Use, of sovereign land located in the Petaluma River, adjacent to 35 Hillside Terrace, near Novato, Marin County; for an existing boathouse, pier, and walkway. CEQA Consideration: categorical exemption. (PRC
OX BOW MARINA, A CALIFORNIA GENERAL PARTNERSHIP (APPLICANT): Consider application for a General Lease – Other, of sovereign land located in Georgiana Slough, Andrus Island, adjacent to 100 Oxbow Marina Drive, near Isleton, Sacramento County; for existing bank protection and a culvert. CEQA Consideration: categorical exemption. (PRC 5457.9; RA# 37514) (A 11; S 3) (Staff: J. Holt)

DALE E. HARTZELL (APPLICANT): Consider application for a General Lease – Recreational and Protective Structure Use, of sovereign land located in the Sacramento River, adjacent to 2271 Garden Highway, near Sacramento, Sacramento County; for an existing floating boat dock, appurtenant facilities, and bank protection. CEQA Consideration: categorical exemption. (PRC 7091.1; RA# 32316) (A 7; S 6) (Staff: J. Holt)

TA & JC PROPERTIES, LLC (LESSEE): Consider revision of rent to Lease No. PRC 2851.1, a General Lease – Commercial Use, of sovereign land located in Seven Mile Slough, adjacent to 1100 West Brannan Island Road, near Isleton, Sacramento County; for an existing commercial marina. CEQA Consideration: not a project. (PRC 2851.1) (A 11; S 3) (Staff: N. Lavoie)

JOHN R. AND PATRICIA W. GARAMENDI, TRUSTEES OF THE GARAMENDI LIVING TRUST, DATED JULY 23, 1989 (LESSEE): Consider a revision of rent to Lease No. PRC 6351.1, a General Lease – Recreational Use, of sovereign land located in the Sacramento River, adjacent to Assessor Parcel Numbers 142-0230-007 and 008, near Walnut Grove, Sacramento County; for a floating boat dock and appurtenant facilities. CEQA Consideration: not a project. (PRC 6351.1) (A 11; S 3) (Staff: D. Simpkin)

BERNARD E. SCOVILLE (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 5042.1, a General Lease – Recreational Use, of sovereign land located in the Sacramento River, adjacent to 2271 Garden Highway, near Sacramento, Sacramento County; for an existing floating boat dock, appurtenant facilities, and bank protection. CEQA Consideration: categorical exemption. (PRC 5457.9; RA# 37514) (A 11; S 3) (Staff: J. Holt)
and Protective Structure Use, of sovereign land located in the Sacramento River, adjacent to 2395 Garden Highway, near Sacramento, Sacramento County; for a floating boat dock, appurtenant facilities, and bank protection. CEQA Consideration: not projects. (PRC 5042.1) (A 7; S 6) (Staff: J. Toy)

C49 NARA GARDENS HOMEOWNERS ASSOCIATION (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 5459.1, a General Lease - Recreational Use, of sovereign land located in Corte Madera Creek, adjacent to Nara Gardens Homeowners Association on S. Eliseo Drive, near Greenbrae, Marin County; for an existing dock and appurtenant facilities. CEQA Consideration: not projects. (PRC 5459.1) (A 10; S 2) (Staff: J. Toy)

C50 GARY MOORE (LESSEE): Consider revision of rent to Lease No. PRC 5778.1, a General Lease - Agricultural and Protective Structure Use, of filled and unfilled sovereign land located on Assessor's Parcel Number 157-0110-030 and in the Sacramento River, near Rio Vista, Sacramento County; for the storage of agricultural equipment and bank protection. CEQA Consideration: not a project. (PRC 5778.1) (A 11; S 3) (Staff: J. Toy)

C51 MICHAEL S. TINKER (LESSEE): Consider revision of rent to Lease No. PRC 5840.1, a General Lease - Recreational and Protective Structure Use, of sovereign land located in the Sacramento River, adjacent to 2375 Garden Highway, near Sacramento, Sacramento County; for an existing floating boat dock, appurtenant facilities, and bank protection. CEQA Consideration: not a project. (PRC 5840.1) (A 7; S 6) (Staff: J. Toy)

C52 CALIFORNIA RESOURCES PETROLEUM CORPORATION (LESSEE): Consider revision of rent to Lease No. PRC 8354.1, a General Lease - Right-of-Way Use, of sovereign land located in Seven Mile Slough, adjacent to Twitchell and Brannan Islands, near Rio Vista, Sacramento County; for an existing natural gas pipeline. CEQA Consideration: not a project. (PRC 8354.1) (A 11; S 3) (Staff: J. Toy)
C53 CALIFORNIA RESOURCES PETROLEUM CORPORATION (LESSEE): Consider revision of rent to Lease No. PRC 8485.1, a General Lease – Right-of-Way Use, of sovereign land located in Tomato Slough at Brannan Island, near Rio Vista, Sacramento County; for an existing natural gas pipeline and access road. CEQA Consideration: not a project. (PRC 8485.1) (A 11; S 3) (Staff: J. Toy)

C54 CHARLES R. DIETZ, TRUSTEE OF THE CHARLES R. DIETZ REVOCABLE LIVING TRUST, DATED JULY 18, 2007 (APPLICANT): Consider application for a General Lease – Recreational and Protective Structure Use, of sovereign land located in the Sacramento River, adjacent to 3031 Garden Highway, near Sacramento, Sacramento County; for an existing boat dock and appurtenant facilities previously authorized by the Commission, and a boat lift, two personal watercraft landings, and bank protection not previously authorized by the Commission. CEQA Consideration: categorical exemption. (PRC 5144.1; RA# 25116) (A 7; S 6) (Staff: D. Tutov)

C55 HENRY J. SOSSO III AND PATRICIA A. SOSSO, TRUSTEES, AND SUCCESSOR TRUSTEES, OF THE HENRY J. SOSSO III AND PATRICIA A. SOSSO TRUST UNDER AGREEMENT DATED OCTOBER 28, 1993 (APPLICANT): Consider application for a General Lease – Recreational Use, of sovereign land located in Georgiana Slough, adjacent to 14323 River Road, near Walnut Grove, Sacramento County; for one existing boat dock and walkway previously authorized by the Commission and one existing boat dock and walkway not previously authorized by the Commission. CEQA Consideration: categorical exemption. (PRC 5280.1; RA# 23316) (A 11; S 3) (Staff: D. Tutov)

C56 ANTHONY JOHNSON AND TERRY SHRODE (APPLICANT): Consider application for a General Lease – Recreational Use, of sovereign land located in Tomales Bay, adjacent to 19225 Highway 1, near Marshall, Marin County; for an existing mooring buoy not previously authorized by the Commission. CEQA Consideration: Negative Declaration, adopted by the California State Lands Commission, State
C57 CALIFORNIA STATE COASTAL CONSERVANCY (APPLICANT): Consider application for a General Lease – Public Agency Use, of sovereign land located in San Pablo Bay, at Giant Marsh, near Point Pinole Regional Shoreline in Richmond, Contra Costa County; for habitat restoration. CEQA Consideration: categorical exemption. (W 27114; RA# 28916) (A 15; S 9) (Staff: D. Tutov)

C58 CRAIG R. FRUIN, AS TRUSTEE OF THE CRAIG R. FRUIN LIVING TRUST (APPLICANT): Consider application for a General Lease – Recreational Use, of sovereign land located in Tomales Bay, adjacent to 470 Pierce Point Road, near Inverness, Marin County; for an existing mooring buoy not previously authorized by the Commission. CEQA Consideration: Negative Declaration, adopted by the California State Lands Commission, State Clearinghouse No. 2012082074. (W 27125; RA# 38015) (A 10; S 2) (Staff: D. Tutov)

C59 LEONIS C. MALBURG (ASSIGNOR); LEONIS CLOS MALBURG, TRUSTEE OF TRUST A OF THE MALBURG FAMILY TRUST DATED MAY 25, 2001, AS AMENDED (ASSIGNEE): Consider an application for an assignment of Lease No. PRC 3086.1, a General Lease – Recreational Use, of sovereign land located in Huntington Harbour, adjacent to 16442 Malden Circle, Huntington Beach, Orange County; for an existing boat dock, access ramp, and cantilevered deck. CEQA Consideration: not a project. (PRC 3086.1; RA# 32216) (A 72; S 34) (Staff: S. Avila)

C60 VILLA MAVI, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (APPLICANT): Consider application for a General Lease – Recreational Use, of sovereign land located in the Main Channel of Huntington Harbour, adjacent to 16502 Somerset Lane, Huntington Beach, Orange County; for the removal of an existing boat dock and access ramp; the construction, use, and maintenance of a new boat
dock and access ramp; and the use and maintenance of an existing cantilevered deck. CEQA Consideration: categorical exemption. (PRC 3851.1; RA# 32716) (A 72; S 34) (Staff: S. Avila)

C61 VINCENT B. RUH, TRUSTEE OF THE VINCENT B. RUH TRUST EXECUTED JUNE 19, 1989 (APPLICANT): Consider termination of Lease No. PRC 5698.1, and an application for a General Lease – Recreational Use, of sovereign land located in the Main Channel of Huntington Harbour, adjacent to 16762 Coral Cay Lane, Huntington Beach, Orange County; for the removal of an existing boat dock and access ramp; the construction, use, and maintenance of a new boat dock and access ramp; and the use and maintenance of an existing cantilevered deck. CEQA Consideration: categorical exemption. (PRC 5698.1; RA# 01017) (A 72; S 34) (Staff: S. Avila)

C62 BERNIE BARRAD AND SHEILA BARRAD, TRUSTEES OF THE BERNIE AND SHEILA BARRAD TRUST DATED FEBRUARY 12, 1987 (APPLICANT): Consider an application for a General Lease – Recreational Use, of sovereign land located in Huntington Harbour adjacent to 16932 Coral Cay Lane, Huntington Beach, Orange County; for an existing boat dock, access ramp, and cantilevered deck. CEQA Consideration: categorical exemption. (PRC 6063.1; RA# 17706) (A 72; S 34) (Staff: S. Avila)

C63 SANTA CATALINA ISLAND COMPANY (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 7030.1, a General Lease – Industrial Use, of sovereign land in the Pacific Ocean near Jewfish Point and Empire Landing, Santa Catalina Island, Los Angeles County; for loading facilities necessary for the support of rock quarry activities, including mooring of barges during loading activities, and for an existing riprap shoreline protective structure not previously authorized by the Commission. CEQA Consideration: amendment: categorical exemption; revision of rent: not a project. (PRC 7030.1; RA# 22416) (A 70; S 26) (Staff: S. Avila)
C64 DEAN EDWARD DAUGER, TRUSTEE OF THE ALAN B. DAUGER QUALIFIED PERSONAL RESIDENCE TRUST DATED MAY 20, 1999, FBO DEAN EDWARD DAUGER; DEAN EDWARD DAUGER, TRUSTEE OF THE MARLENE CHENG DAUGER QUALIFIED PERSONAL RESIDENCE TRUST DATED MAY 20, 1999, FBO DEAN EDWARD DAUGER (APPLICANT): Consider application for a General Lease – Recreational and Protective Structure Use, of sovereign land located in the Main Channel of Huntington Harbour, adjacent to 3582 Venture Drive, Huntington Beach, Orange County; for an existing boat dock, access ramp, cantilevered deck, and bulkhead protection. CEQA Consideration: categorical exemption. (PRC 8284.1; RA# 26016) (A 72; S 34) (Staff: S. Avila)

C65 RUBEN BAGHDASSARIAN AND CHERYL B. BAGHDASSARIAN, AS TRUSTEES OF THE RUBEN BAGHDASSARIAN AND CHERYL B. BAGHDASSARIAN LIVING TRUST DATED FEBRUARY 17, 2000 (APPLICANT): Consider application for a General Lease – Recreational and Protective Structure Use, of sovereign land located in the Main Channel of Huntington Harbour, adjacent to 3492 Venture Drive, Huntington Beach, Orange County; for an existing boat dock, access ramp, cantilevered deck, and bulkhead protection. CEQA Consideration: categorical exemption. (PRC 8286.1; RA# 28316) (A 72; S 34) (Staff: S. Avila)

C66 SAN ELIJO LAGOON CONSERVANCY; CALIFORNIA DEPARTMENT OF TRANSPORTATION (CO-APPLICANTS): Consider application for a General Lease – Other, of sovereign land located in the San Elijo Lagoon and the Pacific Ocean, city of Encinitas, San Diego County; for restoration activities including the placement of 850,000 cubic yards of dredge material at two onshore receiver sites and two offshore disposal sites; the construction, use, and maintenance of an overdredge pit and riprap protective structures; and ongoing long-term dredging maintenance activities of the lagoon inlet and main channel including the annual removal of approximately 40,000 cubic yards of dredged material. CEQA Consideration: Environmental Impact Report/Environmental Impact Statement, certified by the County of San Diego
C67 ALEXANDER H. MCKAY AND ELAINE M. MCKAY, AS CO-TRUSTEES OF THE MCKAY LIVING TRUST, ESTABLISHED NOVEMBER 22, 2011 (APPLICANT): Consider application for a General Lease – Recreational Use, of sovereign land located in the Main Channel of Huntington Harbour, adjacent to 16772 Coral Cay Lane, Huntington Beach, Orange County; for the removal of an existing boat dock and access ramp not previously authorized by the Commission; the construction, use, and maintenance of an existing cantilevered deck not previously authorized by the Commission. CEQA Consideration: categorical exemption. (W 27020; RA# 27616) (A 72; S 34) (Staff: S. Avila)

C68 CITY OF SANGER (APPLICANT): Consider application for a General Lease – Public Agency Use, of sovereign land located in the Kings River, 0.5 mile north of the Goodfellow Bridge, City of Sanger, Fresno County; for the construction, use, and maintenance of a non-motorized boat launching ramp; and appurtenant facilities. CEQA Consideration: Mitigated Negative Declaration, adopted by the City of Sanger, State Clearinghouse No. 2016061045, and adoption of a Mitigation Monitoring Program. (W 27112; RA# 27416) (A 31; S 14) (Staff: S. Avila)

C69 DAVID JAY WINKLER AND SHERRY LYNN WINKLER, TRUSTEES OF THE WINKLER TRUST DATED JUNE 5, 1991 (LESSEE/APPLICANT): Consider termination of Lease No. PRC 7789.1, a General Lease – Protective Structure Use; and an application for a General Lease – Protective Structure Use, of sovereign land located in the Pacific Ocean, adjacent to 521 Pacific Avenue, City of Solana Beach, San Diego County; for an existing seawall and sea cave/notch fills; and for the construction, use, and maintenance of a seawall. CEQA Consideration:
C70 RONALD W. LUCKER AND MARIE L. LUCKER, TRUSTEES OF THE RONALD AND MARIE LUCKER FAMILY TRUST DATED JULY 19, 2000 (APPLICANT): Consider application for a General Lease – Protective Structure Use, of sovereign land located in the Pacific Ocean, adjacent to 517 Pacific Avenue, City of Solana Beach, San Diego County; for the construction, use, and maintenance of a seawall. CEQA Consideration: California Coastal Commission Coastal Development Permit No. 6-16-0281. (PRC 7789.1; RA# 08016) (A 78; S 39) (Staff: R. Collins)

C71 SANTA BARBARA COUNTY FLOOD CONTROL DISTRICT (APPLICANT): Consider application for a General Lease – Public Agency Use, of sovereign land located in Davis Creek in the Burton Mesa Ecological Reserve, near Vandenberg Village, Santa Barbara County; for the removal of obstructive vegetation and sediment. CEQA Consideration: Addendum to a Programmatic Environmental Impact Report, certified by the Santa Barbara County Flood Control District, State Clearinghouse No. 2001031043, and adoption of a Mitigation Monitoring Program and Statement of Findings. (W 27134; RA# 04317) (A 35; S 19) (Staff: R. Collins)

C72 CALIFORNIA STATE LANDS COMMISSION (PARTY): Consider approval of the 2017 Category 2 Solana Beach benchmark rental rate for sovereign land in the City of Solana Beach, San Diego County. CEQA Consideration: not a project. (W 27135) (A 78; S 39) (Staff: K. Foster)

C73 6525 POINT LECHUZA DRIVE, LLC (APPLICANT): Consider application for a General Lease – Protective Structure Use, of sovereign land located in the Pacific Ocean, adjacent to 6525 Point Lechuza Drive, Malibu, Los Angeles County; for an existing rock revetment. CEQA Consideration: categorical exemption. (PRC
C74 SYRUS RAYHAN AND ELAHEH RAYHAN, AS TRUSTEES OF THE "SYRUS RAYHAN AND ELAHEH RAYHAN 1994 TRUST" DATED APRIL 20, 1994. (APPLICANT): Consider application for a General Lease – Recreational and Protective Structure Use, of sovereign land located in the Main Channel of Huntington Harbour, adjacent to 3612 Venture Drive, Huntington Beach, Orange County; for an existing boat dock, access ramp, cantilevered deck, and bulkhead protection. CEQA Consideration: categorical exemption. (PRC 8281.1; RA# 29116) (A 72; S 34) (Staff: L. Pino)

C75 CALIFORNIA STATE LANDS COMMISSION AND CALIFORNIA COASTAL COMMISSION (PARTIES): Consider acceptance of an offer to dedicate a lateral public access easement over land adjacent to State tidelands in the city of Malibu, 30732 Pacific Coast Highway, Los Angeles County. CEQA Consideration: not a project. (W 24665) (A 50; S 27) (Staff: L. Pino)

C76 CALIFORNIA STATE LANDS COMMISSION AND CALIFORNIA COASTAL COMMISSION (PARTIES): Consider acceptance of an offer to dedicate a lateral public access easement over land adjacent to State tidelands in the city of Malibu, 21950 Pacific Coast Highway, Los Angeles County. CEQA Consideration: not a project. (W 24665) (A 50; S 27) (Staff: L. Pino)

C77 ROBERT F. BARON AND LLOYD A. BARON, TRUSTEES OF THE BARON FAMILY TRUST (LESSEE): Consider revision of rent to Lease No. PRC 4099.1, a General Lease – Recreational and Protective Structure Use, of sovereign land located in Huntington Harbour, adjacent to 16611 Carousel Lane, Huntington Beach, Orange County; for an existing boat dock, access ramp, cantilevered deck, and bulkhead protection. CEQA Consideration: not a project. (PRC 4099.1) (A 72; S 34) (Staff: D. Simpkin)

C78 DRT, INVESTMENTS, LLC A LIMITED LIABILITY COMPANY (LESSEE): Consider revision of rent to Lease No. PRC 5811.1, a General Lease – Recreational Use,
of sovereign land located in Huntington Harbour, adjacent to 16862 Coral Cay Lane, Huntington Beach, Orange County; for an existing boat dock, access ramp, and cantilevered deck. CEQA Consideration: not a project. (PRC 5811.1) (A 72; S 34) (Staff: D. Simpkin)

C79 SANTA CATALINA ISLAND COMPANY (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 6410.1, a General Lease - Recreational Use, of sovereign land located in the Pacific Ocean at Ballast Point in Catalina Harbor, Santa Catalina Island, Los Angeles County; for an existing dinghy pier, access ramp, and floats. CEQA Consideration: not projects. (PRC 6410.1) (A 70; S 26) (Staff: D. Simpkin)

C80 DCOR, LLC (LESSEE): Consider revision of rent to Lease No. PRC 6417.1, a General Lease - Right-of-Way Use, of sovereign land located in the Pacific Ocean, offshore of Huntington Beach, Orange County; for an existing pipeline containing two power cables and a natural gas pipeline extending offshore to serve Platforms Eva and Edith. CEQA Consideration: not a project. (PRC 6417.1) (A 72; S 34) (Staff: J. Toy)

SCHOOL LANDS

C81 FRONTIER CALIFORNIA, INC. (APPLICANT): Consider application for a General Lease - Right-of-Way Use, of State-owned indemnity school land located in a portion of Section 21, Township 1 South, Range 4 East, SBM, northeast of Morongo Valley, San Bernardino County, for an existing unpaved access road and overhead and underground telephone lines. CEQA Consideration: categorical exemption. (PRC 4242.2; RA# 00517) (A 42; S 16) (Staff: J. Porter)

C82 JOHN MATLEY & SON (APPLICANT): Consider application for a General Lease - Grazing Use, of State-owned school land located in Section 16, Township 25 North, Range 15 East and a portion of Section 36, Township 26 North, Range 15 East, MDM, near Doyle, Plumas County; for livestock
grazing. CEQA Consideration: categorical exemption. (PRC 5531.2; RA# 29716) (A 1; S 1) (Staff: J. Porter)

C83 COACHELLA VALLEY WATER DISTRICT (LESSEE): Consider revision of rent to Lease No. PRC 9025.2, a General Lease – Right-of-Way Use, of State-owned indemnity school land located within a portion of Section 24, Township 3 South, Range 3 East, SBM, near Palm Springs, Riverside County; for a diversion channel and appurtenant facilities. CEQA Consideration: not a project. (PRC 9025.2)(A 42; S 28) (Staff: J. Toy)

MINERAL RESOURCES MANAGEMENT

C84 CALIFORNIA RESOURCES PRODUCTION CORPORATION (LESSEE): Consider acknowledgment of receipt of the Quitclaim Deed for Negotiated Subsurface (no surface use) Natural Gas Lease No. PRC 8989.1 underlying the Sacramento River adjacent to Sections 5 and 6, Township 14 North, Range 1 East, M.D.M., located near Grimes in Colusa and Sutter counties. CEQA Consideration: not a project. (PRC 8989.1) (A 2, S 4) (Staff: N. Heda)

C85 CITY OF LONG BEACH (APPLICANT): Consider acceptance of the Final Report and Closing Statement for the Long Beach Unit Annual Plan (July 1, 2016 through June 30, 2017), Long Beach Unit, Wilmington Oil Field, Los Angeles County. CEQA Consideration: not a project. (W 17168) (A 70; S 33, 34) (Staff: E. Tajer)

C86 DEEP ROSE DEVELOPMENT, LLC (PERMITTEE): Consider application for an extension of State geothermal resources prospecting permit PRC 9245.2, Assessor’s Parcel Number 037-500-03, containing all of Section 16, Township 21 South, Range 38 East, MDBM, approximately 20 miles south of Owens Lake, near the Coso geothermal field, Inyo County. CEQA Consideration: Mitigated Negative Declaration, adopted by the Division of Oil, Gas, & Geothermal Resources, State Clearinghouse No. 2005121125, and re-adoption of a Mitigation Monitoring Program. (PRC 9245.2; RA# 04017) (A
ISLAND ENERGY PARTNERS, LLC (LESSEE): Consider acknowledgment of receipt of the full Quitclaim Deeds for Negotiated Subsurface (no surface use) Oil and Gas Lease Nos. PRC 7318.1 on tide and submerged lands in the vicinity of Piper Slough, and PRC 7657.1 on tide and submerged lands in the vicinity of False River, Contra Costa County.
CEQA Consideration: not a project. (PRC 7318.1, PRC 7657.1) (A 11; S 7) (Staff: N. Heda)

CALIFORNIA STATE LANDS COMMISSION; NOWELL INVESTMENT CO.; LEVEE BLOCK LIMITED PARTNERSHIP; ROBERT M. MORTON II, TRUSTEE OF THE MORTON 2006 TRUST, DATED JUNE 13, 2006; AND LAURIE MORTON (PARTIES): Consider a legal settlement consisting of a Boundary Line and Easement Agreement between the State of California acting by and through the California State Lands Commission and Nowell Investment Co., an Arizona limited partnership; Levee Block Limited Partnership, an Arizona limited partnership; Robert M. Morton, II, trustee of the Morton 2006 trust, dated June 13, 2006; and, Laurie Morton, an individual, on the Colorado River, City of Blythe, County of Riverside, California. CEQA Consideration: statutory exemption. (W 503.2084; AD 663) (A 56; S 28) (Staff: J. Fabel)

UNITED STATES DEPARTMENT OF THE ARMY (PARTY): Consider Cession of Concurrent Criminal Jurisdiction pursuant to California Government Code section 126 over a portion of Fort Ord known as the Stilwell Parcel, City of Seaside, Monterey County. CEQA Consideration: not a project. (F 0127.4) (A 29; S 17) (Staff: P. Huber)

J&K COURT REPORTING, LLC  916.476.3171
GRANTED LANDS

C90 CITY OF LONG BEACH (GRANTEE/TRUSTEE): Review a proposed tideland oil revenue expenditure increase in an amount not to exceed $3,797,717 by the city of Long Beach for capital improvement projects within legislatively granted sovereign land located in the city of Long Beach, Los Angeles County. CEQA consideration: not a project. (G 05-03.10) (A 70; S 33) (Staff: M. Moser)

C91 CALIFORNIA STATE LANDS COMMISSION: Consider approval of findings pursuant to Public Resources Code section 6702, subdivision (b) regarding the Hyatt Long Beach hotel lease agreements and the Hyatt Equities, LLC, assignment of the leases, each as amended and restated, to Investel Shoreline LLC, involving legislatively granted lands in the city of Long Beach, Los Angeles County. CEQA consideration: not a project. (G 05-03) (A 70; S 33) (Staff: R. Boggiano)

VI. INFORMATIONAL

92 CALIFORNIA STATE LANDS COMMISSION: Legislative Report providing information and a status update concerning state and federal legislation relevant to the Commission. CEQA consideration: not applicable. (A & S: Statewide) (Staff: S. Pemberton)

VII. REGULAR CALENDAR 93-98

93 SOCAL HOLDING, LLC (LESSEE): Consider amending State Oil and Gas Lease Nos. PRC 91, PRC 163, PRC 425, PRC 426, and PRC E-392, to reduce idle well counts, establish a sinking fund, and modify the price based sliding scale royalty, offshore Huntington Beach, Orange County. CEQA Consideration: not a project. (PRC 91, PRC 163, PRC 425, PRC 426, PRC E-392) (A 72, 74; S 34, 37) (Staff: J. Planck, J. Fabel)
<table>
<thead>
<tr>
<th>INDEX CONTINUED</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>94 NEW AMERICA MEDIA (INFORMATIONAL): Presentation by New America Media, a national collaboration and advocate of 3,000 ethnic news organizations. CEQA Consideration: not applicable. (A &amp; S: Statewide) (Staff: J. Lucchesi)</td>
<td>36</td>
</tr>
<tr>
<td>95 ALTASEA AT THE PORT OF LOS ANGELES (INFORMATIONAL): Presentation by Altasea, a nonprofit corporation located on a historic pier in the Port of Los Angeles that brings people together to expand science-based understanding of the ocean, incubate and sustain ocean-related business, and pursue new ocean-related education programs. CEQA Consideration: not applicable. (G 05-04) (A 70; S 28, 35) (Staff: J. Lucchesi)</td>
<td>48</td>
</tr>
<tr>
<td>96 CALIFORNIA STATE LANDS COMMISSION (INFORMATIONAL): Informational update on the Commission’s Environmental Justice Policy Public Outreach and Development. CEQA consideration: not applicable. (A &amp; S: Statewide) (Staff: S. Pemberton)</td>
<td>61</td>
</tr>
<tr>
<td>97 THE FOLLOWING ITEM WILL NOT BE CONSIDERED BY THE COMMISSION BEFORE 12 NOON: AES HUNTINGTON BEACH LLC AND POSEIDON RESOURCES (SURFSIDE) LLC (CO-LESSEES): Consider a revision of rent and an application for an amendment to Lease No. PRC 1980.1, a General Lease - Industrial Use, of tide and submerged lands in the Pacific Ocean, offshore of Huntington Beach State Park, Huntington Beach, Orange County to amend the lease to include the installation of four wedgewire screen manifolds and foundations to support the screens; modify the existing seawater discharge pipeline to enhance brine mixing with seawater; extend the construction completion date, and other related amendments. CEQA Consideration: certification of a final Supplemental Environmental Impact Report, State Clearinghouse No. 2001051092, and adoption</td>
<td></td>
</tr>
</tbody>
</table>
INDEX CONTINUED

of a Mitigation and Monitoring Program, Statement of Findings, and Statement of
Overriding Considerations. (PRC 1980.1; RA# 02416) (A 74; S 37) (Staff: C. Hudson;
C. Oggins; A. Borack, J. Garrett) 70

98 CALIFORNIA STATE LANDS COMMISSION
(INFORMATIONAL): Informational report on
efforts to increase transparency in the
Commission’s closed session agenda,
discussions and decisions. CEQA
Consideration: not applicable. (A & S:
Statewide) (Staff: W. Crunk, M. Meier, J.
Lucchesi) 331

VIII COMMISSIONERS’ COMMENTS 335

IX CLOSED SESSION: AT ANY TIME DURING THE MEETING,
THE COMMISSION MAY MEET IN A SESSION CLOSED TO
THE PUBLIC TO CONSIDER THE MATTERS LISTED BELOW
PURSUANT TO GOVERNMENT CODE SECTION 11126, PART
OF THE BAGLEY-KEENE OPEN MEETING ACT. 69

A. LITIGATION.
The Commission may consider pending and
possible litigation pursuant to the
confidentiality of attorney-client
communications and privileges provided
under Government Code section 11126,
subdivision (e).

1. The Commission may consider matters that fall
under Government Code section 11126,
subdivision (e)(2)(A), concerning
adjudicatory proceedings before a court, an
administrative body exercising its
adjudicatory authority, a hearing officer, or
an arbitrator, to which the Commission is a
party. Such matters currently include the
following:

California State Lands Commission v. City and
County of San Francisco
Center for Biological Diversity v. California State Lands Commission

City of Goleta v. California State Lands Commission

In re: Rincon Island Limited Partnership Chapter 11

In re: Venoco, LLC, Bankruptcy Chapter 11

Little Beaver Land Company, Inc. v. State of California

Martins Beach 1, LLC and Martins Beach 2, LLC v. Effie Turnbull-Sanders, et al.

Nowell Investment Company v. State of California; California State Lands Commission


San Francisco Baykeeper v. California State Lands Commission

San Francisco Baykeeper v. California State Lands Commission II

San Joaquin River Exchange Contractors Water Authority v. State of California; State Lands Commission


Sierra Club, et al. v. City of Los Angeles, et al.

SLPR, LLC, et al. v. San Diego Unified Port District, California State Lands Commission


United States v. 1.647 Acres
2. The Commission may consider matters that fall under Government Code section 11126, subdivision (e)(2)(B), under which:
   a. A point has been reached where, in the opinion of the Commission, on the advice of its legal counsel, based on existing facts and circumstances, there is a significant exposure to litigation against the Commission, or
   b. Based on existing facts and circumstances, the Commission is meeting only to decide whether a closed session is authorized because of a significant exposure to litigation against the Commission.

3. The Commission may consider matters that fall under Government Code section 11126, subdivision (e)(2)(C), where, based on existing facts and circumstances, the state body has decided to initiate or is deciding whether to initiate litigation.
PROCEDINGS

ACTING CHAIRPERSON WILLIAMS: Good morning. Good morning. I'd call this meeting of the State Lands Commission to order.

Thank you.

All the representatives of the Commission are present. I am Rhys Williams representing Lieutenant Governor Newsom this morning --

(Can't hear you.)

ACTING CHAIRPERSON WILLIAMS: -- the Lieutenant Governor.

EXECUTIVE OFFICER LUCCHESI: Can we turn on the mics?

ACTING CHAIRPERSON WILLIAMS: I think it's on. I just don't think it's loud enough.

We have it on.

Testing one, two, three.

Is that better? Can you hear in the back?

No, they can't hear in the back. More volume.

Test, one, two, three. Is that better?

Testing one, two, three. One, two, three.

Nothing like a false start.

Maybe it's the accent. I don't know.

Can you hear in the back?

(Yeses.)
Good morning. I call this meeting of the State Lands Commission to order. All representatives of the Commission are present. I am Rhys Williams representing Lieutenant Governor Newsom this morning. Lieutenant Governor Newsom is expected to join us around about noon.

I'm joined today by State Controller Ms. Betty Yee, whom I also have the honor and privilege of wishing a very happy birthday, and many happy returns.

(Applause.)

For the benefit of those in the audience, the State Lands Commission manages State property interests in over five million acres of land including mineral interests. The Commission also has responsibility for the provision of oil spills at marine oil terminals --

(Can't hear you.)

(Speak up, please.)

-- and onshore oil platforms for preventing the introduction of marine invasive species into the California's marine waters.

Today, we will hear requests and presentations involving
the lands and resources within the Commission's jurisdictions. But first, some quick parish notices.

Firstly, hearing-impaired devices, we have some available over at the audio desk, over there.

Number two, just a clarification on today's agenda, this morning we will be dealing with the consent calendar items and Items 93 to 96 before adjourning into closed session. No sooner than noon we'll be dealing with Agenda Item 97, Poseidon. And so that will take place this afternoon -- afternoon.

Finally, I'm just going to turn it over to Ms. Lucchesi for some safety notices.

EXECUTIVE OFFICER LUCCHESI: Right.

So thank you very much.

Thank you very much. I just wanted -- before we get going with the public comment period, I wanted to just give a quick safety reminder. The exits to this building are up there, and then out through there. Keep -- please keep the aisles open. Nobody should be sitting on the stairs. The landing at the top of the audience section should be open. No one should be standing up there.

The entryway should also be open. No one should be sitting/standing in the entryway. And I know that that can be hard and challenging, especially with the amount of public interest that we have in our meeting today, but we
will be having staff available to assist members of the public find a safe place to stand or to sit during the course of the meeting.

And also, we're not going to be unfortunately bringing any additional chairs into the chamber for safety reasons. As we move throughout the meeting, and particularly as we get to item 97 this afternoon, if there are folks that have signed up to speak, but are located outside, we will make it a point of staff to make sure we find those -- that member of the public or person wanting to speak in order to come into the chambers to do so.

So please have patience with us. Our goal is to ensure that everybody has an opportunity -- excuse me, an opportunity to speak within the time frame that we're working on.

And with that, I'll turn it back over to the Chair.

Thank you.

ACTING CHAIRPERSON WILLIAMS: Thank you very much.

The first item of business will be public comment. And that will be public comment on items that are not on the agenda. There will be an opportunity for public comment on the agendized items as those items come up. But first public comment for items that are not on
this agenda. Are there any members of the public that wish to address the Commission?

EXECUTIVE OFFICER LUCCHESI: Chair, I have four speaker slips to speak during public comment. And I'll be calling those members to come up to -- of the public to come up to the podium.

First, Janet Gunter.

ASSISTANT EXECUTIVE OFFICER CONNOR: She's still on her way.

EXECUTIVE OFFICER LUCCHESI: She still -- okay. We will go on to -- is she in the building?

MR. WEISS: She's en route.

EXECUTIVE OFFICER LUCCHESI: She's en route. Oh, okay. Then Noel Weiss.

MR. WEISS: Commissioners, good morning. I'm here as a follow up to our discussion which we had in October -- I'm sorry, in August, concerning the tidelands Trust issues pertaining to the port of Los Angeles and specifically the rail use, the rail spur, and the underground rail lines.

Back in October, I think Lieutenant Governor Newsom with the consent of Controller Yee had accepted the premise that the Attorney General could and should basically issue a written opinion on the following question: Whether or not the State Lands Commission has
jurisdiction over the operating permit between the port and PHL, which is the short line railroad that basically runs through the port. And that railroad carries about 33,000 gallons of propane through the port, no Port nexus, over to a switching line for the benefit of Plains All American Pipeline.

In addition, there's a rail spur which is also a tidelands Trust asset, which there's at least between Plains All American Rancho and the City of Los Angeles. Again, the -- our view is that the Commission has jurisdiction on this. However, you have the ability, as a Commission or into your individual capacity as elected office holders to request the Attorney General issue a written opinion.

Our understanding was that that written opinion was going to be sought. Apparently, it hasn't been sought. And to the extent that the Commission either can agendize an action item for the next meeting on this, or Controller Yee, the Lieutenant Governor, or even the Governor for that matter can ask the Attorney General that question.

And again, the question for the sake of clarity is whether or not the operating permit between the port and PHL, Pacific Harbor Line, is subject to the jurisdiction of this Commission?
And again, your agenda is full of items about operating lease terms and conditions and payments, ditto the rail spur lease between the City of L.A. and Rancho, and also the underground pipeline.

So we would appreciate the Commission's following through and having the Attorney General issue that formal written opinion pursuant to your request.

Thank you.

ACTING CHAIRPERSON WILLIAMS: Commissioner Yee.

It's the other one. The red one.

COMMISSIONER YEE: Thank you.

Thank you, Mr. Chairman.

I think, Ms. Lucchesi, you might have an update on this since our last action.

EXECUTIVE OFFICER LUCCHESI: Yes, we do. And I'll actually turn it over to Deputy Attorney General Andrew Vogel to respond to the comment.

DEPUTY ATTORNEY GENERAL VOGEL: Yes, Commissioners -- can you hear me?

EXECUTIVE OFFICER LUCCHESI: Yes.

DEPUTY ATTORNEY GENERAL VOGEL: The request for our office's opinion was made by the Commissioners at the August meeting, and we are working on that request right now.

ACTING CHAIRPERSON WILLIAMS: Thank you. Do you
have any --

COMMISSIONER YEE: Can I just follow up?
So do you have a time frame within which we
should expect a response?

DEPUTY ATTORNEY GENERAL VOGEL: In fairly short
order. Certainly, I would think before the next meeting.

COMMISSIONER YEE: Okay. Very good. Thank you.

EXECUTIVE OFFICER LUCCHESI: Okay. Next up is

Clark Danielson.

MR. DANIELSON: Good morning. I'm a solar
industry professional, and I'm also a resident here in
Huntington Beach. My kids went to school here and, you
know, we work in the area.

I'm here to just provide with you some
information about what's going on in the solar industry
right now. I'm sure you're aware that solar is out there
as a renewable source. You guys manage a lot of public
lands that utilize different energy sources. And I'm
involved in a couple projects up in Northern California
where we're using new technologies in that area that
produce a lot more energy than is currently available in
the market. So I just want to bring those up to you
briefly right now, so that you're kind of aware of them.

One is the dual access tracker technology, which
we're using in Butte County. It's going to be used in
their CCA that they're developing. Dual access trackers -- probably most of the solar systems you see are in fixed access systems, right, where the solar panels are fixed to the ground on ground mounts. The dual access trackers.

If this is the sun here, it will track, you know, all day the whole systems -- I guess, I've got a minute left. Okay.

So that's the -- that's one of the key technologies that's out there. It's just coming into the market. And it's available -- you know, we're using it in some government, you know, run projects.

Inverters are another part of that technology system that we're using. And then the panel technology is also increasing in wattage. So there's a lot of things that are driving the levelized cost of electricity down that are available right now. And my purpose here basically is just to inform you about that. I know you guys make some decisions on those kinds of things on some of the public projects that you're involved in.

So I thank you for your time.

EXECUTIVE OFFICER LUCCHESI: Next up is Jay Sanar.

ASSISTANT EXECUTIVE OFFICER CONNOR: Jay Sanar?

EXECUTIVE OFFICER LUCCHESI: Yes.
Paloma Aguirre.

MS. AGUIRRE: Good morning, members of the Commission. My name is Paloma Aguirre. I am the Coastal and Marine Director for WILDCOAST. WILDCOAST is an international conservation team that works for to conserve Coastal and marine ecosystems and wildlife.

Myself and the City of Imperial Beach Mayor were here last meeting to convey to you the bi-national pollution issues that we suffer in South San Diego County. These issues continue to become worse. He shared with you the incident about his son becoming sick.

I myself have been surfing Imperial Beach for 10 years, been working in the Tijuana River Valley for about the same time leading bi-national clean-ups and stewardship events. And up till now, I had been lucky, but until last week. I was out there at the point where the river enters the U.S., and I was with some journalists, and they wanted some shots of the trash. I was there for no more than 40 minutes, and by the end of the interview, I had a very severe throat irritation, and within 24 hours I myself was in urgent care. I was diagnosed with bio-pharyngitis, and put on a spectrum of medications.

And thankfully, I'm healthy enough to have driven from Imperial Beach here today, because I wanted to hand
deliver personal written letters from 114 concerned citizens and beachgoers addressed to the Lieutenant Governor and the Commission asking what we had asked before, that if you could please look into your jurisdictional capacity, to address some of these bi-national pollution issues that continue to basically pummel our communities.

So thank you. If you have any questions, I'm happy to answer them.

ACTING CHAIRPERSON WILLIAMS: Thank you. Thank you for traveling up today as well. Ms. Lucchesi, I believe this is in the Executive Officer's Report.

EXECUTIVE OFFICER LUCCHESI: It is, yes.

ACTING CHAIRPERSON WILLIAMS: But are there any observations/comments you want to offer in response?

EXECUTIVE OFFICER LUCCHESI: Yeah, I'm happy to update the Commission right now and respond to your request. First, we were very thankful for Mayor of Imperial Beach and other members of the public coming forward at our Commission meeting last -- two months ago.

We have been investigating the issue, and our jurisdiction and trying to explore ways that we can help in this situation. Specifically, we have been working on compiling scientific and social data from various sources on the issues involving the pollution at the Tijuana River
and then offshore.

We have also been in communication with the Border Water -- with Border Water in the Water Division for EPA Region 9, and the Border 2020 Program to discuss federal efforts and opportunities to address cross-border -- this cross-border pollution. And we've also been following and working with the port of San Diego, the City of Imperial Beach, and the City of Chula Vista as they recently released a notice of intent to sue the International Boundary and Water Commission, the federal agency charged with controlling cross-border pollution.

Their notice of intent to sue is based on violations of the Clean Water Act and Resource Conservation and Recovery Act. And that's related to the effluent spills in the Tijuana River.

We also, at that time, when the port released their notice of intent to sue, also sent a letter declaring an interest in these local efforts, and applauding them for their leadership on this. It was -- that was just a public expression to show that we were -- we're closely following this, and we're conducting our own investigation as well.

And finally, we're also monitoring a federal bipartisan bill that was recently introduced to address
funding issues associated with the Tijuana pollution --
River pollution issues.

So we're trying to ensure that our investigation
and review is covering the whole spectrum of options
available to us. And we hope to report back to the
Commission with more detail with an agendized item at our
November 29th meeting, which will -- is tentatively
scheduled for -- the location is in Fresno, but it can be
viewed via webcast as well. So that's kind of our plan
moving forward through the next couple months.

ACTING CHAIRPERSON WILLIAMS: Okay. Thank you.
EXECUTIVE OFFICER LUCCHESI: All right. Next up,
I'll try Janet Gunter again?
Is Janet -- has she arrived?
ASSISTANT EXECUTIVE OFFICER CONNOR: I was
informed that she's trying to park.
EXECUTIVE OFFICER LUCCHESI: All right.
Morgan Roth.
ASSISTANT EXECUTIVE OFFICER CONNOR: Morgan Roth?
EXECUTIVE OFFICER LUCCHESI: So at least at this
point -- and I'll try one more time, Jay Sanar?
ASSISTANT EXECUTIVE OFFICER CONNOR: Jay Sanar?
EXECUTIVE OFFICER LUCCHESI: Okay.
ACTING CHAIRPERSON WILLIAMS: And perhaps we can
invite Ms. Gunter up before we adjourn for closed session.
EXECUTIVE OFFICER LUCCHESI: Yeah, of course. I'll hold on to these three public comment forms.

ACTING CHAIRPERSON WILLIAMS: Super.

Next item of business will be the adoption of the minutes from the Commission's meeting of August 17, 2017. May I have a motion to approve the minutes.

COMMISSIONER YEE: So moved.

ACTING COMMISSIONER ORTEGA: I'll Second.

ACTING CHAIRPERSON WILLIAMS: Any objection to a unanimous vote?

If not, the motion passes unanimously.

The next order of business is the Executive Officer's Report. Ms. Lucchesi, may we have that report.

EXECUTIVE OFFICER LUCCHESI: Yes, I do. I'm thankful that we already ticked a couple of items already off during public comment. First, I do want to notice a rent review correction on the agenda. For one of the continuation of rent actions for Anthony C. Evan and Carol Ross Evans, trustees, there's a typo with an incorrect amount shown for the annual rent. The correct amount is 1,410. The lessee was correctly notified of the error and is aware that that error is on the agenda and that it is being corrected through this modification right now.

Next, I wanted to update the Commission on public access at Martins Beach in San Mateo County. As the
Commission knows, there is a handful of cases proceeding through the judicial system. Of particular note is Martins Beach versus Surfrider. The appellate court recently issued an opinion in favor of Surfrider on August 9th finding that a change in access occurred that requires a coastal development permit.

Martins Beach petitioned for review to the State Supreme Court. A decision on this review is expected by mid-November, or possibly sooner. The decision in the case also prompted the Coastal Commission to issue a Notice of Intent to pursue enforcement action against the landowner. The hearing date in front of the Coastal Commission for this enforcement action has not yet been sent -- set.

The other piece of -- the other case that is pending is the Friends of Martins Beach case. This is on remand. The Friends' case survived a motion for summary judgment in the county -- in the county superior court, and is going to trial on dedication and public rights issues. Trial is set in that case for October 31st, 2017.

The Governor -- also on the subject of Martins Beach, the Governor recently vetoed SB 42 by Senator Hill, which would have created the Martins Beach subaccount in the State Lands Commission's Kapiloff Land Bank Fund, and would have authorized the Commission to use that money to
create a public access route to and along the shoreline of Martins Beach in San Mateo County, either using eminent domain or through a negotiated agreement.

The Governor stated that, as drafted, the bill did not meet the author's intent, and limits the State's options. The Governor also stated that public access to the State's beaches and parks is a core value and must be protected, but in this instance, the public's rights to access Martins Beach will be determined in future judicial and administrative proceedings.

Speaking of legislation, the Governor recently signed in a couple of laws that directly impact the Commission. First, the Governor signed SB 50 by Senator Ben Allen. This bill makes certain federal land conveyances void, unless the Commission is provided the first right of refusal, or the right to arrange for the property to be transferred to another entity.

The bill imposes a civil penalty of up to $5,000 per persons who present for recording or filing with the county recorder a deed or other document related to these conveyances, unless it is accompanied by a certificate of compliance from the State Lands Commission. The Commission will have to consider its right of -- first right of refusal at a public meeting such as this.

This bill also requires the State Lands
Commission, the Wildlife Conservation Board, and the Department of Fish and Wildlife to enter into a memorandum of understanding to establish a policy that these agencies will undertake all feasible efforts to protect against a future unauthorized conveyance or change in federal public land designation.

We have established an internal team at the Commission, who are discussing ways to implement this bill, and are working on developing that plan. We are also developing a letter to counties informing them about the law, and letting them know that if a person attempts to convey a deed with a certificate, that they can direct that party to the Commission to try to resolve the issue.

We are also looking at different options to receive notice from federal agencies early in the process, so that we can determine whether to intervene and seek Commission direction on whether to exercise the first right of refusal.

And finally, we are also working with Wildlife Conservation Board and the Department of Fish and Wildlife to start developing that memorandum of understanding.

I am very pleased to announce that the Governor also recently signed into law SB 44 by Senator Jackson. SB 44, as the Commission is well aware, requires the Commission, if the legislature appropriates funding, to
administer a coastal hazard and legacy oil and gas well removal and remediation plan. This bill would transfer up to $2 million annually from the general fund to the Commission's Land Bank Fund for the program, and require the Commission to report annually to the legislature about its work and progress fulfilling the requirements of the bill. The bill sunsets on July 1st, 2028.

This has been a very long, long effort by staff to get consistent funding for this program. And I want to just personally express my gratitude to the Commission for the work that you did over the last couple of years to really bring this to the top of the priority list. Like I said, we have been working on getting consistent funding for over a decade for this work, and it wasn't until the Commission really stepped in and identified this as a priority that it started to get the attention that it deserved in the Legislature and before the Governor. And I also want to take the opportunity to thank Senator Jackson for her persistence on this, as well as the various stakeholders in the Santa Barbara and Ventura Counties that really mobilized to express the strong public opinion that this is a priority and should be funded.

So we're -- as a staff, we're very excited to get working on this, and we will continually update the
Commission on our efforts in terms of inventorying the legacy wells, conducting additional studies on natural seeps and as well as starting the environmental doc -- programmatic environmental document, so we can get out offshore as quickly as possible to remediate these wells.

I want to update the Commission on Venoco and Platform Holly and our efforts in plugging and abandoning those wells associated with those leases offshore Goleta.

Since August 16th, Commission staff has completed the following:

Things are moving very fast, which I've going to move through this very quickly. On August 21st, ExxonMobil submitted its formal letter of intent to engage with the Commission on the plugging and abandonment of the wells on Platform Holly and near shore adjacent to the Sandpiper Golf Course in Goleta. Staff continues to work with ExxonMobil to negotiate a full and final engagement agreement.

On September 1st, staff awarded the contract for the operations and maintenance of Platform Holly to Beacon West Energy Group. On September 14th, staff and Venoco -- the Venoco estate negotiated a short-term use agreement to operate the Ellwood Onshore Facility through our contractor to ensure safe operations continued through the Venoco's transition out of operations.
On September 15, our contractor assumed operational control of Platform Holly and the EOF from Venoco. This transition went very smoothly and safe operations continue. That was a really important date for us to make sure that those tran -- that transition occurred seamlessly. And I'm pleased to let you know that it really did.

We are working very closely with the City of Goleta and the Santa Barbara Air Pollution Control District to ensure that full permit compliance is achieved and maintained throughout the plugging and abandonment process. We continue to regularly update the various other local, State, and federal agencies that have an interest in this process.

The one thing I did want to highlight for the Commission and the public is that around September 22nd, Venoco's chapter 11 bankruptcy took a significant turn when Venoco announced that the winning bidder withdrew its bids on the estate's remaining assets, including two federal platforms Gail and Grace. And that also included the Carpinteria Processing Plant.

Venoco moved to terminate the asset purchase agreement and any ongoing marketing attempts because no other viable bidders are -- exist. Venoco is now seeking to reject these interests and walk away from those two
platforms and that plant. The loss of these assets will
impact the potential recovery that creditors could receive
from the estate, because the estate will largely be
insolvent, and the federal government will now be
responsible for the safe operations and management of
those two federal platforms.

On October 3rd, Venoco also moved to reject a
variety of remaining interests in two of our other leases
with Venoco, including the Ellwood Pier and the Paredon
lease. That is not unexpected. We expected that to
happen at some point.

And finally, we are also continuing to work with
the estate to -- on a long-term agreement to use the
Ellwood Onshore Facility for the plugging and abandonment
work, and that's still ongoing.

On Rincon Island, I wanted to provide the
Commission with an update on that. As reported on August
17th, the bankruptcy court for the Rincon Island Limited
Partnership appointed a chapter 11 trustee and set a date
of October 30th for the trustee to sell the leases or else
the bankruptcy protections over the leases would lift. In
late August, the trustee contacted -- contracted with an
oil engineering firm, Driltek, to operate and monitor
Rincon Island and respond to any incidences if they were
to occur. Driltek remains on site today.
In addition, the trustee hired a marketing firm to market the leases. On October 2nd, the trustee reported that five companies placed bids to purchase RLP's rights to the leases. And although the bankruptcy court has the authority to sell the leases staff has indicated that we would object in the -- in court if the leases were sold to an under-capitalized, inexperienced, or imprudent operator.

In addition, addressing the lease violations and concerns of the Commission is likely to be vital to any sale being successful. Commission staff have been in contact with most bidding parties and is currently in the process of evaluating the bidder's fitness as a potential operator. And we will continue to cooperate with the court and the trustee in this matter and update the Commission at our next meeting.

I have two final updates to provide you, and hopefully on a -- on a much more positive note than bankruptcy, with our offshore oil and gas lessees. On September 13th, Commission staff released for public review and comment a draft public access guideline to California's navigable waterways. We -- this legally dense public access guide explains in details the public's rights to access and use navigable waters in the State. And we have received a number of public comments already,
but the public comment period does not end until October 25th.

We have spread the word about this document through social media as well as our website, through our meetings like this. I will say that I'm very excited about this opportunity to bring this document with all the public comments that we've received to the Commission at our November 29th meeting, along with a more publicly accessible brochure about the public's rights to access our inland navigable waterways, because while along our coast and our bays, there -- between our local jurisdictions and our State regulatory agencies, like the Coastal Commission, or the Bay Conservation and Development Commission, there's a lot of emphasis and priority about public access to our coastline.

What we have identified and what the Commission identified in the strategic plan was that there isn't that same kind of emphasis and priority given to education of the public's rights to access our rivers, and our Delta, and our lakes. And so this is what this guideline document and the brochure is attempting to do as a first instance. And we hope to bring some other ideas to the Commission when we present this to you in November, as ways to educate and empower the public to utilize our rivers and our lakes inland from the coast.
And finally, San Diego Ocean Planning Partnership continues to engage stakeholders in one-on-one meetings to elicit the input and data that will shape the planning pilot. As you know, we are kind of in full thrust of the phase one of this partnership, and we've been updating the Commission on a regular basis about our efforts. We have identified over a hundred stakeholders, and we still haven't reached everyone yet, but we anticipate completing these initial meetings by the end of the fall.

One of the major benefits that we're already seeing from this pilot is the relationships that we're building with our partner, the port of San Diego, and other stakeholders. Establishing these relationships lays the foundation not only for the pilot, but also for other meaningful collaborations, such as working on pollution issues surrounding the Tijuana River.

We are very grateful to those who have already taken the time to participate, and look forward to our remaining meetings with the stakeholders. And then really finally, I just want to thank the City of Huntington Beach, City Manager Fred Wilson, and Mayor Barbara Delgleize, the city's fire department and the city's police department for assisting us in today's meeting and allowing us to use this wonderful facility for our meeting today.
And with that, I'll turn it back over to the Chair. Thank you.

ACTING CHAIRPERSON WILLIAMS: Thank you. Commissioners, any comments/questions?

All right. Thank you.

With that, the next order of business will be the adoption the consent calendar. Commissioner Yee, Commissioner Ortega, are there any items that you'd like removed from the consent calendar?

Next, I'll call on Ms. Lucchesi to indicate which items, if any, have been removed from the consent calendar.

EXECUTIVE OFFICER LUCCHESI: Yes. I would like to remove consent items 41, 57, 65, 80, and 82 from the agenda. And those will be heard at a later date.

ACTING CHAIRPERSON WILLIAMS: Thank you. And is there anyone in the audience who wishes to speak on any item remaining on the consent calendar?

If not, we will proceed with a vote.

Do I have a motion?

COMMISSIONER YEE: Yes. Move to adopt -- excuse me, move to adopt the consent calendar.

ACTING COMMISSIONER ORTEGA: Second.

ACTING CHAIRPERSON WILLIAMS: Second.

Any objection to a unanimous vote?
The vote -- motion passes unanimously.
The next order of business will be the regular
calendar.
Item number 93 is to consider amending certain
state oil and gas leases located offshore of Huntington
Beach in Orange County.
May we have the staff presentation?
EXECUTIVE OFFICER LUCCHESI: Yes. Our staff
attorney Joe Fabel will be presenting our recommendation.
STAFF ATTORNEY FABEL: I believe we have a
presentation up here.
Momently.
Ninety-three.
(Thereupon an overhead presentation was
presented as follows.)
STAFF ATTORNEY FABEL: Excellent. Thank you very
much.
Good morning, Chair, Commissioners. My name is
Joseph Fabel. I'm an attorney here at the State Lands
Commission. This morning, I'm presenting Item 93, a
proposal to amend five offshore State leases off
Huntington Beach operated by California Resources
Corporation, and held by its subsidiary SoCal Holdings
Incorporated.

--o0o--
STAFF ATTORNEY FABEL: For reference, the five leases affected by the proposal are indicated in red, and are located offshore. A majority of the wells accessing the leases have been drilled onshore from the Highlands Strip Drill Site. There are currently 44 wells from Platform Emmy and 229 wells drilled from the onshore onto the offshore leases.

--o0o--

STAFF ATTORNEY FABEL: Since 1995, the royalty rates on the leases have been on a sliding scale, which increase and decrease with the price of oil. The sliding scale has a minimum royalty rate of four percent, and a maximum rate of 25 percent.

In April 2016, after a historic crash in the price of oil, CRC approached the Commission for royalty relief due to a negative cash flow situation. Although oil was at its lowest point in over a decade, the royalty rate was at its maximum of 25 percent. To provide immediate relief, and after making the necessary findings under the Public Resources Code, the Commission approved a two year temporary royalty modification, slightly adjusting the royalty rates. Commission staff were also directed to negotiate a permittee -- permanent royalty arrangement with CRC.

Namely, staff was to develop a royalty that was
fair to both parties, and that accounted for the historic
range of oil prices.

---o0o---

STAFF ATTORNEY FABEL: In addition, the royalty
modification was either to recoup some of the revenue
difference by having a higher maximum rate when oil was
high, or recoup some of the revenue in the form of an
equivalent public benefit, with particular attention paid
to the Bolsa Chica Lowlands Restoration Project.

Finally, Staff were to track the monetary
difference between the original and temporary royalty
rates with CRC to pay the difference at a later date.

---o0o---

STAFF ATTORNEY FABEL: Now, negotiations
commenced in February this year. And by April, initial
terms had been negotiated to revise the royalty and for
CRC to contribute annual payments to support Bolsa Chica.
However, before a final agreement could be reached, events
transpired influencing staff's approach to the
negotiations.

---o0o---

STAFF ATTORNEY FABEL: On April 17 of this year,
Venoco quitclaimed its leases in the Santa Barbara
Channel, forcing the State to effectively take over plug
and abandonment of 32 wells, and eventual decommission of
Platform Holly.

Independent cost estimates developed by an engineering firm highlighted the total cost to conduct this work, potentially $130 million, which was well in excess of the $22 million performance bond held by the Commission.

--o0o--

STAFF ATTORNEY FABEL: Now staff believe that lessons from Veno -- the Venoco situation can be useful in avoiding similar situations in the future. For one, hiring and engineering consultant that has experience performing actual plug and abandonment work to develop an accurate, market-based cost estimate is vital to assessing the potential liability risk. Previously, the abandonment and decommissioning costs were developed in part by guidelines from the U.S. Bureau of Safety Environmental Enforcement, which may have underestimated certain costs.

Second, the performance bond -- sorry, performance bonds rather are becoming difficult for lessees to obtain. And once called on by staff, we're learning are difficult to actually get payment from, suggesting a mixture of securities and guarantees may provide better protection to the State.

And finally, under the Commission's leases, a lessee is not obligated to abandon wells or facilities
prior to a lease actually expiring. However, if a lessee can clean up and abandon unused wells and facilities early, the liability to the State can be significantly reduced if the State were forced to conduct those activities itself.

Staff became concerned that CRC's $30 million bond we currently hold was insufficient to cover the cost to abandon its wells, and decommission Platform Emmy. And we sought to address those issues as an equivalent public benefit in the permanent royalty proposal.

For four months CRC worked with staff in good faith to address these concerns and develop this proposed amendment.

--o0o--

STAFF ATTORNEY FABEL: Under the terms, the minimum royalty will increase from four percent, which it currently is the minimum to 16 and two-thirds as a minimum, the minimum royalty will apply until oil is $50 a barrel, and then increase with the oil price till it reaches 25 percent at $80 a barrel. Staff believe that the conditions supporting the Commission's findings in April 2016 authorizing the temporary royalty modification are still valid. Oil prices have only improved marginally, and yet CRC must continue to invest capital just to maintain production levels, while generating a
return on investment.

Under the proposal, CRC will still repay its deferred royalty save since April 2016 with interest. And right now, that number is approximately $1.8 million. In exchange for the royalty modifications, CRC will engage in an aggressive and verifiable abandonment and liability reduction program.

--o0o--

STAFF ATTORNEY FABEL: CRC will abandon all 15 currently idle wells on Platform Emmy within five years. Eight of those will be abandoned in the first two years. Starting January 1st, 2021, CRC will plug and abandon 10 onshore idle wells per year, until the idle well count is no more than 15 percent of the total onshore well count. And right now, there's 146 of the 229 onshore wells are currently idle.

A third-party engineering consultant will perform an abandonment estimate for both Platform Emmy and the onshore wells. These estimates will be updated every 36 months. Starting in year three, CRC will commit to spending $3 million annually towards abandoning idle wells. And in years where there is less than $3 million spent on these activities, the difference will be paid into a sinking fund to fund end of field abandonment obligations.
The $3 million value will increase at an annualized compound rate of three percent. The CRC will grant the State a first or second priority lean on CRC's fee-owned uplands as added security against abandonment liability. And finally, staff and CRC will form a permanent abandonment committee to evaluate CRC's abandonment plans for Emmy and on shore.

As demonstrated in Exhibits A and B of the staff report, it is expected that under each oil price scenario, the value of the liability reduction will exceed the expected loss in royalty.

--o0o--

STAFF ATTORNEY FABEL: Staff believe the approach in the proposed abandonment to be innovative, and from a land and resource management perspective in the best interest of the State. CRC will abandon a large number of wells before they would be obligated to do so under the leases, and a faster rate than they would be required to do so under new DOGGR statutes.

Abandonment costs evaluations using a variety of methodologies will be developed and regularly updated to give all parties a clear picture of the existing liabilities. And a range of securities will be utilized including the existing bond, a sinking fund, a lien on CRC's Highland Strip Drill Site which will make the
Commission a secure creditor, and active abandonments to reduce overall liability.

For those reasons, staff recommends approval of the proposed amendment included in the staff report as Exhibit C. And that concludes my presentation. I'm available for question. Representatives from CRC are also here to answer questions as well.

ACTING CHAIRPERSON WILLIAMS: Thank you. Shall we take up public comment?

We'll take public comments first. Thank you.

EXECUTIVE OFFICER LUCCHESI: Adam Smith, Vice of the California Resources Corporation.

MR. SMITH: My name is Adam Smith. I'm here from California Resources Corporation. I'd just like to say that CRC supports this amendment and we really appreciate staff's efforts and hard work to get to this point.

ACTING CHAIRPERSON WILLIAMS: Thank you.

Are there any comments, questions from Commissioners?

COMMISSIONER YEE: Thank you, Mr. Chairman.

First, I want to just thank the staff for really spending the time with CRC, and thank CRC for the tremendous partnership that it's had with the Commission over the years. These are always difficult kinds of undertakings, and certainly the world around us is
changing with respect to demand for oil.

And what I would like to say about this is that this is incredibly creative, and I think informed certainly by our recent experience with Venoco, that you know, we are going to do everything we can to protect the State's interest, and appreciate the negotiations that have been going with CRC along that lines.

I think this is a great development, and it really does protect the State's interest and liability down the road. I appreciate the ongoing, frankly, commitments by CRC as we look towards Platform Emmy and other wells going -- becoming idle, but also the establishment of the sinking fund and the funding commitment really, I think, is something that I'm very, very grateful for, that that's been part of the conversations.

So always though with sights on the near-term revenue pact, I think given where we are in terms of protecting some of the more costly long-term liabilities, I fully support the staff recommendation on this. And I think, Mr. Chairman, I'll turn that into a motion.

ACTING COMMISSIONER ORTEGA: Thank you, Mr. Chair. I did want to make a couple comments. I will support the motion. Although I would ask for a friendly amendment to include a request to the staff that a report
come back in at least, I think, two years to give an
update on all of the terms of the agreement, the progress
being made on the well abandonment, and the effects on the
royalties under the proposal.

The other issue that I had raised with the CRC
folks, but I think is perhaps not timely to resolve now,
is that the DOGGR requirements on well abandonment that
are not under the jurisdiction of the State Lands
Commission, I had hoped that this proposal would be
separate and apart from those existing requirements, but
they are not.

Those rules have not been fully promulgated, and
CRC isn't really able to identify what their liability is
under those rules. And so I would like for the report in
two years to report back to the Commission on what the
company is required to do under the DOGGR regulations and
the extent to which the proposal here is supplanting that
requirement, so that we -- the State knows what the full
liability and abandonment program is from the company. So
with those, I would second the motion.

COMMISSIONER YEE: Okay. Mr. Chairman, I'll so
amend the motion. And I think I would have expected staff
to come back with a report, in any event, that if you
could moralize Commissioner Ortega's commitment.

ACTING CHAIRPERSON WILLIAMS: Any objection to a
unanimous vote?

And with that, the motion passes unanimously.

Moving on, Item number 94 is an informational presentation by New America Media.

May we have the presentation?

EXECUTIVE OFFICER LUCCHESI: Hi. Yes. I'd like to introduce Peter Schurmann with New American Media and his colleagues Charlene and Araceli or -- yeah.

MR. SCHURMANN: We're all here.

EXECUTIVE OFFICER LUCCHESI: Yes, please.

MR. SCHURMANN: Thank you.

Good morning, Commissioners. Thank you so much for giving us this time today. This is an informational briefing. We're here basically to address a simple but important question, which is namely how does the Commission communicate with a State as diverse as California, particularly as the Commission works to update its environmental justice policies? How does the Commission engage with the communities that it is not now engaged with?

We think we have some ideas and we'd like to share those with you this morning.

For over 20 years New America Media, my organization, has devoted itself to amplifying the reach and scope of ethnic media, a sector that is too often seen
as a footnote to the mainstream press. We've learned a
few things and I'd like to share some of those with you
briefly here.

The first is that, as a sector, ethnic media
remain deeply committed to the communities they serve.
They're like environmental justice organizations or
community-based organizations. The only difference is
that they have a mandate to publish. Ethnic media are
also hungry to broaden their reporting lens. We've seen
this again and again and again in briefing after briefing
and in the hundreds of projects that New America Media has
undertaken on a whole range of issues from health care and
immigration to the census and the environment. Ethnic
media want a seat at the table on the issues that matter
to their communities.

Finally, and maybe most importantly, working with
the ethnic press has taught us at New America Media how to
communicate with and not just report on a State where 40
percent of residents speak a language other than English,
and 20 percent of residents here speak no English
whatsoever.

As the Commission works to update its
environmental justice policies, we'd like to urge the
Commission members and staff to do their part to engage
with this sector, and then would willingly help in that
process, guide you in that process. Particularly now as the challenge we face mount with each passing day, our partners in the ethic press are ready and waiting to tell the stories their communities need to hear, and they bring their own stories as well.

I'm going to talk very briefly about a project that we did to highlight the way that NAM engaged with a variety of ethnic media around an issue that was wholly new to them, and that was coastal access.

So for the past year, we -- well, to bring our media sector up to speed again, they were completely new to this topic. This question of coastal access is not one that they had covered previously. So to bring them up to speed, we organized two media briefings, one in Los Angeles and another in San Francisco. And the briefings were meant to introduce a topic to our partner media outlets, but it was also as a way to connect them to the key voices, the key advocat4es in the field, the members of the Commission were there. Some of the key advocacy organizations were there and it laid the seed for relationships between the media and these voices that can pave the way for future story telling to keep these communities informed.

The briefings drew over 40 media outlets spanning asian, latino, african-american, and indigenous
communities, communities that are not normally present at Coastal Commission hearings frankly. The stories generated by the briefings alone reached over one million, and over half a dozen languages.

When we took -- we took it a step further, recruiting 12 reporters from the briefings, including one of whom is with me today, to go deeper, to tell the stories about their community's ties to the coast and why it matters. Black Voice News in San Bernardino published a story about historic segregation along the California coast and about Bruce's Beach and the Inkwell, and about the legacy of black activism on behalf of the coast, a legacy that is all but forgotten today.

Reporter Vic Bareng, with a local Filipino paper in the Bay Area, did a story about Filipino fisherman and their ties to the coast. And another reporter, a long time veteran Korean media did a story, a really moving story, about the cultural ties that bind first-generation Korean immigrants to the California coast.

In all these stories, the ethnic media understood instinctively how to target the message, how to make the issue relevant, and meaningful for their communities.

So, as you can see, as you work on your -- updating your environmental justice policies, as you try and engage with these communities, translations are not
enough, social media is not enough. To reach more of
these communities, those now not at the table, it takes
engagement. And we believe this is where ethnic media can
play an important role. They're not the silver bullet to
the communication needs of the Commission, but by actively
engaging with this sector, and with the individuals who
keep it going, the Commission will quickly find an eager
and willing partner in connecting with and informing
Californians of all backgrounds.

So I'm going to hand it over now to Charlene Muhammad

MS. MUHAMMAD: Thank you. Thank you, Peter.
Greetings. Charlene Muhammad. I'm national
correspondent for the Final Call Newspaper for the purpose
of this briefing moment with you. I'm honored to speak to
you about the project. And I participated by writing for
In the Works Media which is my own media company. And it
disseminates information to other black media, the Los
Angeles Sentinel, the Los Angeles Watch Times, California
Black Media, and other outlets.

And I talked about black surfers who introduce
new generations to the California coastline. And I knew
about this organization, but when New America Media called
on me and asked that I partner with them to participate in
this access to the coastal project, I was elaborated[sic],
because I already knew some of the issues. But what I learned first and foremost that was new to me was just how much was at risk, the access being denied - someone spoke about it earlier - the purchases to private land. And those things are really detrimental. In our neighborhoods, the coast is pretty much -- it's the park access. It's not costly. It's pretty easy to get to. But yet, we found that many of our people in the community that this newspaper targeted didn't get there.

And what the organization I reported on, the Black Surfers Collective, what was pleasant about that as well is I learned how they were also engaged in access to the coast. So what they do is they teach communities about coast, the coastal access, surfing, and environmental justice issues through surfing. And it's really something that people, believe it or not, don't think that the black community is involved in, but by and large they are.

And so this article with the partnership helped to bring a lot of information about the environmental justice issue, and again access to the coast. And so what we're saying is, like, for instance New America Media partnering with In the Works Media and getting this to many different outlets. This is something that people would not have really known. I learned a lot as a
journalist in this story. And so we are a venue for you, we are a vehicle for you.

And I think that if we look around, we can see that a lot of us really need more information about this. And hopefully your policy will help us to bring that to light.

And thanks for this opportunity to share.

MS. MARTINEZ: Thank you for the opportunity. I'm Araceli Martinez. I'm a reporter for the last 11 years for La Opinión.

As you know, La Opinión is the most influential newspaper in the Spanish base in Los Angeles. I want to share -- you may know. But since 2015, it was official latinos outnumber whites in California, according to the Census Bureau. Based on this data, it's important the State Lands Commission makes an effort to connect with the media that serves our hispanic community.

Yes, in Los Angeles, we have La Opinión. We have Hoy, and we have several other publications. And we have at least five media stations focusing on Spanish speakers. And I recently learned, CBS Los Angeles is including .......... in Spanish.

So based on this, it is very important that you reach out to the media, not only Latinos but Korean, black, Filipino, Chinese, and other groups. Where you
truly see your main focus is to reach out to the mainstream media. They're a very important segment media as part of the American identity.

Every day Latinos are more involved in environmental issues. We truly care about these issues and want -- and we want to be more connected. These are groups of Latinos -- they're a group of Latinos organized not only in Los Angeles, but statewide, working to create awareness in organizing our community to participate.

They have been successful after many years of fighting closing plants that were sickening our community less excite.

As we are more than half of the population of California, we are certainly impact by pollution in our neighborhood, highways, and coasts. We are protesting oil, gas, and pollution in our backyards. So I invite you to make an effort to connect more and more meaningfully with ethnic media in California. We want the stories at raising the problems we are facing, and to have an open door when we need to find you.

California is our home, and we must have a key role in taking care of -- taking care of it. How can the Commission learn best to engage Latinos? First of all, involving more and more of our community organizations, especially those working on environmental issues. Second,
reaching out to our newsroom, news director, editors, and reporter when you have important matters for Latinos. Why not writing op-eds about pressing issues.

And finally, and very important, I'd recommend you become more available when reporters try to reach you, taking into consideration we work with deadlines. It is very common. We try to reach a State agencies and we get delayed responses. They -- later after our deadlines have expired.

I have always considered the best communication directly to people are those who answer almost immediately in the next couple of hours to reporters, respect deadlines and our time. And if they don't have the answers, they are honest about it. Don't make us waste your time and ours.

And I love those that respond right away. And if they cannot help you, they offer you who can help or offer guidance.

Often, we don't receive, unfortunately, the same treatment and important as the mainstream media. There is no small media. Sometimes we are the only source of information for the ethnic population, especially for the elders and those that are more than 60 years old.

So please be helpful and approachable with our community and media. We are part of the largest working
contributing community of California, and we deserve to be treated accordingly.

Thank you very much.

ACTING CHAIRPERSON WILLIAMS: Thank you.

Any comments?

COMMISSIONER YEE: Thank you, Mr. Chairman.

First, Mr. Chairman, thank you for coming forward with this presentation. Really appreciate Ms. Muhammad, Ms. Martinez. Also, very timely with respect to our -- really developing our environmental justice policy. And what I would ask the staff going forward is really just looking at how we can best engage our media partners in this.

Obviously, we want to be sure we're reaching members of the community as close to the ground, feeling the impacts of the work that we do as much as possible. We certainly see a role. I certainly see a role. You're helping us raise awareness around the issues, but I would say that just as we're developing a sense of who our stakeholders are, that we certainly incorporate this community that could help communicate a lot of these issues directly to the communities affected.

MR. SCHURMANN: Thank you.

ACTING CHAIRPERSON WILLIAMS: Just a couple of observations. As a former press officer myself, and
having worked with Araceli when she was working in
Sacramento in the Capitol, and it was recommendation
number two, which was connecting with media and reaching
out directly. And that comes even before, you know, we
get to translation, before we get to social media, before
we're able to do that one-on-one outreach, which press
officers so effectively do.

One of the biggest struggles I've found as a
press officer is to be able to identify the media outlets
in the first place, whether it's a press list, a phone
number that you can go through and pick up that call. You
know, press officers pretty heavily guard their press
lists, and don't share them around.

And I'm just wondering if there is -- there's
something that New America Media is working on that would
enable agencies, like the State Lands Commission or the
Lieutenant Governor's Office, State Controller's Office to
be able to, you know, access, you know, just the very
basic of --

MR. SCHURMANN: There absolutely is. And we'd
love to work with you sharing that with you. There's a
universe of media out there from large to small serving
very niche communities that together, as a former
colleague, a late journalist Chauncey Bailey once said,
ethnic media are like a hand -- fingers on a hand,
together they're like a fist.

It's a very powerful statement. And it shows you that the collective reach, while each individual media maybe small, they serve a very hard-to-reach sector. And together, it's a large swath of the state.

And NAM, New America Media, would be very happy to work with the Commission in educating the Commission about that universe of media out there, and how to engage with them. I would say I think it's important to develop relationships with them, to engage with them periodically to find out what the stories they're covering are, how to tailor the message to them.

This isn't the same as tailoring a message to general market media. This is figuring out what -- how to tell the story, so that it's relevant to the communities they serve. And that can only happen by spending a little time developing relationships with these editors and publishers who, like I said, are committed to their communities.

Thank you.

ACTING CHAIRPERSON WILLIAMS: Thank you.

Thanks. Thank you.

Do we have any public comment on this item?

No. Okay. Thank you. Thank you very much.

Move to Item number 95, which is an informational
presentation by AltaSea

EXECUTIVE OFFICER LUCCHESI: Yes. I'd like to
Jenny Krusoe, executive director of AltaSea and her
colleagues.

(Thereupon an overhead presentation was
Presented as follows.)

MS. KRUSOE: Good morning, Commissioners. I'm
Jenny Krusoe. I'm very proud to be the executive director
of AltaSea at the port of Los Angeles. It is a great
honor to be here today and present the project to you.

The AltaSea project sits on tidelands Trust lands
35 acres. Our presentation today is in two parts. We
have an overview of the project itself, and then an update
from our partner, the port, on their public access
project, which AltaSea is very grateful to be a
beneficiary of.

So to start the presentation, I'd like to
introduce Dr. Sandra Whitehouse our Chief Scientific
Officer at AltaSea.

DR. WHITEHOUSE: Great. Thank you, Commissioners
for your time on what's going to be obviously a very busy
day. This first slide shows the AltaSea project looking
seaward as AltaSea is part of the port of L.A. And what
you see in the lower left is the peninsula, the -- and
much of which is over tidelands property that Jenny
described. All of those buildings on the lower left peninsula, with the exception of the last one on the left are part of the AltaSea project.

If we look at it from a different perspective, from the ocean toward land, it's really clear to see that AltaSea is part of a much bigger picture. It's really part of the L.A. waterfront as a whole. And I'd just like to make the point here, because we're going to be hearing later from the port, about some public access. And obviously, that's very important to this Commission.

We need to really consider AltaSea within the overall L.A. waterfront development, and how important it is for the public to be able to access these sites readily.

--o0o--

DR. WHITEHOUSE: This is a rendition of the future of AltaSea, of the end of the pier with our award-winning design by Genzler of an observation tower, and this beautiful green roofs suite building will be the former -- future engagement center for AltaSea.

And this first building, which you can see is berth 57 currently, will be the home of the Southern California Marine Institute, which is a group of 23 universities and colleges.

--o0o--
DR. WHITEHOUSE: So what is AltaSea?

Well, AltaSea we are really -- we are conveners, we are curators, we are bringing together people, institutions, universities, companies that are doing a number of things. We are working with scientists to accelerate their collaborative processes. We're very importantly working with businesses to create jobs in the new and growing blue economy. We're working with public educators, those K to 12, to make sure that the next generation is inspired, not only to learn about the ocean, but also to learn about potential career paths in the blue economy.

And, of course, we are nested within the L.A. and San Pedro communities, and we're very excited that this is an opportunity to be energized and contributing towards energizing that community.

--o0o--

DR. WHITEHOUSE: We have a number of existing partners within the science, business, and education community. These are some of them. We've worked very closely with these partners over the course of the past two years to try to figure out where should we focus our initial energy, where should we start? There's so many ocean challenges. There's dozens of them that -- where we could have started, but we really wanted to define where
was the low-hanging fruit based on all of these existing partners.

--o0o--

DR. WHITEHOUSE: And that's why we came up with our two initial clusters our areas of focus being sustainable aquaculture and blue technology. Sustainable aquaculture is the way we're going to feed seafood based protein to the world as the world population grows, and as the seafood demand grows in a way that we're not depleting our wild caught fisheries.

Blue technology is being used really by every organization. I'm sure many which come before you as a Commission, oil and gas developers, wind developers aquaculture, but also conservationists, explorers, underwater archeologists. It's these underwater robots are just being used for monitoring of the Marine Protected Areas, for numerous applications.

--o0o--

DR. WHITEHOUSE: So just to take a look at the first cluster of sustainable aquaculture, we wanted to make sure that we had sort of an anchor tenant in each of our science, business, and education components of our work. Catalina Sea Ranch which is the first aquacultural organization in the country to have a major permit in federal waters. They're growing blue mussels, so it's
inherently sustainable. There our anchor business tenant. The SCMI institutions, especially those like USC, who are already doing work on animal husbandry of bivalves, so mussels, clams, oysters. They're very -- they're our anchor tenant for the science community. And then we have the wonderful Cabrillo Aquarium just down the street from us.

They are growing right now in their aquatic nursery three different species of abalone, which are basically technically extinct already in the wild. They want to use the aquaculture facilities at AltaSea to be able to grow more of the abalone ultimately for conservation and restoration.

In our blue technology cluster, our anchor tenants are the Echo Voyager Project, where we hope gets -- anticipate that AltaSea will become sort of the command and control center for the launching of this large -- large by blue tech standards, sort of unmanned submarine that's designed to go down in the deep sea trenches, as well as under the Arctic ice.

We have again our SCMI partners, all of these institutions are building blue technologies. They are also very keen on having this as a job skills training site for their mechanical and electrical engineers. And then we have Dr. Bob Ballard and his Nautil -- his ship
Nautilus, which is already berthed at the AltaSea site, and reached over a hundred thousand L.A. students last year.

And I just want to emphasize for both of these clusters, it was very important to AltaSea that we looked at these as clusters that could provide job skills training, and ultimately job opportunities along a broad spectrum of educational background, from people who are going to be -- you know, people who are going to be welding, the underwater robots, people who are going to be market the shellfish, people who are going to be out there working on the aquafarm, people who are going to be operating the robots, and people who are going to be designing the research projects and doing, you know, the Ph.D. level science that's going to be involved with both of these blue technologies.

Because I think it's really important that we consider that people need jobs, whether they have a high school diploma, college diploma, community college, Masters, Ph.D., we want to make sure that we are providing those opportunities.

--o0o--

DR. WHITEHOUSE: The good news about AltaSea is that we are -- in the construction phase, we are relying on contributions from individuals and private
institutions. But by 2011, we'll already be financially sort of self-sustaining, once we get over this construction phase. This is just a quick overview.

--o0o--

DR. WHITEHOUSE: This is just a quick overview of the first of those buildings. The green is phase one, which is our Warehouses 58 to 60, where we're going to house these two initial clusters. We'll then move on to the yellow building, which is the SCMI building. And ultimately, in the blue, that beautiful engagement center that you saw the rendition of.

--o0o--

DR. WHITEHOUSE: And just finally for my part to give you a quick overview of the finances, we're well underway. We've already raised $5 million that has gone towards strategic planning, towards permitting, environmental permitting - everyone knows how expensive that can be - towards engineering, and towards design.

So that is money that has been well spent. We're halfway already there towards the fundraising for those first buildings, where the clusters are going to be housing 58 to 60, and about a third of the way there for the initial education pavilion, which is a smaller education facility, not the big engagement center. But we have a clear path to raising the money.
DR. WHITEHOUSE: So with that, I'd like to turn it over to one of our colleagues from the port of L.A. Mr. DiBernardo to talk about the public access.

MR. DiBERNARDO: Thank you, Dr. Whitehouse. Mike DiBernardo with the Port of Los Angeles, Deputy Executive of Marketing and Customer Relations. Good morning, Commissioners and staff.

I'm here today to talk about the port of Los Angeles and its Investment plan. In addition to being the nation's number one container port at the port of Los Angeles, it's actively pursuing redevelopment opportunities along the eight plus miles of waterfront land that has been designated for public access and visitor serving commercial use now known as the L.A. Waterfront.

The Port has invested over $600 million in these efforts since 2004 comprising of both public access infrastructure and programming activity to draw more people to the L.A. waterfront. The Port expects to invest another $400 million by the year 2025 through our Public Access Investment Plan, the plan which commenced in 2015.

The public access plan is actually a precedent-setting plan constructed to strengthen relationships with the communities adjacent to the port of
Los Angeles and in larger regions by providing recreational, commercial, and educational attractions that are activated through public-private partnerships.

The plan serves as a new model to encourage private investment within the tidelands by unlocking the tremendous economic value that the waterfront as visitor-serving attraction districts with a diversified job base.

--o0o--

MR. DiBERNARDO: The Public Access Investment Plan is a key component to our three-phased development strategy for the L.A. waterfront. The strategy begins with building public access infrastructure projects such as parks, promenades, and roads. Next is the activation of the waterfront with programs and activities that attracts communities and visitors to experience and enjoy the L.A. waterfront.

Activating the L.A. waterfront results in growing momentum to develop new destinations by attracting private investments. Through the Public Access Investment Plan, the port has created a community partnership that strategically delivers public access infrastructure.

The Public Access Investment Plan creates partnerships with our adjacent communities by connecting the port's success as an economic engine with increased
investment in public process projects. Community organizations also participate in prioritizing projects with the port staff.

So transparency, predictability, and it's a sustainable plan in collaboration efforts between community organizations and the port projects are selected and scheduled in a manner that fits within the financial structure of the plan, and aligns with future private development opportunities.

This process creates transparency and project prioritization, predictability for private investors and public with a development plan that is feasibly sustainable -- financially sustainable.

Strategic investment with community input and identified private development areas prioritize based on ability to create incentivized future develops the link in existing developments to create visitor attractions districts at the L.A. waterfront.

---o0o---

MR. DiBERNARDO: The public investment plan provides a synergy between port cargo business success and public investment by dedicating 10 percent of our annual operating income to public investment projects.

In addition to the commitments to the project developments, the port expects to spend $20 million
annually in operating and maintaining and programming the 
L.A. waterfront. So the slide here represents estimated 
revenues of 400 million, expenses of 200 million, 200 
million in income, and then 10 percent of that going to 
this public investment plan.

--o0o--

MR. DiBERNARDO: So this is a little outline here 
of since this plan was developed. The ports have 
increasingly -- has been successful with the operating 
income, and it has increased during that time. Initially, 
we estimated $20 million per year. This annual allotment 
has grown as the port has increased cargo flow and 
economic success in recent years.

So, for example, in year -- fiscal year 14-15, 
the operating income amounted to 213 million resulting in 
21 million going for community projects.

Similarly, in 15-16 operating Income grew to 215 
 million, resulted in 21.5 million. And then we're 
projecting for this year to be at about 217 million. If 
not spent annually, the money actually is put into a 
roll-over for subsequent years. And so project over the 
10 year life of the plan to be about 222 million for 
community projects.

--o0o--

MR. DiBERNARDO: So the core element of the plan
was the port's success with the community access success. If the port operating income increases, the port will invest more in public access project. That makes the port a more appealing place to live, work, and visit.

The plan has been instrumental in increasing private investment along the L.A. waterfront in projects such as the AltaSea. It also serves as a new model for leveraging commercial innovation through the ocean by clustering commission research and educational uses in one campus, where visitors are attracted to engage with and enjoy the tidelands from a new respective.

So the port's success, as well as the community's success is AltaSea's success. And as Dr. Whitehouse actually said the other day -- as she said the other day, the port provides the road, that -- the partners provide the destination.

So we're here to answer any questions that you may have on this project or the public investment plan.

So thank you for your time.

ACTING CHAIRPERSON WILLIAMS: Thank you.

Commissioners, any comments, questions?

It's the little red one on the top left.

COMMISSIONER YEE: Thank you, Mr. Chairman.

I just wanted to comment that I had the opportunity to tour the site of AltaSea. It is really
remarkable, and particularly, in my mind, the focus on education. And you can just envision stepping onto the site. The awareness — raising the awareness of, you know, young minds, and certainly cultivating the generation of future ocean scientists.

So it's a remarkable project. And I want to thank the Port also for being such a great partner in this, and love the fact that the financing of the project will be self-sustaining.

Thank you.

MS. KRUSOE: Thank you. It's a proud day for AltaSea to be here. Thank you.

ACTING CHAIRPERSON WILLIAMS: Thank you.

And just a quick, I guess, contextual question on this Commission's interest in a particular site where this is located. I assume these are Public Trust granted lands to the Port of Los Angeles.

EXECUTIVE OFFICER LUCCHESI: That's correct. These were lands that were originally granted to the City of Los Angeles in 1911. However, as the Commission knows, but for the public's benefit, we work very closely with the Port of Los Angeles in all of their land use and development projects and efforts to — in their responsibilities to manage these lands and assets on behalf of the public of California and on behalf of State.
So we are working with the port on a number of different levels regarding their management responsibilities. And this is definitely a success story. So we're very thankful for AltaSea and the port to be here today to present their project to the Commission.

ACTING CHAIRPERSON WILLIAMS: Thank you. Thank you very much.

Any public comments on that item before we move on to Item 96, which is an informational update on the Commission's environmental justice public policy outreach and development. And we have a staff presentation.

EXECUTIVE OFFICER LUCCHESI: And our staff member Jamie is making her way down. Great.

And I will note real quick -- go ahead -- Jamie is our Sea Grant Fellow for this year. So it's an honor to introduce her to the Commission and have her present on our Environmental Justice Policy and implementation plan efforts, because she really has taken a leadership role, which we're very grateful for, on this effort on behalf of the Commission.

So with that, Jamie.

MS. HUYHN: Hi. Good morning, Chair and Commissioners.

I'm Jaimie Huyhn. Jennifer, thank you for introducing me.
I've been working very closely with the environmental justice team at the Commission, and I'm here to provide you an update on our efforts.

On September 5th, Coastal Commission and State Lands Commission convened to receive environmental justice training from CalRecycle and CalEPA staff. The training provided staff with a history of the environmental justice movement and what has become today effective tools for successful community outreach and engagement, and how to identify and remove barriers to participation.

The main takeaway of the training was to truly emphasize empathy and active listening when communicating with environmental justice communities.

In October, staff attended the first annual Environmental Leadership Summit where key leaders in San Diego convened for a day to talk about current issues and projects. Staff attended the event, learned more about local issues, and made connections with these environmental leaders.

Potential topics for next year's summit include discussion of the international sewage spills in the Tijuana River, SONGS decommissioning, and the San Diego Ocean Planning Partnership.

Staff will keep updated with the organizations to provide any input or assistance needed.
Next Tuesday, staff will be a part of the Coastal Commission environmental justice webinar. Staff will be providing information on the environmental justice policy update in that webinar.

Throughout the past few months, staff has been reaching out to organizations and developing relationships in San Diego, Fresno, and San Joaquin region. In mid-November, staff will conduct an outreach session in Fresno and Huron with organizations and the public to discuss community concerns and how the Commission ties into the picture.

As part of our outreach efforts, staff is also preparing case studies as part of our current work -- of past and current work the Commission has been involved in where environmental justice has been part of the project. The case studies include the general project, environmental justice concerns, key players, how staff approached the issues, and what the final outcome was.

These case studies are meant to be educational and informative for the public to understand the Commission's duties, and how we are committed to integrating environmental justice into staff's everyday work.

Thank you, and I'm here for questions, if you have any.
ACTING CHAIRPERSON WILLIAMS: Thank you.
Comments, questions from the Commission?
Thank you very much.
MS. HUYHN: Thank you.
ACTING CHAIRPERSON WILLIAMS: So before we
adjourn for closed session, I just want to give another
opportunity for public comment for those who weren't here
earlier.
EXECUTIVE OFFICER LUCCHESI: Yes. So through the
Chair, if you don't mind, I'd like to call the three
remaining speakers that had filled out public comment
forms.
Jay Sanar?
Janet Gunter?
MS. GUNTER: Good morning, Commissioners and
staff. Thanks for the opportunity to speak. I apologize
for not being here. It was a mess.
Anyway.
(Laughter.)
MS. GUNTER: I'm back here again to remind you
and prompt you to take some -- as much action as you
possibly can on the issue of the Rancho LPG Plains All
American Pipeline project in San Pedro, which is the 25
million gallons of butane and propane gas sitting in a
very seismically vulnerable place and existing only
because of its ability to use Public Trust Lands to keep its business in operation, both the pipeline and the rail.

I know that's gone to the AG for his opinion, and we are respectfully waiting for that opinion. But I think that the issue takes on even greater significance because of the avalanche of horrible disasters that have been happening over the past couple of months since I was last year here in front of you.

And I -- you know, two of those were the earthquake in Mexico. One of those earthquakes was 7.1 magnitude. And the reason for its immense devastation and the loss of life was due to the fact that it is on a lakebed, which is liquefaction area, which is precisely the conditions that we're talking about with this massive facility here.

So you try and imagine 25 plus million gallons of butane in Mexico City on that earthquake fault. That's what we're talking about.

60 Minutes also had a very compelling show about the power of the lobbying interest as it relates to opiates and their death. I believe, and I completely subscribe to the idea, that this facility has not been touched and has been insulated due to pressures very similar to this. And we're talking about a half a million people's lives at jeopardy.
Also, the interesting thing today was listening to the massive amounts of investment going on with the port property. And these are public recreational things. All of that falls within the blast radius of this facility. We urge you to do whatever you can, whether it's lease involvement, and the use of those Public Trust Lands to protect the public and these -- that are visiting these public trust areas. I appreciate your time. Thank you.

ACTING CHAIRPERSON WILLIAMS: Thank you.

Any additional public comment?

EXECUTIVE OFFICER LUCCHESI: Yes. I think Deputy Attorney General Andrew Vogel wants to just make a clarifying statement based on his comment earlier.

ACTING CHAIRPERSON WILLIAMS: Great.

DEPUTY ATTORNEY GENERAL VOGEL: Thanks. Yes. Can you hear me?

Just to clarify a point I made earlier. At the August meeting, the Commissioners requested our office's legal advice on the jurisdictional question concerning the lands where the facilities here are located. The Commission did not request a formal opinion of the Attorney General, which is different than legal advice. Formal AG opinions go through a particular process under the Government Code, but the request from
EXECUTIVE OFFICER LUCCHESI: So if I may, to translate that a little bit.

There's the formal opinion that Andrew just spoke about, and then there's, what we call, informal opinion, or informal advice, and that's what the Commission asked for. When the Attorney General's office issues that informal opinion to the Commission, then, at that time, the Commission can consider whether to waive privilege on that advice and make it a public document. So that's the steps that we would take in order to meet what I believe was the intent of the original ask from the Commission in the first place.

ACTING CHAIRPERSON WILLIAMS: Understood.

Any comments from the Commission?

COMMISSIONER YEE: Maybe one.

Thank you, Mr. Chairman. I think certainly from my perspective the request has been made. Certainly, we would like to see what the response is to the request for informal advice before we proceed to perhaps a more memorialized response from the AG's office.

ACTING CHAIRPERSON WILLIAMS: Thank you.

EXECUTIVE OFFICER LUCCHESI: And I have one more form. Morgan Roth.

MR. ROTH: Thank you, Jennifer. Morgan Roth,
Deputy District Director for Congresswoman Nanette Barragán. I'm going to read a prepared statement regarding Rancho LPG facility.

Members of the California State Lands Commission, as Representative of the 44th Congressional District of California, I'm very concerned about the potential public safety issues related to the Rancho LPG tanks, a facility this Board is very familiar with. The tanks are in close proximity to homes, schools, and even a soccer field where children play.

Stored in the tanks is butane, a chemical that can lead to dangerous consequences. That is why I'm working hard to help clarify which agency has jurisdiction over the tanks and the rail lines, so we can request a full risk assessment.

During the August State Lands Commission meeting, Betty Yee indicated she would ask CA Attorney General Xavier Becerra for an opinion to provide guidance on which agency has regulatory jurisdiction of the facility. I want to thank Betty Yee and the Commission for doing that.

I had a call with the AG on Monday, and he has assured me that he is working on it. Because of the potential dangers to our community and the port, our community deserves answers and a risk assessment.

In 1984, one of the largest disasters in
industrial history happened at an LPG storage tank center near Mexico City. An explosion at the facility caused excess -- by excess pressure created a vapor cloud that ignited and resulted in a massive fire at the plant. More than 500 people were killed in the mostly rural community surrounding the facility.

While I'm not suggesting that will happen here, it is my job to do what I can to prevent such a disaster. The start of that is to ask for a risk assessment. We need to know first all agencies that have jurisdiction. My staff and I -- my staff and I stand ready to work with the Commission on this issue to ensure that we continue to make public safety a top priority.

Thank you.

ACTING CHAIRPERSON WILLIAMS: Thank you. And if there's no further public comment, we will adjourn into closed session until noon-ish.

And we will take up Item 97 the application by Poseidon then.

Thank you.

(Off record: 10:34 a.m.)

(Thereupon the meeting recessed into closed session.)

(Thereupon a lunch break was taken.)
AFTERNOON SESSION

(On record: 12:12 p.m.)

CHAIRPERSON NEWSOM: All set?

Everybody in the back, can you hear us?

All right. Thank you all very much. Grateful for your patience and thank you for taking the time so many of you to be here today. We will first begin, as one must, with the perfunctory safety announcement from our Executive Director.

EXECUTIVE OFFICER LUCCHESI: Yes. Thank you. Thank you, Chair. I'm going to repeat what I said this morning. I just wanted to point out the exits in the room, which are up there and out that way. I want to remind everyone in the room that we need to keep the aisles open, and nobody should be sitting on the stairs. The landing at the top of the audience section should be open, and nobody should be standing up there.

In addition, the entryway should also remain open. We cannot have anybody standing or sitting in the entryway. I know that we have a lot of members of the public here that feel very strongly about the item that we're going to be taking up next, and they want to hear every single way -- word and participate in this proceeding, but we have to be mindful of ensuring everyone's safety here, as well as being respectful to the
speakers and the presenters.

In addition, I am -- if there aren't any objections from the Commission, and through the Chair, I'd like to talk a little bit about the speaker procedures as we move into the next phase of this item -- the next phase of this meeting.

We will be having a staff presentation. We will be moving into the applicant's presentation, then allowing elected officials to speak, and then also moving on to organized groups, and then individual testimony from individual members of the public.

At a certain point in time around 3:00, 3:30, I may ask the Commission to take a break, and also reevaluate where we are in terms of timing, and the remaining public comment forms that we have in order to save enough time for Commission deliberation.

And with that, I'll move it back to the Chair.

CHAIRPERSON NEWSOM: Appreciate that. Thank you, Ms. Lucchesi. And so once again, thank you all very much for being here. We're going to try to do our best to accommodate everybody. Obviously, most of you are familiar, and were asked earlier if you'd like to speak to fill out a speaker's form. If you haven't done that, we'll get one to you. And at the end, if you haven't done it, you've forgotten still, I'll provide another
opportunity, because I want to make sure we accommodate everybody today.

But because of the number of people that we do have already signed up, we are going to try to at least distill the essence of your thoughts as best we can without reputation -- repetition -- is that the word?

(Laughter.)

CHAIRPERSON NEWSOM: -- is the mother of skill. However, at a certain point, it becomes modestly redundant.

(Laughter.)

CHAIRPERSON NEWSOM: So please keep that in mind. Maybe change an adjective or a verb to keep everybody --

(Laughter.)

CHAIRPERSON NEWSOM: -- on their edge.

We have, I think, some opening comments from Commissioner Yee, and then we will have, as Jennifer said, our staff presentation to frame what our jurisdiction is, and to frame the conversation today, and what the conversation perhaps may not be as well.

So it's in the spirit of appreciation and collaboration that we are here, and we will begin with Commissioner Yee's comments.

Thank you.

COMMISSIONER YEE: Thank you. Thank you, Mr.
Chairman.

And I know this has been an issue long standing, and we are here today -- I certainly am very excited to hear all of the testimony here today. I'll first just begin by saying that I was not serving on the Commission when this lease was previously approved, but I do support desalination as one part of the answer to the California water solution when it is appropriately sized.

Certainly support the private development of these kind of infrastructure projects. When they're done in collaboration with government agencies, we have the responsibility to provide the service.

I have raised concerns since beginning to -- since the beginning of considering this project beyond the narrow issues within the jurisdiction of the State Lands Commission. And really it was to help myself and my staff really have the context within which to consider the issues that are before us, and that is the approval of the EIR and the lease amendment.

In particular, I had raised concerns about the water supply need protections and whether the need can be met from other sources, and whether the applicant can reduce energy consumption through a comprehensive plan beyond what's already been submitted.

So while I join my Commission -- Commissioners --
fellow Commissioners in hearing the presentations today, and hopefully answers to some of these questions. And I thought what I'd do, Mr. Chairman, is to frame some of these questions, because I know there are a lot of speakers who are interested in addressing them, that -- and I know, Ms. Lucchesi, you'll start out with a staff presentation.

But perhaps just by beginning with why and explaining the staff's view with respect to the appropriateness of the supplemental EIR, and that is the appropriate scope for the review of the project at this time, and why it does not need to go back to a subsequent EIR for the project that addresses other issues, such as the distribution system, and if you could also address the treatment of the Public Trust considerations as well in your opening comments.

To the applicant, I do hope there is some robust presentation about reduction of energy consumption. I know there have been engagements with Southern California Edison to reduce energy consumption. And hopefully have a flavor for the Commission with respect to what types of commitments could be made relative to that goal. And to the extent that you know what the cost per acre foot of the delivered water could be -- would be, that might be helpful as well.
And then one thing I've learned and really addressing this issue comprehensively is that I think State and the regions can do a much better job of looking at how we resolve water disputes. This is something that we are going to hear from various water agencies today. And I hope within that body of testimony, we do get some clear responses with reselect to whether this project is necessary to meet your particular agency's water needs, and -- but also to incorporate some of the more cost alter -- cost-effective alternatives.

And those have been identified by some parties. I want to applaud the Governor for recently having signed legislation that continues to facilitate more cost-effective alternatives, such as financing stormwater capture projects as well as authorizing water utilities to provide recycled water directly to consumers. So those are just a couple of examples.

So Mr. Chairman, I think with that hopefully that can kind of focus some of the testimony -- the letters coming back and forth have addressed some of these issues, but I'm looking forward to the clarity with respect to all these issues

CHAIRPERSON NEWSOM: Hear, hear.

COMMISSIONER YEE: Thank you very much.

CHAIRPERSON NEWSOM: Thank you. No, I think you
framed it well.

So Jennifer, you've got 10 minutes. If you're going to be the enforcer, you've got to show, not just tell.

EXECUTIVE OFFICER LUCCHESI: Yes, and we will lead by example.

CHAIRPERSON NEWSOM: Thank you.

EXECUTIVE OFFICER LUCCHESI: So I'd like to introduce --

(Microphone.)

EXECUTIVE OFFICER LUCCHESI: Thank you.

I will lead by example. I want to introduce Cy Oggins our Chief of our Environmental and Planning Division, and Cheryl Hudson our Land Manager that are leads on this project for staff's presentation.

(Thereupon an overhead presentation was presented as follows.)

PUBLIC LAND MANAGEMENT SPECIALIST HUDSON: Good afternoon, Mr. Chairman and members of the Commission. My name is Cheryl Hudson, and I'm a Public Land Management Specialist for the Commission's Land Management Division. And I'm here to present information on Item 97.

--o0o--

PUBLIC LAND MANAGEMENT SPECIALIST HUDSON: The item before you relates to the lease amendment for the
previously authorized proposed co-located and stand-alone Huntington Beach desalination plant located on State-owned sovereign tide and submerged land in the Pacific Ocean offshore Huntington State Beach in the City of Huntington Beach Orange County.

--o0o--

PUBLIC LAND MANAGEMENT SPECIALIST HUDSON: In October 2010 -- excuse me, October 2010, the Commission authorized an amendment to lease PRC 1980 to include Poseidon Resources as a co-lessee with AES Huntington Beach, LLC to use one existing submerged 14-foot diameter seawater intake pipeline extending approximately 1,840 feet offshore, and one existing submerged 14-foot diameter discharge pipeline extending approximately 1,500 feet offshore for desalination operations associated with the proposed onshore Huntington Beach Desalination Plant.

The pipelines are currently utilized as components of once-through cooling system associated with the AES Upland Huntington Beach Generating Station. The existing pipelines have been in operation since 1957 when the Commission authorized a 49-year lease to Southern California Edison Company for the construction of the pipelines serving the upland SCE electric generating station.

--o0o--
Poseidon Resources has submitted an application to further amend the current lease to modify the existing offshore seawater intake pipeline and existing discharge pipeline for the operation of the proposed Huntington Beach Desalination Plant.

The proposed offshore construction consists of: installing wedgewire screens to the end of the existing offshore seawater intake pipeline; installing a multi-port diffuser at the end of the offshore seawater discharge pipeline. The center port of the diffuser will remain closed unless used for co-located operations; reconfiguration of riprap, installation of support foundations to support intake structure, and placement of two gravity anchor blocks where boats could moor while conducting maintenance on the screens.

The proposed diffuser and wedgewire screen design allows for both stand-alone desalination operation and short-term co-located desalination operation scenarios.
day, extend construction completion date to August 7th, 2026, increase bond amount to six million, authorize an annual deposit of 300,000 into the Kapiloff Land Bank Fund for impacts to the project to public resources as described in the staff report, revise the current annual base rent to the lease as part of a regular five-year rent review as provided under this lease.

This concludes my presentation.

--o0o--

PUBLIC LAND MANAGEMENT SPECIALIST HUDSON: And please -- and thank you very much. And please let me introduce Cy Oggins, the Chief of the Commission's Division Environmental Land Management.

Thank you.

CHAIRPERSON NEWSOM: Thank you.

ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION CHIEF OGGINS: Good afternoon, Chair, Commissioners. Again, I'm Cy Oggins, Chief of Environmental Planning.

--o0o--

ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION CHIEF OGGINS: As Cheryl mentioned in 2010, the Commission approved the use of the existing pipelines offshore Huntington Beach for desalination purposes. But in 2015, the State Water Board amended the California Ocean Plan with the desalination amendments.
The application that was submitted by Poseidon was -- is to add wedgewire screens and a diffuser consistent with the desalination amendment. And that would occur if the Santa Ana Regional Board determines, pursuant to the Water Code, that subsurface intakes are not feasible, that the brine discharge from the desalination plant cannot be diluted by wastewater, and that there are no live organisms in the discharge, and that the physical modifications proposed by Poseidon are consistent with the desalination amendment.

--o0o--

ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

CHIEF OGGINS: For the minor modifications proposed by Poseidon, the Commission prepared a supplemental EIR. The public review period for that supplemental EIR started in November 2016, with a release of a notice of preparation. There was a public scoping meeting in December 2016, a draft supplemental EIR was released in May 2017 for a 60-day public comment period. A public meeting was held in June 2017 to accept comments on the Draft Supplemental EIR. And then we've reached today. We've prepared the final, we responded to all the comments received on the draft.

--o0o--

ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION
CHIEF OGGINS: The supplemental -- the Final Supplemental EIR analyzed four alternatives. The no-project alternative, which is that the Commission does not approve the modifications, we also analyzed a rotating brush screen, stainless screens, which are self-cleaning screens. And that was determined to be the environmentally superior alternative, because it reduced the number of trips out to the site for maintenance. And that is what we call the recommended lease modification project in the staff report.

We also analyzed copper-nickel screens, and a different type of diffuser than proposed by the applicant.

--o0o--

ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

CHIEF OGGINS: The environmental issue areas analyzed in the EIR -- in the supplemental EIR included ocean water quality and marine biological resources and air quality. Both those impacts were determined to have -- include significant and unavoidable impacts, in other words impacts that could not be mitigated to less than significant with feasible mitigation measures.

The first one relates to impact pile driving. At this time, it looks like piles will need to be driven to support the wedgewire screens. There are two types of ways to do that. One is vibratory pile driving, the other
is impact pile driving. We've included a mitigation 
measure to require vibratory pile driving. But because we 
do not have data yet to see if that would be feasible, 
impact pile driving was also analyzed but found to be 
significant and unavoidable. And that will require a 
statement of override from the Commission.

Also, air emissions from construction and 
cumulative air emissions from construction were also 
analyzed and found to be significant and unavoidable. 
Other issues included esthetics, cultural resources, 
tribal cultural resources, hazards and hazardous 
materials, and marine transportation. And we found that 
there were mitigation measures that could reduce or 
significantly avoid -- avoid or significantly reduce those 
impacts.

--o0o--

ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

CHIEF OGGINS: So in conclusion, we're recommending that 
the Commission certify the supplemental EIR; to adopt the 
mitigation monitoring program that is included in the 
staff report as Exhibit C; to adopt the CEQA findings and 
Statement of Overriding Considerations, that is included 
as Exhibit D; and then to authorize the lease amendment 
for the recommended lease modification project as 
presented in staff report 97.
CHIEF OGGINS: And we are here to answer any questions you may have.

CHAIRPERSON NEWSOM: Appreciate that.

Jennifer, can you sort of -- let's lay out the parameters of this conversation. I mean, obviously, there's context in the presentation that was just provided, but perhaps you can amplify that.

EXECUTIVE OFFICER LUCCHESI: Right. Yeah, I will. Thank you for the opportunity.

I think it's important to start with what the Commission's jurisdiction here is. The Commission is the landowner for this particular project, not a regulatory agency. And our jurisdiction and land ownership begins at the mean high tide line and goes waterward out into the ocean. So there's a very small part of the overall desalination project that is under the Commission's jurisdiction.

Now, a little bit of history about the Commission's leasing activity in this area. In 2007, the Commission authorized a 20-year lease to AES for the offshore infrastructure associated with the power plant and once-through cooling.

In 2010, the Commission, at a public meeting like
this one, authorized a lease amendment to include Poseidon
Resources on that lease and authorize the use of that --
those -- that offshore infrastructure for the purpose of
the desalination project.

And so the Commission authorized this project
back in 2010, and included Poseidon as a lessee on AES's
lease for the purpose of the desalination project, and
authorized the use of the intake and the discharge
infrastructure for the desalination project.

In 2016, Poseidon amended -- applied to the
Commission again for an amendment to their existing lease.
And that amendment is to modify the intake and discharge
infrastructure to include screens and diffusers as
described in our staff report, the CEQA document, and our
presentation.

The Commission staff determined that this was a
minor modification to the project, given what the
Commission had already approved in 2010. Poseidon has
vested property rights in the State's tidelands, pursuant
to this lease. They have property rights pursuant to
their leasehold interests, and those were granted in 2010.

So in the event -- I mean, just to kind of
amplify that a little bit more, in the event the
Commission declines to approve the proposed lease
amendment, Poseidon still has rights to use the offshore
tidelands under the 2010 amendment for the desalination project purposes.

So we -- when we received the application from Poseidon, we approached the CEQA review, and our analysis and processing of the application within that narrow lens of the minor modification to the existing property rights, and the existing authorization that the Commission had already granted in 2010.

And so the scope of our review necessarily required us to pursue a supplemental EIR, and also look at the analysis, including the Public Trust analysis and the best interests of the State within that scope of the minor modification because of the fact that Poseidon already has rights under the 2010 lease amendment to use the offshore infrastructure for the desalination project pursuant to our authority.

Now, with that said, there is -- the Santa Ana Regional Water Quality Control Board, and the Coastal Commission, and other agencies still have discretionary approvals and permits to give to consider for this project to move forward, including compliance with the desal amendment under the Ocean Plan, which is a responsibility, and under the sole authority of the Water Board, not the State Lands Commission.

So I -- in sum, that's how staff approached this
analysis, both CEQA and in processing the application. And it really stems from the Commission's prior approval in 2010, and the scope of our limited jurisdiction given the lease amendment application, and the proposal to make some modifications to those intake and discharge infrastructure facilities. And with that I'll turn it back to the Commission for any questions.

CHAIRPERSON NEWSOM: Appreciate it.

So minor modification, a term of art, a legal designation, subjective? How does one begin to analyze what constitutes minor?

EXECUTIVE OFFICER LUCCHESI: All of the above. I think I will turn it to Jamie -- Jamie Garrett and Mark Meier, our attorneys, to talk about the legal aspects of that under CEQA.

CHAIRPERSON NEWSOM: And as you -- and just so we can -- in the interests of time, the question of lead agency versus this notion of a responsible agency, something that's come up over and over and over again --

EXECUTIVE OFFICER LUCCHESI: Right.

CHAIRPERSON NEWSOM: -- in hundreds of letters we've received, if you can take that legal question on as well.

STAFF ATTORNEY GARRETT: Well, in terms of minor modification, it comes to the CEQA regulations which are
used to determine whether or not a supplemental EIR is appropriate. And it states that if -- there can be minor changes or additions to that document to make it sufficient for the project, then it is okay to do a supplemental EIR.

EXECUTIVE OFFICER LUCCHESI: So essentially, the Commission relied in 2010 on the City of Huntington Beach's certified EIR. They were and are the lead agency for this project. We were the responsible -- we, meaning the State Lands Commission, was a responsible agency when it acted in 2010.

That responsible agency designation has not changed, even with this new application to amend the lease to make these modifications. The minor modification designation is a legal term of art, as it relates to CEQA, in terms of how you determine whether to conduct a supplemental EIR, which is a supplement to the original EIR in 2010, or it's determined to move to a subsequent EIR, which is, in essence, reevaluating the entire project, given the history.

CHAIRPERSON NEWSOM: All right. Andy, do you want to amplify that?

DEPUTY ATTORNEY GENERAL VOGEL: Only to add that the application of the facts to the CEQA guidelines is a question that the law gives some discretion to an agency,
such as the Commission, to do essentially.

CHAIRPERSON NEWSOM: Right.

CHIEF COUNSEL MEIER: Yeah. Mark Meier, Chief Counsel for the Commission. I wanted to add that I think one of the reasons why -- the basic reason why the staff determined that this -- a supplement was appropriate in this case, why this was considered a minor modification --

(Can't hear.)

CHIEF COUNSEL MEIER: -- was considered a minor modification was that the screens and the diffusers -- I mean, the intake and the outfall could be used for the desal facility as they were. The screens and the diffusers added an element of improvement, but they didn't change the fundamental nature of what was approved in 2010, the intake and the outfall.

To that extent -- I mean, if something were to be requested that fed into an -- modified in a substantial way the entire way desal was going to be undertaken at this facility, that might have -- the question might have been answered differently.

But in this particular case, it was simply limited to the way that the water was taken in at the end of the pipeline and how it diffused out the end.

CHAIRPERSON NEWSOM: So, in essence, I mean, the juris -- the question at hand is we are -- we are asked to
assess the environmental impacts of these modifications, and is that --

CHIEF COUNSEL MEIER: That's correct.

CHAIRPERSON NEWSOM: -- the essence of the question at hand? And are they environmentally preferable to the status quo?

CHIEF COUNSEL MEIER: That's fundamentally the question here, yes.

CHAIRPERSON NEWSOM: Got it. All right. So I think we've got a sense. And anything else that you were trying to get to in the beginning, Commissioner, that we haven't framed yet?

COMMISSIONER YEE: Maybe just one thing.

CHAIRPERSON NEWSOM: I just want to make sure we've contextualized your thoughts.

COMMISSIONER YEE: So the interest that many have had with respect to looking at the impacts of whatever distribution system is outside of the scope because it doesn't relate back to --

EXECUTIVE OFFICER LUCCHESI: Yeah. It is. I will -- yes, it is outside the scope of the Commission's jurisdiction. It is outside the scope of the limited scope of our authority and jurisdiction as it relates to the application under CEQA and the Public Trust, but it is certainly not out of the scope of why I think the majority
of the con -- where the majority of the concerns are that we will hear today, which is as it relates to the entire context of the desal project. I just wanted to kind of compare those two.

COMMISSIONER YEE: Thank you.

CHAIRPERSON NEWSOM: Yeah. And I think that's where we're going to end up with that being the big -- the chasm here of distinction that we need to make throughout this process. And so, you know, I hope people are sensitive to the scope that is presented to this Commission. And I -- and that does not negate the broader conversation, which I'm certainly looking forward to engaging in, and hardly naive as to the controversy therein.

But I hope we understand, at least in the importance of this opening commentary, is to frame what we are asked to do as a body, this individual body, and what we are not being asked to do more broadly.

And so I'm grateful for the opportunity to clarify that. Jennifer, you now have clarified that. We have now made our presentation. You have now the floor, including a hundred plus speakers' cards.

EXECUTIVE OFFICER LUCCHESI: Let's get to it.

CHAIRPERSON NEWSOM: That's it.

EXECUTIVE OFFICER LUCCHESI: So, first, I would
like to invite up the applicant Poseidon Resources.

CHAIRPERSON NEWSOM: And again, so everybody --
everybody is familiar there is a green light, a yellow
light, and a red light. And if you're not familiar with
the construct, just, you know, think about yourself as a
pedestrian or a driver. And I will remind you to take a
good luck at that as the yellow turns to red and be
considerate of the thousands of folks behind you. That
said, you have the floor.

MR. MALONI: I understand that we have 15 minutes
as the applicant? Is that correct?

EXECUTIVE OFFICER LUCCHESI: Yes.

Good afternoon Chairman Newsom and members of the
Commission. My name is Scott Maloni. I'm the vice
president of project development for Poseidon Water.

Joining me today are members of the Orange County
Water District and staff, as well as Poseidon's legal
counsel, Chris Garrett, who you'll hear from next.

(Thereupon an overhead presentation was
presented as follows.)

MR. MALONI: I'd like to provide a brief overview
of the project and it's purpose. In 2010, the Commission
adopted findings, including that the project would provide
an important, drought-proof, renewable local water supply,
be independent of climate conditions, create ecosystem,
and biological resource benefits due to the decreased
pressures on existing water sources, provide operational
flexibility for the management of the Orange County
groundwater basin, and reduce demands on the existing
imported water system.

    Seven years later, the proposed project, which
has today been environmentally enhanced, continues to
offer these immense public benefits.

      --o0o--

    MR. MALONI: The need for desalination is clearly
outlined at the State, regional, and local levels, as
you'll hear later today. The Department of Water
Resources, and the Governor's Water Action Plan identify
desalination as necessary to increase regional water
supply self reliance. The Metropolitan Water District of
Southern California is relying on desalination and other
local supplies to augment imported supplies, in addition
to the California WaterFix.

    And both the Orange County Regional Planning
Agencies identify the Huntington Beach project as a
planned future water supply. Without seawater
desalination, Orange County will be forced to rely heavily
on climate-driven, imported sources of water to meet
demand.

      --o0o--
MR. MALONI: In 2016, the adoption of the State Water Board's Ocean Plan creates new regulations for seawater desalination plants. Last year, at the request of the California Coastal Commission staff, Poseidon withdrew our application for a coastal development permit just one month before the planned hearing. We did this to honor the Coastal Commission staff's request that the regional board first decide that Poseidon's environmentally enhanced project complied with the new State Water Board regulations.

In addition, because of the intake and discharge enhancements we are proposing to the project require physical changes to the components in the lease area, an amendment to our existing lease was required. We appreciate the State Lands being the first of the three agencies to act as the interagency permit sequencing agreement requires.

This is not the last stop for the project, but instead it is the first step in the final phase of the permitting process. It's a step that must occur for the project to move forward.

--o0o--

MR. MALONI: Here's an aerial view of the existing power plant site where the desalination plant is proposed to be located. As your supplemental EIR
confirms, there are no areas of special biological significance or of marine life protected areas in --

(Noise from the audience.)

MR. MALONI: -- in the vicinity of the intake or outfall.

CHAIRPERSON NEWSOM: And as you -- and I appreciate the emotions. Just if you I could one moment. And you'll appreciate on the other side. You know what I'm going to say, and I, just out of respect, want to keep to the extent we can, things as civil as we can. And that's coming as a guy with four young kids.

(Laughter.)

CHAIRPERSON NEWSOM: So thank you.

AUDIENCE MEMBER: Let's think about Huntington Beach people.

MR. MALONI: There are no kelp beds or rocky reefs or other habitat that support threatened or endangered species. In fact, this maybe the most ideal spot along the coast of Southern California for a desalination facility.

This slide shows the footprint of the desalination facility away from Pacific Coast Highway and behind the new AES power plant, which is under construction today, which will be operational for the next 30 years.
As part of its project, AES will decommission its cooling water system, which currently is permitted to withdraw almost 400 million gallons per day of seawater or almost four times more than our proposed project with the environmental enhancements. That's the baseline condition today.

--o0o--

MR. MALONI: Our proposed project includes rebuilding the existing ocean intake, that includes a velocity cap and mammal exclusion bars.

--o0o--

MR. MALONI: The environmental enhanced project will comply with the State Water Board's new regulations. All the water must be withdrawn through wedgewire screens with a one millimeter slot width. On your dais there is a model of the screen that we will be building out in the ocean. As you can tell, the openings are thinner than the edge of a credit card, the velocity of the water through the screens will be less than half a foot per second, eliminating all impingement of marine life.

This plant will be the first large-scale seawater desalination facility in the world to use this cutting edge technology in an open-ocean setting.

--o0o--

MR. MALONI: Additionally, the plant will utilize
state-of-the-art spray diffusers that dilute the facility's concentrated seawater that is discharged back to the ocean.

--o0o--

MR. MALONI: Diffusers are identified by the State Water Board as the best technology available for brine dilution absent the availability of wastewater. The diffuser will meet the State Water Board's stringent receiving water quality requirements at four to five meters from the point of discharge, well within the 100 meter regulatory boundary.

--o0o--

MR. MALONI: We also want to point out that brine diffusers are a project-technology enhancement that Poseidon and the environmental NGOs both support. With these new enhancements, the project will only require about 106 million gallons a day of seawater, or 30 percent less seawater than approved by the Commission in 2010, while still enabling us to produce the same amount of drinking water.

--o0o--

MR. MALONI: I want to close by addressing two important lease conditions. The first is Poseidon's energy minimization and greenhouse gas reduction plan. Even though the reverse osmosis process does not produce
any direct emissions, and the plant is not regulated under AB 32, Poseidon has agreed to the construction and operation of the facility will be 100 percent carbon neutral.

To our knowledge, the Huntington Beach facility is the only large-scale water treatment facility of any kind in the state that has made this commitment. We're not -- we're also not aware of any other State Lands leases that have this commitment.

As a result, the total emissions associated with Orange County's water supply portfolio will be reduced because of the Huntington Beach project.

That said, we are committed to doing more. Our lease includes commitments to pursue renewable energy power purchase agreements, demand management programs, facility optimization, and shared energy efficiency savings. We are very proud of our leadership and the role on energy efficiency and climate resiliency. And we appreciate the Commissioners progressive input on these issues.

--o0o--

MR. MALONI: The project also includes environmental protections, of note, the Bolsa Chica Marine Life Mitigation plan that will advance critical Commission goals. Poseidon's detailed plan commits us to maintain
the Bolsa Chica ocean inlet for the operational life of 
the facility to mitigate for unavoidable larval 
entrainment.

In addition to our pledge to dredge the ocean 
inlet, we have agreed to provide $300,000 per year to the 
Commission's Land Bank Fund for the use of Bolsa Chica to 
ensure that its ecological benefits are realized for years 
to come.

Given the environmental enhancements built into 
the plant and our commitments to Bolsa Chica, the 
Huntington Beach project will be a net environmental 
benefit.

Orange County Water District President Dennis 
Bilodeau will now discuss the demonstrated need for the 
project.

--o0o--

MR. MALONI: As he makes his way up here, I want 
to point out -- I want to point out that the State Water 
Board's new desalination regulations require that the 
location and the capacity of a desalination plant be 
consistent with the identified needs for desalinated water 
in an urban water management plan or equivalent planning 
document.

The Huntington Beach project is identified in 
both the MWDOC and the Orange County Water District's
long-term planning documents as a future planned water supply.

Thank you.

MR. BILODEAU: Good afternoon, Chairman Newsom and Chairman -- and members of the Commission. My name is Dennis Bilodeau, and I serve as the President of the Board of Directors of the Orange County Water District. Joining me here today are members of management staff and board members, including Shawn Dewane, Cathy Green, Steve Sheldon, and Dina Nguyen.

The Orange County Water District was formed in 1933 by a special act of the California State Legislature to protect Orange County's rights to water in the Santa Ana River which provides the main source of water for the region's groundwater basin.

The district manages the groundwater basin that provides a reliable, high quality, potable water source to 19 cities and retail water districts that serve 2.5 million customers in north and central Orange County. We are here today to urge you to approve the Huntington Beach Desalination Project supplemental EIR and lease amendment.

--o0o--

MR. BILODEAU: The district's interest in seawater desalination, and specifically the Huntington Beach project is not a new development and predates most
of the recent drought. In fact, in the 1970s, the district constructed a pipeline from the ocean to its Fountain Valley campus along with a small ocean desalinization plant to consider the cost and feasibility of constructing a large-scale plant.

In 2010, the district signed an MOU with Poseidon for the consideration of the purchase of water from the proposed desalination plant. And in 2013, the district hired a financial advisor to evaluate the financial feasibility of the district purchasing the full 50 million gallons a day of drinking water to be produced by the facility.

And in 2015, the district's board of directors voted to approve a water purchase agreement term sheet for the purchase of 50 million gallons a day of drinking water from the proposed project. The term sheet was approved by the Board after numerous public meetings and review and amendments to the term sheet that were proposed by a 30-member citizens advisory committee.

It is the district's mission to provide the cities and retail water district it serves with a reliable, adequate, high quality water supply at the lowest reasonable rate possible in an environmentally responsible manner.

The attached pie charts illustrate the current
and future projected water supplies that could be used to meet the demand within the district's service territory.

--o0o--

MR. BILODEAU: The Huntington Beach project is identified as a potential future water supply in the district's ground water management plan, and the facility's 56,000 acre foot per year capacity is the single largest source of new local drinking water supply available to the county.

I want to point out that the district's groundwater replenishment system is the largest potable reuse project in the world, and has been instrumental in moving Orange County away from climate driven water supplies. Today, the district recharges over 100,000 acre feet a year of this highly treated wastewater into our groundwater basin. The Board has approved plans for a final expansion of the groundwater replenishment system to a final 134,000 acre feet a year.

Desalinization provides the district with a high quality, locally controlled, and drought-proof source that reduces the demand on imported water sources that are climate driven.

--o0o--

MR. BILODEAU: And my final slide illustrates that the progress that we have made over the last decade
in moving away from climate-driving -- driven water
supplies, in addition to offsetting imported water demand
and moving away from climate-driven water supplies, water
from the desal facility could provide flexibility in how
the district manages the groundwater basin.

Specifically, the desalinated water could be used
to augment supplies we inject into our Talbert Seawater
Barrier to help prevent seawater intrusion into the
groundwater basin and to buffer against any reductions in
base flows from the Santa Ana River.

As the slide points out, we have historically
taken more than our adjudicated rights to the Santa Ana
River, and cannot be certain that water will
always -- that water will always be there for us.

Let me make sure I'm on the right slide.

--o0o--

MR. BILODEAU: Yes, I am on the right slide.

At this point in time, the district does not
required changes to the distribution system as studied in
the City of Huntington Beach's 2010 supplemental EIR. A
final decision on integrating the desalinated water will
come after the project has received all of its permits,
and based on those results, the district concludes the
project is technically and economically feasible.

The Huntington Beach desal plant provides the
district and Orange County with a unique opportunity to
add a large quality of locally controlled, job-proof water
to our supply portfolio.

The district respectfully requests your support
of the staff recommendation.

Thank you.

CHAIRPERSON NEWSOM: Appreciate it. Thank you.

(Applause.)

CHAIRPERSON NEWSOM: Everybody, hold on. Thank
you very much. Hold on one second, please.

That concludes the presentation?

MR. BILODEAU. Yes.

MR. GARRETT: No, I have one more speaker for the
Poseidon presentation and that's me.

CHAIRPERSON NEWSOM: Perfect. Wonderful And
then we have one quick question from the Commissioner.

ACTING COMMISSIONER ORTEGA: Could I ask a
question of the water district before you head off? Can
you talk a little bit about conservation in the district?
And then also, I'd like to hear if you have any thoughts
on -- one of the issues that has been raised with me with
certain groups in particular is the price of desalinated
water versus other efforts.

(Applause.)

ACTING COMMISSIONER ORTEGA: And I would like --
I would to hear --  

(Applause.)  

ACTING COMMISSIONER ORTEGA: I would like to hear what your thoughts are?  

CHAIRPERSON NEWSOM: And forgive me, Commissioner.  

ACTING COMMISSIONER ORTEGA: Sure.  

CHAIRPERSON NEWSOM: You guys, I appreciate the emotions, and I appreciate the significance all of us -- I mean all of you particularly place on this moment. Please, please be respectful on both sides of the aisle, so we can move this forward.  

Thank you. 

Commissioner.  

ACTING COMMISSIONER ORTEGA: And the direction of my question may not elicit the applause, but I was wondering if you could talk a little bit about some of the other kinds of innovative water solutions and the relative costs of those, because my understanding is some of the other options, aside from desal, are also -- can lead to more costly water provisions. So if you could just talk about both of those things.  

MR. BILODEAU: Yes, Commissioner.  

First, I want to recognize my colleague Phillip Anthony here. I neglected to say that.
In terms of conservation, we work closely with our sister agency the Metropolitan Water District of Orange County, who's a Met member agency. They're really the lead in terms of implementing conservation measures on the consumer level, you know, with, you know, low-flow toilets, shower heads, irrigation timers, and those types of things. And they have really sort of saturated the market with those -- with those items.

In fact, here in Orange County, in spite of the fact our population over the last 20 years has gone from two million to 2.5 million, we use the same amount of water that we did 20 years ago. So we've done a lot of conservation hardening in that regard. Tremendous.

In terms of the price of the water, it's something that my board is very focused on. Our term sheet contemplated a price that would be a premium to Met imported water of between 0 and 20 percent. We will determine the final price once Poseidon has obtained all their permits. And we understand the mitigation measures that have been implemented on them, because that is a big component of the price. So we do have a price that we're comfortable with, and that is outlined in our term sheet.

And in terms of you mentioned other water sources, you know, we have the groundwater replenishment system that currently produces 100 million gallons a day.
We're looking to ramp that up with a final expansion. And that will ramp it up to a little over 130 million gallons a day. That will cost us about somewhere about $260 million to complete that final expansion. And currently, we're seeking grants and low interest loans to make that happen.

And we got really good news recently that we are on the list to get a WIFIA loan from the federal government. And that will cover about half of the cost. We're hoping to obtain the other half from the State Revolving Fund, but unfortunately it's oversubscribed right now. So we may have to go to the bond market to finance that.

COMMISSIONER YEE: I have follow up.

CHAIRPERSON NEWSOM: Commissioner Yee.

MR. BILODEAU: Oh, oh, and lastly, I'm sorry, I should mention we have a very aggressive stormwater capture program. We work with the Army Corps of Engineers to store stormwater behind Prado Dam, and release it slowly, so we can capture all of that water. A decade ago, the Army Corps would operate the dam such that they would open the gates and it would rush to the Pacific Ocean, but now we have a very close working relationship with them and conserve every drop of that water that we can.
COMMISSIONER YEE: Thank you, Mr. Chairman.

Just following on Commissioner Ortega's question, the analysis with respect to these various water sources, did that include the expansion of the recycling effort. And I guess what I'm looking for is have you fully considered all these alternatives before really looking at the water that would be produced by Poseidon, which obviously is going to be the most expensive water.

MR. BILODEAU: Yes, we certainly have. Really, the only opportunity we have beside Poseidon is the expansion of the groundwater replenishment system. And we are all in on that. Our board has already voted to go forward with that expansion. It's in design right now. And now, we're going through the process of the financing component.

Poseidon would be yet another source beyond that. And it would offset imported water sources and also contend with -- the Santa Ana River, the base flow of it, continues to decline because of drought, and also our friends in the Inland Empire they are now recycling. And so the Santa Ana river during the summer it's not snowmelt, that's discharge from sewage treatment plants that's highly cleaned up. And then we take that water put it through wetlands actually, and then we put it into our groundwater basin.
But that base flow continues to decline. And that's something that's somewhat alarming to us. So we need to continue to look for and develop new water sources to offset that.

COMMISSIONER YEE: Okay. And I know there's been a lot of back and forth with various parties on this very issues. And I think what really has been missing is really the analysis of these alternative water sources as compared to what would be produced by the Poseidon facility.

And it's -- it's a little hard to figure out whether the Poseidon water that we -- would be produced is really more - I'll use the word - arbitrary in nature with respect to a desire to replace imported water, as compared to really being integral to meeting the overall water needs.

MR. BILODEAU: Well, again, we have looked at all of the --

COMMISSIONER YEE: Or discretionary, I guess, is a better word.

MR. BILODEAU: Yeah, I mean, we are -- we're obviously looking at all of our alternatives. The Poseidon water is -- it's a local source, and it offsets imported sources. And it's reliable, because it's made locally, and it takes us off being dependent from imported
sources. And that leaves Met water available for other communities across Southern California.

COMMISSIONER YEE: I guess is there any possibility of the water that would be produced by the Poseidon facility be more than what you need?

MR. BILODEAU: No, I don't believe that would be the case. All of the water would be used most certainly, because -- what would it mean -- there is more Met water that's imported than would ever be produced out of that facility. So it would just be less purchases from Metropolitan Water District.

And in looking at the financials that we -- the most recent that we've looked at, it does cross over at a point in where the Poseidon project that source is actually cheaper than imported sources. And that's obviously very appealing to us, so -- and it's something that I could tell you that all of my board is looking at very carefully.

COMMISSIONER YEE: So do you remember at what point that cross-over takes place?

(Laughter.)

MR. BILODEAU: We're looking about a year 11 or 12 right now is what we're looking at. But trust me, I'm trying to crank that down.

COMMISSIONER YEE: Okay. All right. Thank you.
MR. BILODEAU: Thank you.

CHAIRPERSON NEWSOM: Thank you.

MR. BILODEAU: Thank you, sir.

CHAIRPERSON NEWSOM: Appreciate it.

And then we have one more speaker.

MR. SHELDON: If I could -- if I could just say one more thing --

CHAIRPERSON NEWSOM: Please.

MR. SHELDON: -- at the pleasure of the Chair?

We've heard so many different arguments against this project. Now, the latest argument is the cost of the water. We've heard environmental arguments and I think that Poseidon has solve those issues. We've heard that the intake valve, there's -- will bring in large fish. That's not the case. There's been videos shown gathering opposition that, you know, Flipper is going to be sucked in by the intake valve. That is not the case.

And so now it's about the money, and that's -- that is not an issue. We have less and less water off the Santa Ana River. There's plans now for 30,000 acre feet to be recycled in the upper watershed. We need this water, not just because we want the luxury of having it. We need this water to protect our ratepayers. It's our job to find more water for our constituents.

So I hope that you will look at it from that
global point of view that we believe that we need the water.

Thank you.

CHAIRPERSON NEWSOM: Appreciate it.

MR. GARRETT: Chairman, I'm the last Poseidon speaker. You staff stopped the clock at 2:51 when you started asking questions. I'm going to finish in two minutes and 51 seconds. I'll leave it at that.

I'm the lawyer for Poseidon. I've been working on this project and Carlsbad project. I started working for Poseidon in 2002. We successfully got permitted, approved, financed, and in operation the Carlsbad facility.

This project started over 15 years ago in 2002 -- in September of 2002 when the first EIR for this project was issued by the City of Huntington Beach. You have in front of you today --

--o0o--

MR. GARRETT: And I'm going to show my slides here. This final supplemental impact report, as Mr. Cy Oggins said, your excellent environmental chief who shepherded the supplemental EIR through this. We've been through this process here for a over year.

Frankly, we didn't think it was necessary. We believe that you could do a short form addendum. The
supplement wasn't needed. Your staff, stubbornly independent I might say, but excellent, insisted upon a full supplemental EIR. Again -- and we think it confirms the conclusions that there are no new significant impacts associated with the modifications.

--o0o--

MR. GARRETT: You've got three environmental documents in front of. Your excellent Executive Director did say you've got a limited scope for the lease, but I want to stress to you the full scope of the environmental documents that you have in front of you, the CEQA findings that your staff prepared says that you're to look at three environmental documents, not just this supplement.

You're to look at the original SEIR that the city did in 2010 when they updated the environmental review. And there was a full Environmental Impact Report done on these intakes and on the diffuser technology itself by the State Water Board in 2015. When they adopted the requirement of the diffuser, at the request of the environmental groups, and that diffuser technology has now been interpreted.

So you have three environmental documents. They don't just cover the minor changes to this project. Those environmental documents that are the basis for your findings under CEQA and the Public Trust Doctrine cover
the full impact of the project, as compared to the current
no project existing physical baseline.

That's very important to us. We not claiming
that you have -- we have any legal right to you to approve
this project. If you don't like the environmental
information in the documents, don't approve it, but we
believe the documents, which have been done by independent
third parties show that our project does not have
significant adverse environmental impacts. They can't be
mitigated, except for the few that are mentioned in the
document, and they're well outweighed by the benefits that
are being offered.

--o0o--

MR. GARRETT: There's been a lot of debate back
and forth about supplemental versus subsequent EIRs. I
just want to pull out two things. There's one leading
case on this, as your counsel will tell you. And it
basically says that you have the discretion if there's any
reasonable basis that you believe the supplement was
better than the subsequent EIR, and all it needed was the
additional information to add to those other environmental
documents I showed you to make the full environmental
analysis adequate.

--o0o--

MR. GARRETT: Poseidon requests that you adopt
the staff recommendation, certify the SEIR, adopt the
staff CEQA findings and statement of overriding
considerations and the Public Trust findings, which are
based on the full scope of the environmental documents and
the entire project, and approve the lease amendment.

I'm available and we have other staff here to
answer questions on environmental issues, if you have
those.

CHAIRPERSON NEWSOM: Thank you very much.
MR. GARRETT: Thank you.
CHAIRPERSON NEWSOM: Thank you.
Commissioners, at this stage, any questions?
Seeing none, we'll move to the next segment.
Jennifer, anything you want to amplify at this
state or we'll just move right in.

EXECUTIVE OFFICER LUCCHESI: I think we can just
move right on.

CHAIRPERSON NEWSOM: Move right on. Perfect.
EXECUTIVE OFFICER LUCCHESI: Yeah. So we're now
onto the elected official section.
So I'd like to introduce former U.S. Senator
Barbara Boxer.

(Boos.)

(Applause.)

CHAIRPERSON NEWSOM: Please.
If I -- let me -- hey, everybody, please.

Please. Come on. I mean -- I mean this sincerely. I wasn't joking about having four kids. And I mean this --

I don't mean to admonish you. I just mean let's be respectful here of everybody. I appreciate again the sentiment on both sides, but I honestly -- we'll just call a recess and that's just going to disrupt the rest of your day. I'm here till midnight, if I need to be. But I'll disrupt it, just -- if you're going to keep disrupting this meeting, respectfully, both sides. Please.

Senator, thank you for being here. And thank you for your presentation.

SENATOR BOXER: I'm so happy to be here. I know it's a tough hearing. I respect everybody views. I always have, and I want to say that for my whole career, I've been an environmentalist, and I took the lead on climate change. And I understood many years ago, 10 years ago, that we're going to be hit with droughts, fires, all the awful things we're seeing in the country. We see in Napa what is being brought by climate change.

And I, honest to God, do not understand how people could stand against a project that's going to give us mitigation when it comes to a safe drinking water supply. And we've seen it in Carlsbad. We've seen it in Israel. We've seen it around the world.
Everyone has a right to their opinion, but they
don't have a right to the facts. If you look at Puerto
Rico, look at what is happening. People are drinking
water out of Superfund sites, Mr. Chairman and
distinguished members of this panel. We have to step up.

Now, I know no project is perfect, of course not.
If we could wave a wand and we could get rain, rain, and
more rain, it would be great, but that's not what the
scientists are telling us. So we have an opportunity,
working with the private sector -- and I want to be clear
that before I left the Senate, I said I would continue
working on things I believe in. I've supported this
project in Carlsbad for years, because it's real. It's
real. It can get us ready, ready for the inevitable, for
what is already here.

So I take a view of this that's very different
from the, you know, measuring every single issue on the
plate, because to me this is an overwhelming issue. The
scientists have said it way better than I have. And you
have an opportunity to work with the private sector.
They're putting almost a billion dollars into this.

Then they're going to turn it over to the water
agency. I hope you'll approve this, your narrow scope
though it may be.

Thank you very much.
CHAIRPERSON NEWSOM: Thank you, Senator.

(Applause.)

CHAIRPERSON NEWSOM: Jennifer, next speaker.

CHAIRPERSON NEWSOM: Thank you.

And -- please. Go on.

EXECUTIVE OFFICER LUCCHESI: If I may just add
just on a more kind of technical logistic basis, with the
increase in applause or other outbursts, it just delays
time to get the number of speakers that we have in our
pile up to speak. So I would just emphasize the Chair's
request, just so we can ensure we have enough time for
everybody to express their perspective on this.

Next up is --

MR. BUTTERA: I'm Tom Buttera. I've been in
liquid filtration for over 40 years. I am a resident of
Huntington Beach. My wife and I have been residents for
over 50 years. We appreciate that -- all of the good work
that's being done to keep Huntington Beach as wonderful as
it is. I look at some of the things and I look at the
beautiful things that we have supplied water for the last
30 years for everyone, the residents in Huntington Beach.
And we also are able to do that for the next 30 years.

I recognize we have to make some changes. We
have to have storage facilities for the water. We have to
have rivers that we can get to. We do have some things
that have to be done. We have to conserve. We have to treat water. I've been involved in liquid filtration. And I handled the western half of the United States in liquid filtration. Any pharmacy, any pharmaceutical product you ever supplied or ever had was filtered through my equipment throughout the world.

And I have a lot of knowledge on filtration and improving water quality where we end up with good producing water. I've handled city water supplies for years and years and years. And I appreciate what we're doing here. And I appreciate that with our ability to be able to say we can serve for the next 30 years for the people in Huntington Beach, I think that's wonderful. And I think we can work hard to conserve our liquid, conserve our water, and add to it, not worry about getting out to the ocean and converting all the ocean water that we need. It's not necessary. We don't need it.

That's all I can say.

Thank you.

CHAIRPERSON NEWSOM: Thanks, Tom. You're officially and honorary elected official.

(Applause.)

CHAIRPERSON NEWSOM: So, everybody, clapping is the same as booing from my perspective. I'm just going to -- and I mean this sincerely. And I may -- and I'm
going to saying this very calmly, next time it happens, we're just going to take a big recess. And that's unfortunate, but I'm dead serious about it.

And so forgive me for being stern. I don't want to be this guy. You don't want to listen me say this, and admonish you, because you're adults, but that's the last warning respectfully.

Thank you, Tom, very much.

MR. BUTTERA: Thank you. I have to give my appreciation for all of you and your support for all of us living in this area.

CHAIRPERSON NEWSOM: God bless.

MR. BUTTERA: Keep up the good work. Thank you.

CHAIRPERSON NEWSOM: Thank you. You should have run for elected office.

EXECUTIVE OFFICER LUCCHESI: Next, I'd like to introduce Mayor Albert Robles from the City of Carson, and after him Council Member Fred Whitaker from Orange County -- Orange City, excuse me.

CHAIRPERSON NEWSOM: Mayor Robles, are you around?

Not seeing him. Who is --

EXECUTIVE OFFICER LUCCHESI: Albert Robles or Robler.

(Robles.)
EXECUTIVE OFFICER LUCCHESI: Robles. Sorry.
Excuse me.

CHAIRPERSON NEWSOM: I don't see the Mayor here. Who is up after?

EXECUTIVE OFFICER LUCCHESI: Counsel Member Fred Whitaker from Orange City?
CHAIRPERSON NEWSOM: Fred, are you here?
EXECUTIVE OFFICER LUCCHESI: Counsel Member Steve Vargas from the City of
Anaheim?
Counsel Member Kris Murray from the City of
Westminster?
Counsel Member Tyler Diep from the City of

Gina Clayton-Tarvin, President, Board of Trustees for the Ocean View School District.

CHAIRPERSON NEWSOM: Thank you.
MR. CLAYTON-TARVIN: Good afternoon, Honorable Lieutenant Governor Newsom, Controller Yee, and staff. My name is Gina Clayton-Tarvin. And I'm the President of the Ocean View School District Board of Trustees, which covers the cities of Huntington Beach, Fountain Valley, Midway City, Seal Beach, and Westminster. And I represent over a hundred thousand constituents.

I'm here today to speak to you as a long-time resident of Huntington Beach, a 20-year classroom biology
teacher, a union leader concerned about jobs, and a
teacher in the AFT Local 2317. But most importantly, I'm
a local advocate for the environment, and a voice for
local residents.

In the past, I have not only voted for both of
you, but also supported many of the issues that you have
championed. I mention this today because I want everyone
to know why I've chosen to support both of you. It's
because both of your are critical thinkers, independent
people, and not beholden to party line or corporate
interests.

Despite the State Lands final Supplemental
Environmental Impact Report focusing narrowly on the
modifications to the intake and discharge and refusing to
document all the changes since 2010, those of us who live
in Huntington Beach know what harms will be done.
Poseidon keeps saying the modifications to the intake and
discharge are to comply with new State regulations for
seawater desalination plants. And this is completely
misleading.

Why does this matter?

Because the screens they put in or want to put in
are now outlawed. Open ocean intake will only reduce
marine life mortality from entrainment by one percent.
And this is totally unacceptable.
In conclusion, the FSEIR is fatally flawed and needs to be rewritten. But even with that, it's a narrow scope of the FSEIR. There's no justification for the adverse impacts to the environment and community.

And with that, I will say, if they can't show that their benefits outweigh the harm, then the project should be stopped. I hope the fix is not in today.

Thank you.

(Audience noise.)

CHAIRPERSON NEWSOM: Next speaker, please.

ORANGE CITY COUNCIL MEMBER WHITAKER: Ladies and gentlemen, I'm Fred Whitaker, a member of the City Council in the City of Orange. I'd like to thank you for the opportunity of being able to speak today. I'm not going to go into the environmental details of the EIR. I think your staff report summed them up well. And in my opinion, I believe that they are sound.

One of the things I want to address though, is that you may hear that Orange County doesn't need the water. Well, I can tell you that in -- from the perspective of the City of Orange, we are benefited to have our own water table. But we're only able to pump on a good year somewhere in the 60, 65 percent range of water. We have to import the rest of our water.

As we saw in the last drought, water importation
drives cost way up, and it hurts the environment in the other areas from the Colorado River and Northern California where we're having to import the water.

The other thing that happens is when we have conservation, the water infrastructure is still there, the water infrastructure still has to be paid for. And it's paid for by units of water going through that infrastructure. It's maintained by the charge for units of water going through that infrastructure.

When we can't pump water through the infrastructure to provide people the water they need for their homes, we actually can't pay to maintain the water infrastructure.

There's also an issue of supply. We talk about housing in Southern California as being far too expensive, not enough supply for the workforce that is there. That workforce needs water. We need to have a consistent supply. We need to have diversity of supply to be able to provide for that workforce. We in the City Council in City of Orange have supported the Poseidon project to have another source of water beyond our own water table and imported water. I encourage you to approve the project.

Thank you.

EXECUTIVE OFFICER LUCCHESI: I'm just going to go back over the -- some of the other council members, and
Mayor -- Mayor Albert Robles?

Council Member Steve Vargas?

Council Member Kris Murray.

And Council Member Tyler Diep?

WESTMINSTER CITY VICE MAYOR DIEP:  Good afternoon, Commissioners. My name is Tyle Diep. I'm the Vice Mayor of the City of Westminster. And similar to what Fred, the previous speaker mentioned, at Westminster we, too, are fortunate that we are able to buy some of our water from outside the county, mainly through the Colorado River. But we do have our own ground well water that is being continually replenished by the GWRS.

However, like everything else in life, especially when it comes to diversifying your water supply, we want to have another option in case there is -- if there's another drought. We want to be able to have desal water as an option for our own residents. So I'm here today to ask you to vote yes to certify the Supplemental EIR for the Huntington Beach Seawater Desalination Project, and to approve the amended land lease with Poseidon Water.

Thank you very much for your time. I know that all the -- all of you guys are very busy, and thank you for setting aside time to listen to all of us.

EXECUTIVE OFFICER LUCCHESI:  Steve Sheldon, board member, OCWD.
John Sears, Board Member, Orange County Water District -- East Orange County Water District. Excuse me.

MR. SEARS: Good afternoon, Commissioners. My name is John Sears, and I serve as an elected board member of the East Orange County Water District, which provides water and sewer service for the Cities of Orange, Tustin, Santa Ana, and nearby unincorporated communities in northeastern Orange County.

I'm here as a homeowner, a retired business executive to express my support for the Huntington Beach Seawater Desalination Project, and to request certification of the project's Supplemental EIR and approval of the amended lease with Poseidon Water.

As I've studied and learned about this project and its benefits, I've come to the conclusion that it's both an appropriate and timely investment that will help secure more reliable water for the County of Orange, and more important the citizens.

This project will help to reduce the county's dependence on imported water, as well as complementing our existing water conservation, recycling, and groundwater recharge programs.

My water district was highly impacted by the mandatory water use cutbacks during the drought. We successfully reduced water use by 36 percent, but it posed
significant challenges for the district and for its customers.

This raised questions and frustrations among our customers, many of whom wanted to know why Orange County wasn't doing more to develop more of its own water. Seawater desalinization was a solution that they kept bringing up, and I agreed with them.

I urge you, Commissioners, to vote in favor of this project, and to allow Orange County to be -- to move forward with seawater desalinization as a component of its future water supply portfolio.

And just one more comment. I'll make this comment that every drop of water is precious. And thank you so much for your time.

EXECUTIVE OFFICER LUCCHESI: John Palacio, board member, Santa Ana Unified School District.

John Palacio, board member, Santa Ana Unified School District?

Cathy Green, board member, OCWD.

MS. GREEN: Good afternoon. I'm -- my name is Cathy Green. I'm the immediate past president of the Orange County Water District, board of directors. And we are meeting in part of the district I represent. I'm also a former mayor of Huntington Beach and a founding member of Amigos de Bolsa Chica.
This project is extremely important to me and my constituents. Not only will this project provide new -- a new water supply to Orange County, but it will ensure the preservation and protection of the Bolsa Chica Wetlands for the next generation.

Huntington Beach benefits specifically through millions of dollars in tax revenue, as well as a discount on the desal water produced. The desal water that Huntington Beach will get will cost five percent less than we would have otherwise paid for imported water.

At the Orange County Water District, we're probably best known for our water recycling project, the groundwater replenishment system. Yet, when we -- when we were deciding whether to move forward or not in 2001 some said that it would be too expensive. We could buy imported water for less.

Yet, the visionaries at the time moved forward, and today our recycled water produced is far less expensive than the imported water. I believe desalination will follow the same path. And therefore, I request that you provide the regulatory approvals necessary today to let this project move forward.

And by the way, one of the answers to your question is right now our basin is 37 percent full. That's why the water is so important.
After John will be James Fisler, Board member for Mesa Water District.

MR. PALACIO: My name is John Palacio. I'm a 35 year plus resident of Santa Ana. I'm very supportive of the Poseidon Desalination Project. California must make decisions now as opposed to kicking the can down the street.

California has one of the largest economies in the world, with a very diverse workforce and growing population. Like transportation, like energy, California must modernize and expand its aging water infrastructure with alternative water delivery systems, expanding storage facilities, and implementation of water conservation measures.

It takes decades from start to finish to approve and build needed alternative water delivery systems, while addressing needed environmental concerns. Having said this, South -- Southern California cannot continue to depend on receiving depleting underground water wells, water from the Colorado, which is in the middle of a drought, and water from Northern California which is facing aging and insufficient water storage facilities.

When it rains in California, 70 percent of the water goes into the Ocean, as opposed to being recaptured. The Poseidon Desalination Project gives Southern
California another option to meet its growing water needs. Decisions need to be made now, not tomorrow. Your support of this project will ensure that Southern California will be able to meet its water for the future. Your consideration and support is most appreciated. Thank you.

EXECUTIVE OFFICER LUCCHESI: James Fisler, Mesa Water District. After Mr. Fisler, Larry Dick, Metropolitan Water District, and then Chuck Gibson, Santa Margarita Water District.

MR. FISLER: Good afternoon, Commissioners. James Fisler. I'm an elected director at the Mesa Water District in the adjoining city of Costa Mesa. I support environmentally responsible desalination.

For nearly two decades, we suffered through fear mongering from many in the environmental community, saying that the intake pipes are going to suck up fish, dolphins, even surfers. I lived right by that plant. I moved there in 1967.

The power plant was there bringing in water in an open intake pipe. I don't know how long before 1967 when I moved here they were doing it. But for 50 years, there's been no protest about those intake pipes. Now that there's being screened in an environmentally sensitive manner, it's suddenly an issue. I don't see
that -- why that would be. This is going to help the situation.

Additionally, you're hearing -- I'm hearing fear mongering saying that coast off -- our California coast is going to become a vast salt plain, as they call it. Again, that's just fear mongering. It's not based in science, and they know it.

They know that this desal plant will be the most environmentally sensitive, large-scale desal plant ever built. So now, they're shifting their arguments to ratepayer advocates. They're saying your water bills will triple.

The math is not there. The -- this is a large amount of water for us, 10 percent of our water supply, but slightly more expensive 10 percent water mixed with the other 90 percent does not triple a water bill. So like the other arguments, it's just not true.

So what I'm asking you today is, one, to see through the scare tactics; two, to base your decision on the science; three, please approve this project. The answer to the drought is more water.

And I thank you for your service to the State of California.

EXECUTIVE OFFICER LUCCHESI: Larry Dick, Metropolitan Water District. After Mr. Dick, Chuck Gibson
Santa Margarita Water District and then Shawn Dewane, Orange County Water District.

Mr. Gibson, Chuck Gibson, Santa Margarita Water District?

MR. GIBSON: I am Chuck Gibson of the Santa Margarita Water District. And I thank you for your time today. We're the second largest retail agency in the county with 165,000 customers, 63,000 acres we're serving.

And we are the only ones that I'm aware of in south county that have signed a letter of intent to purchase this water. That opportunity will not be available unless you favorably act upon the Supplemental EIR and lease amendment.

We believe very strongly that this innovative project can be become an important part of a balanced portfolio. We've worked very hard on conservation, and we have -- are known for our conservation. We've done multi-purpose projects for stormwater and urban recapture. And we're now working on a watershed project, and we're going to build a 5000-acre foot reservoir for recycled water. We're going to max out on our use of recycled water.

But this is drinking water. It's a new source of drinking water, and it's an important element to our
strategic plan.

Thank you very much.

EXECUTIVE OFFICER LUCCHESI: Shawn Dewane, Orange County Water District. After Mr. Dewane, Doug Daverty with East Orange County Water District, and then Brett Barbre, Metropolitan Water District.

Shawn Dewane?

(He left.)

EXECUTIVE OFFICER LUCCHESI: Okay. Doug Davert?

MR. DAVERT: Good afternoon, Commission members. Thank you. My name is Doug Davert. I'm the president of the East Orange County Water District. We're a retail water agency, among other things, that need this water.

Prior to serving the water district, I had the opportunity to serve both as the Mayor of the City of Tustin, and more importantly as chairman of the Orange County Sanitation District, where we worked with OCWD to develop the groundwater replenishment system.

That system, as you know, recycles wastewater and replenishes our groundwater basin, which you heard today is at only 37 percent of capacity. The project -- the GWR's project has been claimed a resounding success and allowed Orange County to weather the drought better than most.

At the start of that project though, as you heard
earlier, the project had many critics, most of whom said
we could buy water from Metropolitan at far less cost than
it would cost to build the project, but moved forward
anyway. We call that leadership.

Today, many of the opponents of that project have
now become that project's biggest supporters. As imported
water costs have continued to -- or more than doubled
since that project came on line, our recycled water costs
now are less than the cost of imported water. I
anticipate that will happen again with desal with the cost
of imported water from metropolitan continuing to rise
every year.

Orange County has the leaders to create another
drought-proof, sustainable, and local source of drinking
water. Desal is an important tool in the portfolio of
water resources that will allow us, among other things, to
preserve our urban forests and serve many future
generations of Californians.

But we need your regulatory approval to move
forward. Give us the chance to free up Northern
California water for other uses, and let us be more
independent. More trees -- more water rather, more trees,
cleaner air, that's what we want.

Thank you very much for your consideration today.

EXECUTIVE OFFICER LUCCHESI: Brett Barbre with
the Metropolitan Water District, and then Jim Atkinson
with the Mesa Water District. And after those two, we'll
move on to the environmental coalitions organized group
presentation.

MR. ATKINSON: Good afternoon, Chairman Newsom
and Commissioners. I am Jim Atkinson. I have the
privilege of serving as the president of the Mesa Water
District board of directors. Mesa Water serves about
110,000 people in the City of Costa Mesa, parts of Newport
Beach, unincorporated portions of Orange County, including
John Wayne Airport.

The district has been a long-time supporter,
probably close to 15, 18 years of the desalination project
here in Huntington Beach. It will help to solidify and
stabilize water resources in the county, which is a very
necessary -- a necessary thing. Our groundwater basin is
seldom back to full capacity. It's very difficult to get
it back there, but the desalination facility will help us
improve that situation each year.

However, we must also continue to invest in
projects that produce new water that will augment existing
water supplies. Huntington Beach Seawater Desalination
Project can help Orange County in this endeavor, and thank
you for your time this afternoon. Thank you for your
favorable consideration of the Supplemental EIR and the
amended land lease proposal with Poseidon.

Thank you very much.

EXECUTIVE OFFICER LUCCHESI: So I think that
concludes our elected officials.

CHAIRPERSON NEWSOM: I want to thank everyone for
being gloriously respectful. That was a fabulous 10
minutes. Let's keep it up --

(Laughter.)

CHAIRPERSON NEWSOM: -- as we move into
presumably the next phase, unless we're missing an elected
here.

Hold on one second.

Are we good, Jennifer?

EXECUTIVE OFFICER LUCCHESI: Yes.

CHAIRPERSON NEWSOM: All right.

EXECUTIVE OFFICER LUCCHESI: I'm sorry. So I'd
like to welcome up the environmental coalition for our
first organized group presentation.

All right. Thank you.

(Thereupon an overhead presentation was
presented as follows.)

CHAIRPERSON NEWSOM: We're ready whenever you
are.

THE WITNESS: There's a PowerPoint.

CHAIRPERSON NEWSOM: Oh, you've got a PowerPoint.
Fabulous.

For those that are wondering, we're just -- a technical issue with the slide presentation.

One moment. You got it?

Fabulous. All right.

MR. NAGOMI: Great. Good afternoon.

My name is Damon Nagomi. And I'm director of the Natural Resources Defense Council Southern California program.

Our members care deeply about protecting California's coast and the marine life that call it home, safeguarding our fresh water ecosystems in the face of a changing climate, and achieving environmental justice for communities burdened by pollution.

I'm here today because we believe the Poseidon project would set California back in everyone of these areas. Now, let me be clear, we are not categorically against desalination. As a last resort, where it's needed and where it's done right, in accordance with State Water Board policy, we are open to desalination as one element of a well planned water supply portfolio.

The project before you today, however, meets none of these criteria. NRDC is proud to be part of a broad coalition of more than two dozen conservation and social justice organizations representing hundreds of thousands
of Californians. A coalition that opposes this project for a number of reasons.

First, as our written comments reflect in detail, this project fails to meet the requirements of the State Water Board's Ocean Plan Desalination Amendment, requirements adopted through a formal State process to govern projects like this one.

Second, this massive project isn't a climate smart water investment for California. Large scale desalination facilities like this one have significant economic, energy, and opportunity costs that outweigh their potential benefits.

Third, the project does almost nothing to reduce the strain on critically important fresh water ecosystems like the Bay-Delta.

And fourth, the project would impose significant and unnecessary costs on Orange County's water districts and ratepayers.

Simply stated, seawater desalination on the scale of this project is the most expensive, most energy intensive, most environmentally risky water supply option. It isn't climate smart, it isn't necessary, and it isn't the best use of scarce water funds in a region where water sustainability remains a distant aspiration.

California can lead the way in innovative water
solutions, but that won't happen if you allow this applicant to lock Californians in to long-term dependence on flawed, outdated, and, we believe, illegal project like this one. We urge you to deny the project as proposed.

--o0o--

MS. SIVAS: Good afternoon, Commissioners, Deborah Sivas. I want to focus my remarks on the Commission's obligations under the California Public Trust Doctrine, which we believe should guide your actions here today.

As you know, as a Commission, the Commission is the primary State trustee for our public tidelands. In that capacity, the Commission has an affirmative and enforceable duty to take the Public Trust into account in the planning and allocation of water resources, and to protect Public Trust values whenever feasible.

And as you also know, those include more than just the water, but the ecological, recreational, and other values in that water. But here's the main point I want to make about the Public Trust today. The Commission's Public Trust responsibilities are not static, even after the Commission has approved any particular use of trust property.

As the Supreme Court has held in the seminal National Audubon case, trustees have a duty of continuing
supervision over the taking and use of Trust resources. That is they exercise sovereign power to allocate water -- in exercising sovereign power to allocate water resources in the public interest. The State is not confined to past allocation decisions, which may be incorrect in light of current knowledge or inconsistent with current needs.

Therefore, as the court has held, applicants do not -- cannot have a vested right in Public Trust resources.

So how does that apply here? Here, the Commission as -- in order to fulfill its trustee obligations and properly balance the Trust interest, the Commission has to really look at three pieces of information and have full information before it.

One, the present need for the proposed tidelands use. And I think as we've heard, there's information on both sides, but there really is not an analysis before the Commission; second, the harmful impacts of such use; and third and importantly, the feasible alternatives that could avoid or minimize those impacts.

So unfortunately, all of that information which is necessary to make a Public Trust decision is not available to the Commission today, in large part because Poseidon has not completed any permit process before the
regional board. And that's a process, at least in theory, where all of those issues are supposed to be looked at under the California Ocean Plan, need, impacts, alternatives.

Until that analysis is done by some agency, whether it's Commission staff, whether it's regional board, whether it's a different agency, the Commission, in our view, simply is not in a position to make the necessary Public Trust findings.

Now, staff has recommended going forward with the project on the idea that the proposed lease amendment involves only very minor tinkering with the existing lease that will, if anything, in staff's view actually reduce Public Trust impacts. And respectfully, we submit that that premise is fundamentally -- fundamentally flawed and here's why.

In 2010, as you've heard, the Commission approved an amendment to the existing tidelands lease which allowed Poseidon to become a co-lessee for the sole purpose of constructing the desal facility. But that amendment also imposed two critical obligations directly on Poseidon's -- on Poseidon and affects the Commission's decision here today.

First, that lease requires that Poseidon comply with all existing and subsequently enacted rules,
regulations, statutes, and ordinances, and also that Poseidon obtain, maintain, and comply with all necessary permits under the lease. Failure to satisfy those conditions results in an automatic and immediate default.

Second, and of vital importance here today, the lease provides that Poseidon shall complete construction of the desal project within eight years of the lease amendment, or by October 29th, 2018. In other words, the lease goes on until 2006 and AES continues to have its rights. But Poseidon has a very limited right under that -- the 2010 amendment to complete construction of the desal facility before 2018, otherwise that right effectively expires.

And I think we haven't heard about that today. That's a very significant amendment that's before the Commission.

Now, we are seven years out since the -- that original lease amendment was granted. And Poseidon has really not satisfied any of these obligations. It has not obtained final coastal development permits. It has not obtained regional board permits. And Poseidon no longer intends to connect the proposed facility directly to the water distribution system, which is what was proposed in the 2010 EIR.

Indeed, as we stand here today, Poseidon has not
disclosed to the public how it intends to deal with --
what intends to do with the very expensive water.

So I -- just to wrap-up, Poseidon comes before you today saying we only are looking for these minor physical modifications. And those modifications can be made after the regional board finishes its process and decides what technology, if any, is to be used out here.

But why is Poseidon here today?
The real reason is that they need the lease amendment, because otherwise the lease is going to expire in a year. And I think, as everyone in this room knows, as a practical matter, Poseidon is not going to be able to complete the lease -- complete the construction before that time. So the question for Public Trust purposes is what's the existing situation under the existing lease?
That is the facility can't be built -- timely built under the existing lease. Or if the Commission grants an extension, then the facility might be built, and all of the impacts related to that.

So I think that comparative analysis is the issue before the Coastal Com -- before the State Lands Commission today.

Thank you.

MR. BOTHWELL:  Good afternoon, Commission.  Sean Bothwell, policy director for the California Coastkeeper
Alliance. I'm going to speak today on the legal CEQA issues.

--o0o--

MR. BOTHWELL: But rather than reiterate the arguments that we've already made that our position that the Commission can't go forward to approve the Supplemental EIR. I wanted -- I wanted to discuss what staff's explanations were for the Supplemental EIR, break down their arguments, and explain why it doesn't hold up to legal scrutiny.

--o0o--

MR. BOTHWELL: So if we take just the section in blue there, guideline section 15096, as a threshold matter, we would just disagree that this section even applies to this circumstance.

Staff has been continuously saying that the City of Huntington Beach is the lead agency for this project. But there's nothing in the record to demonstrate that it's accurate. We would argue that section 15052(a) controls in this circumstance, and just allow me to walk you through what this section says.

Where a responsible agency, the State Lands Commission, is called on to grant an approval, the lease modification, for a project subject to CEQA for which another public agency was the appropriately lead agency,
the City of Huntington Beach, the responsible agency shall assume the role of the lead agency if three conditions occur, A, B, and C here.

A subsequent EIR is required. And from staff's response to comments, they chose the subsequent path. And actually to get to a Supplemental EIR, you need to demonstrate that a subsequent EIR is required.

The record shows that a lead agency has granted its final approval in 2010. And in the staff report, staff explains that no group challenged the 2000 EIR during the time of the statute of limitations. State Lands Commission is the lead agency in this circumstance.

Getting to the second claim that's made. The green section there, section 15163, State Lands uses this to explain why a supplemental EIR is appropriate in this circumstance. And I point to provision two there. First off, it's not discretionary. It's discretionary only if minor changes are necessary to make the previous EIR adequate, the previous EIR adequate.

And if you look at all of the changes -- significant changes that have occurred since 2010, I don't think anyone can say that minor adjustments can make the 2010 EIR, the previous EIR, adequate.

So staff tries to explain -- explain this by saying that the minor modifications are only for the lease
modification, the very narrow lease modification. But case law is clear that you can't narrowly define a project if it doesn't have independent utility.

And intake and a discharge without the desalination facility or the distribution system has no utility. And unless you combine all three as one project, the project can't meet the project objectives that are stated in the Supplemental EIR.

Getting to the very last point there in purple, staff tries to explain why this narrow EIR without the independent utility is sufficient. And the explanation being that Commission's regulatory oversight is very narrow, which we can agree the agency's just authority under, you know, approving a lease is very narrow. But this statement regarding CEQA is completely wrong, and there's been a very recent decision at the California Supreme Court that flies in direct contrast to staff's assertion that that they can -- they can defer analysis to other regulatory agencies because they don't have the jurisdiction over that when it comes to CEQA.

And so I'll leave you with this last slide --

--o0o--

MR. BOTHWELL: -- that explains why piecemealing under CEQA is not allowed. And in the end of the day, I understand that this Commission, you know, is going to
defer to staff, and looks to them for explanations of why
we move forward in this way. But under the record and the
circumstances that are before you today, there's no way
that this Commission can justify how the city is still the
lead agency and not the State Lands Commission, how the
Supplemental EIR makes the previous EIR adequate, and you
cannot demonstrate that the project has independent
utility; and given the case law in Banning Ranch, it's
hard to explain how you can defer your CEQA analysis, to
other regulatory agencies.

MS. JORDAN: Thank you. Susan Jordan, director
of the California Coastal Protection Network.

You have two critical decisions in front of you
today. And the first relates to your CEQA
responsibilities. The decision to do a Supplemental EIR
was a discretionary one. As you can see here, even
Poseidon anticipated in its lease application that the
State Lands Commission would act as the lead agency if the
Coastal Commission did not go forward.

Further, the MOA did not require State Lands to
do a Supplemental EIR, as you can see here. We urge you
not to approve the EIR until a more comprehensive review
of significant change circumstances that have occurred
since 2010 are studied, even by you or by the regional
board.
Lease modification is your next decision. Your agency's primary obligation is to protect California's Public Trust resources. Yet, the lease in front of you does not do that. It does exactly the opposite by blind — binding you and California to the use of second tier technology until 2027, more likely to 2067 under the 50-year term of the take-or-pay contract. And for anyone in this room that's counting, that's a half century from now.

As a $250 billion global business, Brookfield Poseidon seeks to exploit California's Public Trust resources in a manner that maximizes profit for their Wall Street investors. That's called business. The easiest way to do that is to use an old 1950's power plant pipe, slap some screens on it, and call it a day.

Brookfield Poseidon is not obligated to protect our Public Trust resources. You are.

Okay. The ocean is not a desert. Let's go back to this.

--o0o--

MS. JORDAN: Back in April, I and two of my colleagues, including NRDC, met with two of Poseidon's paid consultants. After our consultants were summarily dismissed, one of the consultants raised waved a hand and said that Huntington Beach was the perfect, or as Mr.
Maloni described it, the ideal spot for Poseidon's Desal Plant, because, in part, the ocean there was a desert, a desert. We were astonished.

--o0o--

MS. JORDAN: Let's go back. The understanding that the ocean is not a lifeless place is precisely why the State banned the use of once-through cooling by power plants in 2010. They also did the Marine Protected Areas map in 2012 to help restore. Your agency has an MOU on this, and both the Coastal Commission and Fish and Game have warned you about the impacts.

To prematurely issue a long-term lease that enshrines outdated, harmful intake and brine disposal is not consistent with your responsibilities.

Don't take action on this FEIR. Why the rush? You have time. Step back. Don't approve this lease. Let the other agencies move forward. Let them determine if this project comports with the desal -- desalination policy. It does not. Everybody knows it.

Thank you.

CHAIRPERSON NEWSOM: Thanks, guys.

Quiet applause, Susan.

(Laughter.)

EXECUTIVE OFFICER LUCCHESI: All right. So we have a number of other organized groups that I'm ready to
call, if it suits the Commission.

Jacob Gilich. After Jacob is Jennifer Savage, Surfrider's Headquarters.

CHAIRPERSON NEWSOM: Right behind you, Jennifer.

MS. PROM: Good afternoon, Honorable Commissioners. I'm Staley Prom, and with me are Jennifer Savage and Mandy Sackett with the Surfrider Foundation. We're here today on behalf of our 20 chapters and thousands of supporters across the State to express our disappointment with the lease, and with the Final SEIR's failure to address our concerns.

Namely, the Supplemental EIR continues to inappropriately analyze a narrow project scope. It's a new narrowly defined lease amendment project, instead of looking at all of the changes to the project, all of the new circumstances, and all the new information that give rise to new significant impacts from the entire project.

While the lease amendments are some of the changes triggering the need for a subsequent analysis, they are not in themselves a new narrower project. And this narrow scope results in inadequate CEQA analysis, including with respects to impacts from the change distribution component, the undocumented need for the project, lack of adequate alternatives analysis, including alternative sites, sea level rise, and impacts to marine
resources and on Marine Protected Areas.

This is a really massive desalination project. It will be withdrawing more than 100 million gallons per day of seawater off of our coast, dumping back more than 50 million gallons per day of effluent, including concentrated brine. And it will utilize a tremendous amount of energy, nearly 266,000 megawatt hours per year.

This not only means impacts to our Public Trust resources, but also a huge contribution to climate change. And of course, these impacts are greater the larger the project.

This project would tie for the most -- or the largest desalination plant in the country along with the troubled Carlsbad plant. And the next largest plant in Florida is half that size, and it's rarely run at full capacity.

Without a demonstrated need for this 50 million gallon per day project, all of the significant impacts to our Public Trust resources are unnecessary and unwarranted. And because the plant would be so energy intensive, it's really appropriate to look more at the energy and greenhouse gas impacts.

Desalinated water is considerably more energy intensive than California's other water supplies, including virtually all imported water, recycled water,
and local groundwater and surface water supplies.

Here, the Final SEIR acknowledges that the overall annual power used by the project with the lease modification would be around 266,000 megawatt hours, which means a total of nearly 69,000 metric tons of CO2 per year. This doesn't even account for the additional construction and screen-related greenhouse gas impact emissions.

Clearly, this amount exceeds the 10,000 metric tons significant standard, and emissions are significant, period.

And so next under CEQA, there should be a full analysis of mitigation measures. And the mitigation measures are not voluntary, as the 2017 energy minimization plan says that they are, but they are required.

So there's a fundamental problem here that neither this or the 2010 EIR separately analyzes the energy and greenhouse gas impacts and mitigation. And under CEQA, an agency must first determine whether a project's greenhouse gas emissions, and not those confined to the intake and the discharge, are significant, and then consider all reasonable measures to mitigate those impacts.

So because the project's emissions are
significant, an agency cannot merely rely on Poseidon's nonbinding, unenforceable, and self-described self—or self-described voluntary greenhouse gas reduction measures, in lieu of a complete range of potential mitigation measures.

And there are problems with Poseidon's energy mitigation plan—minimization plan. While Poseidon says that it will offset the project's emissions, many of the proposed measures are nonbinding. For instance, it's going to install rooftop solar panels only if it's reasonably expected to provide a return on investment.

Building design will follow LEED design principles only to the extent reasonably practicable. And energy mitigation—sorry energy efficiency measures will be quote given the highest priority. But these are not concrete enforceable commitments. There are also contingencies with respect to offsets and renewable energy credits. And the plan includes unreasonable provisions, such as allowing Poseidon to seek a determination from the City of Huntington Beach planning director about the availability or price of offsets and credits.

Clearly, given the plan's contingencies, it's clear that this project has no guarantee of being greenhouse neutral.

And the 2017 energy minimization plan is a newly
revised plan that requires additional CEQA analysis. The Commission can't merely rely on it and ignore the massive energy and greenhouse gas impacts that the project is going to create.

Additionally, there's no discussion about greenhouse gas emissions related to the construction or operation of the distribution component. There's not a cumulative impacts analysis for this desalination project with respect to other projects in the region, or other desalination projects around the state.

So accordingly we urge you not to certify the Final SEIR and not approve the lease until these significant energy and greenhouse gas impacts and all reasonable enforceable mitigation measures are considered.

MS. SACKETT: So now you've heard the legal, scientific, and policy reasons why you should neither certify the Final SEIR nor approve the lease. We'll now add to that request by once again bringing to your attention Poseidon's long history of dodging State regulations and the numerous ways in which the Carlsbad plant is failing.

We believe this is a very important factor in the context of the decisions that you will make today. As you know, Poseidon has repeatedly attempted to disregard State regulations designed to protect the Public Trust. We ask
for your leadership we've seen so aptly displayed over the
course of this year. We've seen you take bold measures in
defense of the Public Trust regarding Cemex and Venoco,
just to name a couple examples.

You helped maintain California's role as an
environmental leader, and we thank you. We ask that you
remain steadfast in that commitment.

To recap some of the disregard, during the 2007
permitting process for the Carlsbad plant, Poseidon
intentionally deceived the California Coastal Commission
by, according to Coastal Commission staff, deliberately
providing inaccurate information or, what some may called,
lying, which seeking a coastal development permit by
misleading staff during testimony regarding its greenhouse
gas emissions.

And then their application to the Coastal
Commission for the proposed Huntington Beach Plant came
with a strikingly similar greenhouse gas plan, making it
clear deception is a habitual -- is habitual for this
company attempting to privatize our water. They can and
do say whatever. The facts shows that Poseidon is
terrible on energy.

Which brings us to the chronic toxicity
violations we detailed for you in the -- at your August
hearing. Has there been any progress on the egregious
violations at their Carlsbad plant?

    Poseidon has been cited for at least two dozen chronic toxicity violations and at least nine deficient monitoring violations. To this day, Poseidon has been unable or unwilling to explain or address these failures. Along with everything else, this should give you pause.

    MS. SAVAGE: Another example of Poseidon attempting to skirt obligations is the company's marine life mitigation plan. As you know, Poseidon has been required to offset the impacts to marine life from its Carlsbad plant through a Wetland Restoration Project. Poseidon has been operating for nearly two years now. They do not have a design or a proposal, only paid consultants who offer junk science, wasting time, taxpayer dollars, and further exemplifying Poseidon's complete lack of interest in compliance.

    They can and they do say whatever, but the facts show that Poseidon is terrible when it comes to environmental stewardship. Perhaps this is why State Lands Commission is looking for hard cash for the Bolsa Chica project.

    In September, the Voice of San Diego reported that the Carlsbad plant failed to deliver about 20 percent of its promised water in 2016, and has only managed to deliver about 70 percent so far in 2017. Despite all the
company-generated press releases touting the plant as a success, and no matter how much money they throw around, the facts remain the same, Poseidon's Carlsbad plant is plagued with problems, which is unsurprising given their similar unreliability when it comes to the truth.

It is your duty to protect the Public Trust, from our national monuments to our marine sanctuaries, our nation's environment is under attack right now, and California is looking for leadership.

Do not allow our shared public resources to be handed over to a company who considers political influence more important than complying with State laws. We ask that you do not certify the Final SEIR and do not approve the lease. Water is too important a resource. Californians deserve the full implementation of our environmental laws, and we look to you, Commissioners, to uphold them.

Thank you.

EXECUTIVE OFFICER LUCCHESI: Okay. Next up is Residents for Responsible Desal.

Debbie Cook and her colleagues.

MR. GEEVER: Good Afternoon, Commissioners. My name is Joe Geever, and I'm here with Debbie Cook on behalf of Residents for Responsible Desalination.

R4RD is a group of local residents who work on
water management reforms in Orange County. We've learned
a great deal about water mismanagement since Poseidon
opened our eyes with this deal proposal in 2001.

We've written exhaustive comments on this SEIR,
but today we want to address two interrelated issues.
First, the basic objectives -- the underlying premise in
the SEIR is that there's a need for this water. But as
you'll see, you can't make that finding with the
information you have.

We're also concerned about the statement of
overriding considerations. Again, you should not sign a
document that attempts to justify significant impacts when
there is no credible evidence of a need for the project.
As Debbie will explain, the documents provided to you
about demand for the water cannot be trusted. Therefore,
you cannot certify the EIR nor sign the statement of
overriding conditions before you have clear and credible
evidence of a need for the project. Not vague or
fabricated, credible evidence for the -- is the required
standard.

MS. COOK: Thank you. For the record, my name is
Debbie Cook.

In 2003, when I was serving on the Huntington
Beach City Council, I was asked to represent the League of
California Cities on the California Desalination Task
Force. By the time I'd left the council in 2008, I was well versed in desalination and Poseidon Resources in particular.

Since 2008, I have tirelessly pursued Poseidon's activities as they lobbied their way around the State trying to find a buyer for their water. In our opinion, the most critical issue that Poseidon must demonstrate to you today is that the Orange County Water District has a need for 50 million gallons per day of desalinated water.

It is disappointing to report that based on my research OCWD and Poseidon have cherry-picked their data in order to manufacture a need.

In a white paper presented to you in 2016, Poseidon used the OCWD's 2015 groundwater management plan to substantiate a demand forecast of 525,000 acre feet. This number was in direct conflict with the projection in the municipal water district's 2015 water reliability study that projects demand in 2040 at 434,000 acre feet.

MWDOC 2015 plan was the most comprehensive look at water needs in Orange County that the agency has every undertaken, incorporating demand management strategies to better predict future needs. And MWDOC used extremely conservative assumptions to ensure that they weren't underestimating future demand.

Their study resulted in a 90,000-acre foot
reduction in future demand from previous inaccurate projections. The public response to the 2015 drought has proven that future demand modeling must implement these new methodologies in order to keep agencies from building unnecessary infrastructure that can become stranded assets.

Demand softening is not a new trend. It has been occurring throughout the county since 1999. It is happening in Santa Ana, where the usage in August, according to a KPCC investigation, was 51 gallons per capita, and it's happening in Newport Beach where it was 100 gallons. But OCWD has chosen to go rogue and manufacture its own projections.

Leaving that issue aside, I want to point to a pattern of behavior that has come to light as a result of a Public Records Act request by Surf City Voice. We received hundreds of emails between OCWD and Poseidon that demonstrate a level of collusion far beyond what is appropriate for a public agency.

The records received showed conclusively that what OCWD sent this Commission was put together with the sole intent to mislead. It is not evidence you can use to base your decisions on.

These are two charts prepared by OCWD's John Kennedy and emailed to Poseidon to use as they prepared
material to convince this Commission of need. The top two
pie charts are supposed to be current conditions, and the
bottom two charts are a future scenario with Poseidon.

The chart on the left was sent in May, and the
one on the right in June. They can't be both correct, and
they are both misleading. Proving there is a need for
this project can't be just a matter of choosing the data
that serves the desired result. You can't sign the
statement of overriding considerations without trustworthy
evidence.

But what is really perplexing is trying to
reconcile the data in the chart that OCWD submitted to you
on September 8th with the previous charts, and with their
own reports. These charts are now identified as sources
of supply, rather than actual demand. But the
accompanying letter implies that they are one and the
same.

In 2015, actual demand according to Orange
County's own 2015-16 Engineer's Report was 367,000 acre
feet, not 425,000.

Basin pumping that year was 75 percent, which
means that less than 100,000 acre feet was treated
imported water from MWD. This inconsistency in terms of
the constantly changing numbers and eliminating
information is intended to mislead you.
If their 2015 chart is so fallacious, what is your confidence level in the 2023 chart, how do they justify 455,000 acre feet in 2023. They clearly did not use Modoc's Urban Water Management Plan.

And another -- another method that they used to confuse the issue is the overdraft of the basin. The amount of water in storage is a management issue and remedied by increasing purchases and/or reducing basin pumping. The board makes that decision once per year with consultation with member agencies.

Frequently, the member agencies persuade OCWD's board to reduce the amount of imported water they purchase in order to keep lower rates, rates that have risen on average eight and a half percent per year since 1999. That's a choice for them, but it's not about unreliability of imported water.

OCWD usually accommodates those requests, even when it mean violating their own policy. At the height of the drought in 2015, the board not only did not increase their replenishment budget, they increasing basin pumping percentage.

Poseidon recognizes how important the issue of need is in order to convince you that only Poseidon's project will meet the basic objectives in the SEIR. In an exchange between board member Kathy Green and Poseidon's
Scott Maloni lamenting the comments of Irvine Ranch Water District to your SEIR, Scott says to her, "We're really going to need OCWD to put in a big push for the need for the project", which is what you're seeing today.

But the facts are the facts. OCWD is a groundwater management agency, and they cannot sell water outside of their jurisdiction. They have tied themselves into a pretzel trying to figure out what to do with this water, coming up with no less than 10 options for distribution.

At multiple workshops, OCWD's staff not wanting to ruffle board feathers gently makes the case for less water, such as smaller program is more feasible for a Poseidon project, up to 10,000 acre feet per year. Importantly, a 10,000-acre foot project makes subsurface intakes even more feasible.

In another slide, potential to have too much water for recharge in some years. And another, possibility for coastal groundwater levels to become too high potentially creating issues.

It has been nearly 20 years since Poseidon arrived in Southern California from Connecticut. Since then, residents and businesses have continued to reduce cumulative demand in the county, and we have developed a world known -- renowned wastewater recycling and
groundwater replenishment project delivering 103,000 acre feet that did not exist when Poseidon arrived.

   Even more exciting, that project has encouraged L.A. County Sanitation to do the same thing with their wastewater. And Orange County could get 65,000 acre feet for their groundwater replenishment. We have much more potential for conservation and stormwater retention, including storing more water behind Prado Dam which is in the works.

   Now, OCWD is struggling to figure out what they would do with Poseidon's water, and the idea of putting it into the groundwater basin is running the risk of crowding out preferred alternatives.

   Poseidon came here because this was one of two places they found a power plant owner willing to share the intake and discharge pipes, not because they were solicited. And those intake and discharge pipes are now being phased out to protect marine life.

   We haven't needed Poseidon for 20 years that they've been here. And if and when we decide we need desalinated ocean water, then we should decide how much we need, where it should be built, what technology to use, and who should build and operate it. Poseidon has turned this process on its head.

   Thank you very much.
EXECUTIVE OFFICER LUCCHESI: Next up, I'd like to welcome Marcela Graudins with the Environmental Justice Coalition organized presentation.

MS. ZAPATA-REYNOLDS: Good afternoon, Commissioners. My name is Olga Zapata-Reynolds, and I represent Orange County Earth Stewards. We are a grassroots organization, which focuses on environmental justice.

Our part of — the rest of our coalition includes Marcela Gutierrez Graudins representing Azul, and Victor Valladares and Oscar Rodriguez representing Oak View Community.

So I just want to say that on behalf of the Orange County Earth Stewards, we just want to say that we're asking you to not approve this EIR extension on the basis of encouraging wise and efficient use of water, okay, before we go to the desalination part of water, okay?

Thank you.

MR. RODRIGUEZ: So buenas tardes, good afternoon, everyone. We are a Oak View Comunidad. And first off, I want to welcome the Commissioners and everybody who came to our beautiful city of Huntington Beach.

I know it's a very long day for you guys, and so we thank everything that you do.
So once again, my name is Oscar Rodriguez. I am with Oak View Comunidad. We are an environmental justice community here in the City of Huntington Beach. We are about two miles out from here. And I am also here with my buddy and one of my best friends Victor Valladares.

MR. VALLADARES: Buenas tardes, Commissioners. My name is Victor Valladares. And along with Oscar Rodriguez, we -- and many other of our members that are -- unfortunately could not make it today, make up a grassroots community driven organization based out of Huntington Beach bounded by Beach Boulevard, Warner, Nichols, and Slater.

Oak View Comunidad is a grassroots organization built on environmental justice how we started back in 2015.

(Thereupon an overhead presentation was presented as follows.)

MR. VALLADARES: And we're going to be having a PowerPoint presentation. So Oak View Comunidad is a local environmental justice perspectives on proposed Huntington Beach Desalination Project State Lands Commission hearing, so that's our first slide.

--o0o--

MR. VALLADARES: So who are we?

A local grassroots driven group in Huntington
Beach that advocates on behalf of the Oak View Community and Huntington Beach as a whole. See one of our mottos are basically educate, advocate, and empower residents.

So this is really surreal for me, because over here this is where my empowerment began back in 2015 with an environmental cause with Rainbow Environmental Services in 2015. Standing here, hearing the loud roar of applause back in 2015 really empowered me, and empowered us to do something for our communities with environmental justice.

You know, right now our community is an environmental justice area. An environmental justice area is a determined a census tract that includes 20 percent of its residents being in poverty, and 30 percent being -- one second -- in poverty and a minority, 30 percent have to be minority.

So this is the only environmental justice community in Huntington Beach. So we are 100 percent just volunteers. We all do this based on volunteer work. And we have many members that obviously attend other issues that affect our communities in Huntington Beach and throughout the county.

So we have zero funding. That's the one thing that really keeps us no strings attached, and there's nobody doing -- you know, stop and telling us what to do, because there's no funding, and there's no hierarchy. And
I love that. You know, so when we say we build a platform from bottom up, we truly mean that from a grassroots level.

MR. RODRIGUEZ: So one of our accomplishments in 2016 we received the environmental justice award from the air quality management district because of our advocacy for our community against Republic Services. It resulted in a $22 million upgrade to the facility, which is 50 to 100 feet away from our community. In 2017, we also received the Champions of Environmental Justice from the Orange County League of Conservation Voters. So those are some of our two major awards that we have received.

So Oak View community stats. We are one half -- a half a square mile community located here in the beautiful City of Huntington Beach. Ninety percent are Latino. Most dense community in Orange County with roughly 10,000 residents.

The estimate median household income is about 24,000. So as you can see here, making ends meet is a -- is already an issue for our community. And earlier we heard Poseidon desalination talk about economic issues. So we'll go further that in our presentation.

--000--

MR. RODRIGUEZ: So Poseidon desalination it's a bad deal. Access to clean, safe, reliable, affordable
water is a basic human right affirmed by California State law. When we are forced to pay for water more than we should, that becomes an economic issue for us, and many of our families live paycheck to paycheck.

We cannot afford to pay more cost in water. And a perfect example is -- well, in our community when we ask folks where do you buy gasoline, they go to a certain gasoline, which is ARCO, which tends to be cheaper. So it already affects our community as well.

So building it -- an unneeded $1.3 billion plant will increase water costs for our residents. It is not an environmental justice issue. It is an economic issue.

Why should working class communities and communities in general pay for a private company to -- why should we pay for a private company when there are other government projects, and -- such as the Orange County Water District that are building a 30 -- 30 million water -- currently in the process of building a water facility that is not desalination from salt water to fresh water.

MS. GRAUDINS: So as you've heard from other people -- sorry, my name - somebody said - Marcela Graudins with Azul.

As you heard from other people, this is a fundamentally bad deal, because Orange County does not
need this water. You know, the projections that you've heard from other people say that they have water provided other avenues until 2030.

And regardless, Poseidon wants to lock this community into a -- into a contract for 50 years without any escape clause.

I wanted to also mention about this desert outside of Huntington Beach that people keep talking about. I was a stakeholder in the South Coast Stakeholder Group for the Marine Life Protection Act, which established first of its kind network of Marine Protected Areas in the world. And we spent two years -- two years studying the area from Santa Barbara to San Diego to establish Marine Protected Areas.

And part of those two years were also including Orange County. And now you have nine Marine Protected Areas, including a no-take reserve. So I find it hard to believe that we would spend so much time in a desert. And that -- that speaks to that.

And if you want to talk about real environmental enhancements, I urge you to look at the Marine Protected Areas.

--o0o--

MS. GRAUDINS: An I'll let them say this, but, you know, I got involved in this, because I talked to my
partners at Oak View. I know for a fact that they've been
working on this for a long time, and they have been
reaching out to other groups and other organizations about
other issues that they've have been working in. And they
were repeatedly ignored and/or, you know, just basically
rebutted.

And now some of these same people that ignored a
call for a very basic need, which was clean air two, three
years ago, are purporting to be speak for the same
community. So I would -- I would urge you to really look
at authentic voices for the community, authentic voices
here in Orange County that have been working on
environmental justice, on economic justice, and social
justice for years now.

MR. VALLADARES: So one of the things that I just
what to make really clear is the fact that, you know, us
working class folks, I live paycheck to paycheck. I
basically work at a pizzeria. I push pizzas for a living.
This will definitely have a major financial impact on us
on the working class.

We understand that there are other organizations
that are standing up for workers that everybody wants
jobs, but we ultimately have to realize that at the end of
the day, these jobs are going to be going away and there
are going to be several jobs that are just going to be
permanent and not for the working class folks.

Other than that, this is basically a subsidized handout, you know, to these big corporations, multi-million, billion dollar corporations that will be passed on to us and everybody else. And that is -- that is not right, because our communities have been hurt. And ultimately, we will be paying this price and it will hurt us definitely.

We all do know that the water is essential and water is life. And we just hope that you all take this under consideration that there are other alternative, cheaper, more efficient environmental friendly -- environmentally friendly alternative ways to recycle water.

Desalination, we're not completely a hundred percent against desalination, but there are other alternatives other than just going straightforward to the desalination plant here in Huntington Beach. And I know for a fact that the majority of Huntington Beach do not want desalination.

Thank you.

MR. RODRIGUEZ: Thank you.

MS. GRAUDINS: Thank you.

CHAIRPERSON NEWSOM: Thank you, guys.

EXECUTIVE OFFICER LUCCHESI: Next is
representatives from the Bolsa Chica Land Trust.

Shirley Detloff and her colleagues.

MS. DETLOFF: Good afternoon, Chairman Newsom and members of the Commission. My name is Shirley Detloff. I'm a former Mayor of the City of Huntington Beach, a former State Coastal Commissioner, and a founding member of the Amigos de Bolsa Chica.

I have followed the Poseidon project since it was introduced to the City of Huntington Beach, and I've attended many of the meetings, the hearings, and read many of the reports. Although I'm a layperson, I have spoken with many authorities and experts on this subject.

As a founding member of the Amigos, I'm in support of the mitigation Poseidon has offered to meeting their mitigation requirements for this project. Although the Amigos have not taken a position on the Poseidon project itself, we support mitigation plans that include the Bolsa Chica.

If you approve the Supplemental EIR, you will allow Poseidon to work with State Lands Commission, the Coastal Commission, and the Santa Ana Regional Board on a mitigation plan that is acceptable to all.

One of the projects I feel is extremely important to the Bolsa Chica is keeping the tidal inlet open. Without restoration project, it will fail and millions of
dollars spent in restoration of this natural resource will be lost. Funding for dredging the inlet is no longer available, and the State legislature recently voted to provide $1 million to do the 2018 dredging. There is no guarantee that this money will continue to be available.

Poseidon’s mitigation would prevent the inlet from closing and having the restoration fail. It's extremely important.

Now, I’m speaking as an individual, because I wanted to be on record that I am a supporter of this project, and have been since the very beginning. I feel this is a way to ensure that water will be available in the region for years to come, and for generations to live through potential droughts which we have just experienced.

I feel that this project probably has less impacts on the environment than bringing water from Northern California and from the Colorado River. This is an important project and meets the environmental standard.

So I hope that you will again vote to approve the EIR, because I think it's proven itself that it has overcome all of the environmental objections that people have expressed. And I do appreciate the fact, this is an activist community. Everyone has a right to speak, to come down here and tell you what their opinion is.

I've told you my opinion. I'm very supportive of
the project. I have lived in this community for 55 years. And so I know a lot about it, and we are a community that takes every issue very -- feel every issue is very important. And if we don't have an issue to either support or oppose, we'll make one up. So we are a fighting community.

(Laughter.)

MS. DETLOFF: And I appreciate the fact that people who oppose it have come down. But I also think for both the environment and for the future of Southern California, we must, as the world has done, accept desalinization as part of our water guarantee for future generations.

And everything that was expressed by Senator Barbara Boxer, I applaud, because I, too, cannot understand why anyone would turn down the opportunity to assure sustainability for the most basic of human needs, water.

Thank you so much.

MR. LÈIPZIG: Thank you, Shirley. Thank you, Commissioner -- Chairman and Commissioners. My name is Victor Lèipzig. I am a long-time activist as Shirley Detloff has been in the protection of the Bolsa Chica Wetlands. And like Shirley Detloff, I was a former Mayor of the City of Huntington Beach.
And so I have made many comments into this particular microphone, and many comments into the microphone there on other side of the bench.

CHAIRPERSON NEWSOM: There are like 10 Huntington Beach ex-Mayors.

(Laughter.)

CHAIRPERSON NEWSOM: I understand the affliction, by the way.

MR. LÈIPZIG: There's a whole panel of our photos in the entry.

CHAIRPERSON NEWSOM: Amen.

MR. LÈIPZIG: I have spent over 30 years as an activist with Bolsa Chica working first for the protection of the Bolsa Chica from development by residential and marina development, then the restoration of the Bolsa Chica, and now it's long-term operation and maintenance.

There is a tremendous ongoing need, as you at the State Lands Commission are all aware, for the -- for funding for that important environmental resource. And for Poseidon Resources and its mitigation needs on the long-term mitigation provide a perfect match for funding to support that long-term need.

And at the Amigos de Bolsa Chica, we strongly encourage you to support the mitigation program on Poseidon's part, if this desalination project goes
I'd also like to say that I've also spent over 25 years leading field trips, birding, and natural history to the Salton Sea. Now, I'm very well aware of the tremendous impact that the State of California and other states of the southwestern states are having on that important resource, the Colorado River and the Sacramento River.

And like Shirley Detloff, I strongly look forward to desalination in the State of California. Whether this particular project is the responsible form of desalination that we need or not is a decision to be made later. But if you go forward with that -- if the State goes forward with this project, mitigation of Bolsa Chica is the ideal solution.

Thank you very much.

MS. ADAMS: Good afternoon. I represent the Bolsa Chica Conservancy. We were founded about 30 years ago by community, environmental, government, and business leaders with the common goal of restoring the Bolsa Chica Wetlands, and connecting generations through community involvement, leadership, and education in wetland science, watersheds, coastal ecology, and environmental sustainability.

Our organization has succeeded beyond our wildest
dreams with an interpretive center, school programs, and
tens and thousands of visitors from across the globe every
single year.

With that in mind, we are extremely concerned
about the future viability of the wetlands now that the
mitigation funding, that keeps the inlet that allows for
tidal flows clear, is ending within the next eight to ten
months, as you both -- as you well know.

We ask that the mitigation funding that will be
required for the Poseidon project go to the future funding
to sustain the Bolsa Chica Wetlands. It is just that the
mitigation for Huntington Beach infrastructure project
would go to support the environmental and ecological
sustainability in the city where the project is located.

Poseidon Water has proposed that their mitigation
go to support the Bolsa Chica Wetlands. And we encourage
the distinguished members of the State Lands Commission to
accept this proposal.

Thank you for your consideration of our
viewpoints.

MR. GAUGHAN: Good afternoon, Commission. My
name is Mark Gaughan. I am the past chair of the Bolsa
Chica Conservancy sitting as that chair for about six
years.

I'm here to express my support to the proposal
that Poseidon fund the dredging of the Bolsa Chica Ecological Reserve inlet. I believe that it's particularly important from a very basic level. And I want to give you a couple examples of some good public policies.

One of the good public policies was here at the Bolsa Chica Reserve that allowed for the reserve -- or allowed for the inlet to be reopened. It was originally opened -- or closed on out in the early 1900s. And in this particular case, it has provided for fresh -- well, it's actually salt water, but clean water that has gone into the reserves, flushed it, and as a result of that, the wildlife has been flourishing, bird counts are up, bird varieties are up, other types of wildlife are thriving as a result of it.

Allowing it to close down would effectively lose -- as Shirley mentioned, effectively use -- lose years of investment that have been beneficial to the environment.

The other one is more of a personal one, and it involves the Great Lakes. In the 1970s, we passed what -- it was passed, the Clean Water Act. At that time, the Great Lakes, where I was born and raised, was in terrible condition. The rivers going into it were on fire from time to time. We passed a law, set good public policy.
Those Great Lakes today are in wonderful shape. The wildlife, the recreational values, the values -- other values to us as humans are spectacular.

This inlet is another example of that type of activity. We have to continue to be able to support these things. I believe that the Poseidon proposal is sound, and personally I want to say welcomed.

I thank you very much for your time and your good decision making.

CHAIRPERSON NEWSOM: Thank you.

MS. HORGAN: You said Bolsa Chica Land Trust?

EXECUTIVE OFFICER LUCCHESI: Yeah.

MS. HORGAN: I'm Bolsa Chica Land Trust. I'm sorry.

EXECUTIVE OFFICER LUCCHESI: Oh, I'm sorry. I made a mistake. Are with you an organization? Did you fill out an organization --

MR. HORGAN: Yes.

EXECUTIVE OFFICER LUCCHESI: Oh, you did.

MS. HORGAN: Oh, I don't know. I don't know. I just filled out a form.

EXECUTIVE OFFICER LUCCHESI: Okay.

MS. HORGAN: But it's Bolsa Chica, and there's three organizations, and you called Bolsa Chica Land Trust.
EXECUTIVE OFFICER LUCCHESI: Go ahead.

MS. HORGAN: I can wait if you want. It's fine with me.

EXECUTIVE OFFICER LUCCHESI: So two minutes.

CHAIRPERSON NEWSOM: Why don't you just jump in.

EXECUTIVE OFFICER LUCCHESI: Two minutes.

CHAIRPERSON NEWSOM: Yeah, go for it.

MS. HORGAN: Thank you very much.

CHAIRPERSON NEWSOM: Yeah.

MR. HORGAN: Good afternoon. My name is Flossie Horgan. I am the co-founder of the Bolsa Chica Land Trust, and in direct opposition to the other speakers for the Bolsa Chica.

Huntington Beach does not need the Poseidon desal plant. It would severely damage our local coastal zone. And the Bolsa Chica Land Trust, all 5,000 members of the Bolsa Chica Land Trust, does not support the desal plant.

Poseidon advertised this week a throw the money at Bolsa Chica Mitigation Plan for the tidal inlet. The tidal inlet at Bolsa Chica is running out of maintenance money, that is true. However, if the Poseidon desal plant is approved, Poseidon will have to mitigate the damage it will cause the coastal zone. That mitigation is not up to Poseidon to determine. It is in the hands of the Water Board and the California Coastal Commission, and they have
not held hearings on this project.

   Now, the State Lands Commission would be remiss if it did not take a look at all the possible funding for the tidal inlet, and the mitigation from damaged caused from Poseidon, if it gets approvals, has not yet been determined, nor is Poseidon the only source of funding for the Bolsa Chica.

   The law requires that Poseidon use the best design and technology feasible to minimize ecological impacts before turning to mitigation. Poseidon should take a long hard look at the subsurface intakes and change the project to accommodate them, that is the cost of keeping our coastal community healthy.

   Thank you.

   CHAIRPERSON NEWSOM: Thank you.

   And Jennifer, how is our court reporter doing? Are you all right?

   EXECUTIVE OFFICER LUCCHESI: Does he need a break?

   CHAIRPERSON NEWSOM: Well, can you imagine doing that job?

   (Laughter.)

   CHAIRPERSON NEWSOM: I mean --

   EXECUTIVE OFFICER LUCCHESI: I know. I only meant I couldn't hear him. I'm sure he needs a break.
(Laughter.)

CHAIRPERSON NEWSOM: What's up next? What do we have?

EXECUTIVE OFFICER LUCCHESI: We have three more organized groups, and then we're on to individual speakers.

CHAIRPERSON NEWSOM: And how much -- what's the block for the next group?

EXECUTIVE OFFICER LUCCHESI: Ten minutes per organization.

CHAIRPERSON NEWSOM: Can you do 10 minutes?

THE COURT REPORTER: Yes.

CHAIRPERSON NEWSOM: We got it. We'll do --

EXECUTIVE OFFICER LUCCHESI: Well, but there's three of them.

CHAIRPERSON NEWSOM: We'll do one, and then he needs his break.

EXECUTIVE OFFICER LUCCHESI: Kevin Nguyen with Millennials for New water.

MR. KEVIN NGUYEN: Hello there. I'm just going to wait for everyone else to come in.

One second.

CHAIRPERSON NEWSOM: Okay.

EXECUTIVE OFFICER LUCCHESI: Is it possible to get started while you're waiting.
Thank you.

MR. WEN: We can count the time now. Yeah, we'll be done.

All right. Well, we're just going to being. We have a few more people hovering in. But good afternoon. My name is Kevin. And I'm here representing Millennials for New Water. We're a group that actually formed about three to four years ago during the height of the drought crisis. We're composed of people that recently graduates, that lived in Orange County. I grew up in Irvine, for instance, as well as people from UCI. So students and recent graduate.

And we really came together, because we wanted to think of a socially economical, yet environmentally sustainable solution toward addressing the water crisis. Since then, we've actually expanded throughout multiple Southern California region, and we have now students from Cal State Fullerton, local community colleges such as OCC, and we even have a little bit of folks from Cal State Long Beach coming in as well.

When it comes to water, it's not enough to simply say just use less. We've already cut our own water supply usage, conserved about a third of it, and we've also really undertaken multiple recycling endeavors. It has really come a long way.
However, what we believe we really need is a significant supply of water that's going to be permanent, something that is also environmentally sustainable. As a group, we've overwhelmingly looked at this issue and believe that water desalination is the correct choice for us to really support and show our support for.

We believe that this project is not only going to be done without any major environmental impact, but frankly it's something that's been proven throughout multiple nations throughout the world, a hundred plus countries that have all really undertaken water desalination.

And it's really fixed, you know, the arid climate, and they've been able to undertake this and really create that permanent water solution.

Our groups is young, passionate, diverse, and concerned about where our water is going to come from, not just the next three to four to five years, but 20, 30, and 40 years ahead.

In fact, for this project, they already closing in on about 20 years of regulatory red tape. At some point, we need to come together with the vision that all of you share, and be proactive in making a decision that's best for, in my opinion, in our opinion, all of our future.
There's an old saying that the best time to plant a tree is 20 years ago. The second best time is now. We believe this project should be approved now, because it's going to really set the seeds for our future generation. In fact, some of them are going to come up and share their own opinions as well regarding this project. I'd like to give a chance for them about three to four people that will come up and share some of their ideas.

Please.

MR. CALAQUIAN: Good afternoon. My name is Siegfried. And as Kevin stated, I'm a member of Millennials for New Water.

This project received its first permit approval while I was in high school in 2006. And since then, I've graduated college. And unfortunately, we're still fighting regulatory red tape. I understand that this is the new norm for building infrastructure in California. However, that shouldn't be the case.

For example, in a neighboring county, regulations have stopped the projects like the Clean Air Action Plan for the Port of Long Beach and the Port of Los Angeles. And I know this may seem like heaven for politicians and lawyers, but most of us really just want fresh new water supply.

MR. LIZAMA: All right. Good afternoon,
everyone. My name is Kevin. I'm a member of the Millennials for New Water.

I'm an environmentalist. Sorry about that. And for every drop of water that is -- this project produces, there's one less drop of water for Orange County that is imported from Northern California.

As Mark Twain once said, "Whiskey is for drinking, and water is for fighting over". Let's stop fighting over -- fighting over imported water. Let us become more water independent. This new -- the new screens prevent any fish from being impacted. The brine discharge is a third of what it once was. This is a good project and should be approved.

Thank you and have a great day.

MR. MORENO: Good afternoon. My name is William. I am a member of Millennials for New Water. And I just wanted to point out that you couldn't find a better spot to cite the desalination plant. It's located on the back end of a power plant and zoned for industrial use. There's already pipes going out to the ocean area, so you don't need to build anything and it won't affect the beach.

The changes to the pipe are to prevent anything larger than the width of a dime from getting through. There is zero environmental reason to deny this project.
Just base your decision on the science in front of you and your decision will be easier.

Thank you.

MR. NGUYEN: Hi. I'm Victor. Like my fellow peers here, I'm with Millennials for New Water. I want to point out that this project will produce the same amount of drinking water while using 30 percent less seawater than proposed seven years ago.

The area isn't marine life protected, and there's no endangered or threatened species in the area. Plus, the studies show in your notes that the brine diffuser won't significantly impact marine life out there.

Please approve their permit, and work with the Coastal Commission to ensure that the area is protected, if necessary.

MR. MIHALY: Good afternoon. Before I begin, I'd like to thank the State Lands Commission for taking your time and listening to us, of course, the peanut gallery for, you know, being respectful as we speak.

So my name is Andreas, and I'm also a member of the Millennials for New Water group. And I'm actually here to urge you guys to vote on the construction of this desalination plant now, and not wait later.

Unfortunately, it's come to my attention that most governments usually wait until a crisis is upon us to
take action. And we actually narrowly avoided our nineteenth year of drought. But thank God to a wet winter. But I'd like to -- I'd like us to take action now and not wait until later.

Also, it seems to me that it's noticeable that 120 different countries use their own desalination plant. These countries include Saudi Arabia, Spain, Portugal, Greece, Italy, India, China, Japan Australia.

It's almost every continent in the world has at least a couple desalination plants. In fact, it seems to me that like if they're next to an ocean and they have arid -- and they have an arid climate, they're going to use a desalination plant to like get water for their own citizens. We should do that as well.

And if you need a local example. In San Diego, in the City of Carlsbad, around 300,000 people, that's one-tenth of our population, received water through their local desalination plant. So if it works for them, it should work for us as well.

I do appreciate you taking your time to listen to us speak, and I hope you have a wonderful day.

MR. WEN: Once again, we'd like to thank you for inviting us, and we hope you take our generation thoughts and concerns into your consideration.

And again, thank you for your time.
CHAIRPERSON NEWSOM: Thanks very much.
Thank you.
So why don't we all take five minutes. Does that work? And then we'll reconvene.
A real five.
(Off record: 2:42 p.m.)
(Thereupon a recess was taken.)
(On record: 2:54 p.m.)
CHAIRPERSON NEWSOM: Can everybody take their seats. Thank everybody for their patience.
And, Jennifer, whenever you're ready, we'll --
EXECUTIVE OFFICER LUCCHESI: I'm sorry. Yes, we are ready.
CHAIRPERSON NEWSOM: We're ready?
EXECUTIVE OFFICER LUCCHESI: Yes.
CHAIRPERSON NEWSOM: All right, everybody. If we can get everybody's attention. Grateful. I think we have two more rounds of presentations, and then on to more broad public comment.
EXECUTIVE OFFICER LUCCHESI: Yes, that's right.
Edin Enamarado and his colleagues representing an environmental justice coalition.
CHAIRPERSON NEWSOM: Let's make sure they can hear us back there.
(Can you say it louder?)
EXECUTIVE OFFICER LUCCHESI: Edin Enamarado.

CHAIRPERSON NEWSOM: There you are. Thanks.

Edin, you all set?

Great. Thank you, guys.

MR. HERNANDEZ: Good afternoon. My name is Zeke Hernandez. I'm a life-long resident of Orange County having been born here 70 -- close to 72 years ago. I'm here representing LULAC, League of United Latin American Citizens. We weren't founded a month, or two years ago, or several years ago, or 10 or 20. Our national organization was founded in 1929 in Corpus Christi, Texas.

Here in California and Orange County, we were founded as a chapter in 1946. I'm also an elected official. I'm a board college trustee for Rancho Santiago Community College District, and also a U.S. Army veteran, having served in '66 through '68, while my -- at the same time my two brothers were also serving in the army in combat in Vietnam.

I wish to formally express the support of Santa Ana LULAC, California LULAC, as well as our national LULAC, which adopted this stand, this support at its national convention in San Antonio, Texas recently in July.

We support the proposed Huntington Beach Desalination Project, and also to request that you approve
the amended land lease agreement as requested, in addition
to the certification of the SEIR, which is before the
Commission.

The project is one that's a major public benefit
and an essential aspect of multi-pronged water supply
reliability network for the general population of
California, particularly for this local area of ours in
Orange County. With your approval, steps can be taken to
complete the portfolio that is much needed for today and
for future needs.

You have prepared yourself well in view of the
seriousness of this for your decision. You've
deliberated, you've looked at the facts, and you're going
to becoming with a decision.

If I may just add one thing. In the early 1900s
without the vision, without the decisiveness of pioneers,
we got the -- without them, we could not have gotten that
northern route from California, the aqueduct, we could
have not gotten the Colorado River aqueduct. We've looked
to the north. We looked to the east. Can't look to the
south. Now we're looking to the west for the reliability
in terms of our water supply system.

So I urge you to go forward and approve this.

Thank you very much.

MR. ENAMARADO: Good afternoon. My name is Edin
Enamarado. I'm in -- representing WCBI. There are some who claim that the development of new water supplies is not an environmental justice issue. I strongly disagree. There are many of us who live inland who are not part of the coastal elite class, who have been marginalized in discussion of water for far too long.

California is our State just as much, if not more than those millionaires who live along the coast. We want our voice heard. How many Latinos who worked in the Central Valley were affected by the water rationing during the drought? How many Latino small business owners, residents, gardeners were affected by water rationing?

I'm tired of the lip service of the old guard telling us what is best for us, telling us that we shouldn't pay an extra $2 a month for reliable water. And by the HB residents, Huntington Beach residents, will receive a five percent discount on their desal water. The project will generate $3 million a year going to our schools.

Telling us that they used to -- they also tell us that we use too much water during their time in charge in the 20th century, and now we have to pay the price by conserving more and more water, even if there are water supplies like the ocean that are available. This is our California now, and we want desalination.
Thank you.

MS. SANTOS: My name is Laura Santos. I'm Mount SAC Community College Trustee. But today I address you as a leader in the Williams C. Valesquez Institute, a national Latino policy institute based in California. And our pro-agua coalition. And we're here to request that you approve both the lease amendment and the supplemental EIR. Huntington Beach and the region is in dire need of a resilient locally produced clean water source. And a desalination plant will be the most environmentally sensitive desalination plant in the world.

For your consideration, we have submitted documents that show the Latino community support for the project, including the Huntington Beach Latino community. Our documents include a resolution by Latino -- 50 Latino leaders signed at the California Latino Water Summit in 2015 a survey by Sexton of 400 Orange County registered voters, a survey by Tuchin of over 500 California voters, and a petition by -- signed by over 200 residents from the Oak View Community.

We visited that community recently, that -- and it was pleasure visiting that lovely community. There were a few people that declined to sign the petition. But overwhelmingly, the Oak View Community supports this project, and we have the signatures to show you.
Regarding environmental justice issues, I want to echo my colleague and repeat that. LULAC Hermandad Mexicana, William C. Velasquez, Orange County Latina Business Association, and the groups in our coalition have been addressing disadvantaged community issues for decades.

We're not a front group that was just recently put together to address just one project. There are valid cost concerns, but we must consider that all sources of water cost are increasing, including imported water, which this water will supplement and replace. The modest higher cost, $3 to $5 per month, as estimated by the Orange County Water District, will be surpassed by the increasing cost of importing water, which is about six percent annually.

When we asked our community if they would be willing to pay the extra cost, they said, yes. We explained it to them. But with this issue, as well as with housing, education, our community is concerned about our children and their future. And therefore, we're willing to invest not necessarily just for us, but for our children and their future.

So we respectfully request that the Board approve both the lease amendment and the Supplemental EIR.

Thank you.
CHAIRPERSON NEWSOM: Thank you guys. Thank you all.

EXECUTIVE OFFICER LUCCHESI: Next is Ernesto Medrano, an organized group representing labor.

MR. MEDRANO: Good afternoon, members of the Commission. My name is Ernesto Medrano. I'm representing the Los Angeles and Orange County Building and Construction Trades Council. We represent 140,000 members and 47 affiliate local unions and 14 trades. These are hard working members of the blue collar middle class living throughout the cities of Orange County, raising their families and paying their taxes.

Well, we can't do our work without water. Put it more simply there's not much anyone can do without water. The Poseidon project has been heavily studied. It's a big project, and it deserves a great deal of study, but now it is time to move forward. We are in a water crisis in California. No matter how much we conserve, capture, and recycle, it will not be enough, and we can't rely on other states to bail us out. We can't even rely on other parts of California.

More than 50 percent of Orange County water is imported. We've got to become more self-sufficient in Southern California. The Building Trades Council has partnered with Poseidon to make sure the jobs building
this plant are middle class with good pay, health, and 
retirement benefits. And let me say this, we are the 
vanguard of the working class. We are the entity that 
will put a young apprentice in four or five years and 
they'll be earning $60,000 a year with health benefits and 
pension. And there won't be any pension liability in our 
pension plans.

So having said that, the plant we know will 
provide 10 percent of drinking water this county. It's 
extremely important that we have that. So at this point, 
I'd like to ask all members of the trades and crafts to 
please stand. We're ready to donned our hard hats, put on 
our tool belts, and get our work books, and we're started 
-- we're going to start building this plant. Thank you.

MR. KLEEMAN: Good afternoon, Commissioners. 
Thank you for the time. My name is Herb Kleeman. I am a 
resident of Huntington Beach. I'm also the apprenticeship 
coordinator for United Association local 250. I have 
plenty of apprentices that live in Huntington Beach and 
can't work here.

We need to get this built. You know, I keep 
hearing today, you know, we've got to slow down, take it 
easy. This has been going on since 2000. We've got to 
get it approved. I know my water bill went up. I was 
asked to use less water during the drought. Considering
they weren't making the money off my water, they raised my water bill.

So we do need this plant. We need it built. We need it now for us, for Huntington Beach, and our economy.

Thank you.

CHAIRPERSON NEWSOM: That -- obviously, that went a little fast, so...

MR. DAVILA: Good afternoon, Mr. Chairman and members of the State Commission. My name is Gilbert Davila, and I am the president of Orange County Labor Federation. We are one of nearly 500 of labor councils of the AFL-CIO and the heart of the labor movement here in Orange County.

You heard a lot of good stuff about this plant. But with us, it's about creating jobs. I know that you guys care about the community, and I know you care about good jobs. This is why we ask you to vote yes today on this project.

These are men and women throughout Orange County and Huntington Beach that will benefit from this water, this desalination plant that it will provide all these good jobs for these folks, our members. The initial cost of the water might add maybe $2 to $3 a month on average on a water bill, but that's a small price to pay for high quality drought-proof water supply. Most of us, a lot of
So again, this is about creating good jobs. This project will provide water in an environmentally sustainably, economically responsible way. And it will provide thousands of good jobs to our working families here in Orange County, here in Huntington Beach. That's the right thing to do here right now today.

So I ask you, this is about creating good, good jobs, that's going to -- this plant is going to be built very well with a great apprenticeship program. So I appreciate your support on this project.

Thank you.

MR. HANNA: Good afternoon, Commissioners. John Hanna with the South West Carpenters. We cover California from San Luis Obispo on south and five other states. In those states, there's an increasing demand for water. The Colorado River, more claims on it. The Central Valley, you're dealing, as you know, with demands on that water -- those water resources, and the big issue about whether we're going to have a California WaterFix.

We're having an increasing population. We have 24 million people here. We need to have a diversified water source. That's what the desal does. You're here really to -- and we recommend you approve the EIR and lease agreement. But it's important to note that the bulk...
of why you're here is because of remediation and
mitigation that the State Water Resources Board has
required. And as a result of that, there's going to be
about 30 percent less seawater in the intake valves.

So you're actually -- this is a more
environmentally enhanced product than the last time the
Commission had it. And it's good we have these
environmental reviews. But remember what we heard today,
we heard it's going too slow. You know, they're not
meeting their deadlines, and that -- then we heard, well,
it needs to be slower. We need to take our time.

This thing has been reviewed since 2001, and it's
a good thing. We need -- we're talking about serious
money, but we have to be responsible about it. Those
Delta levees have a 95 percent probability of failing in a
major earthquake by 2050. That means six months to two
years, 30 percent of Southern California water is lost.
We go into a deep recession if that happens. This is
another back-stop, in addition to serving -- helping serve
24 million.

You know, on behalf of Frank Zambrano, the lead
of the Orange County Carpenters, the other carpenters, the
laborers union, and electrical workers, and all the other
unions that are Ernesto Medrano represents, I say please
support this.
Thank you.

MR. RUIZ: Good afternoon, ladies and gentlemen of the Board. My name is Robert Ruiz. I'm the secretary-treasure of the Laborers International Union here in Orange County. We represent over 3,000 construction and union workers. And on behalf them, I'm here today in support of the Huntington Beach desalination project, and the proposed amendments that seek to add technological advancement aimed improving energy and water efficiencies, and enhancing environmental and marine life protections.

Local 652 has had a history of working with our local partners and stakeholders to ensure we make the adequate investments in water infrastructure that helps ensure a long-term water supply that not only meets Orange County growing demand, but also protects and enhances our local environment.

We also support a public process such as the State Lands Commission meeting today that provides for citizen participation during the development process, as well as a disclosure of project potential impact on the environment.

My members, like most county residents, enjoy spending time with their families at the ocean, beaches, parks, and local waterways. And we would not support a
project that negatively impacts their quality of life.

The Huntington Beach desalination facility is a good example of projects that have been fully vetted through environmental processes and has the potential to establish a new water supply able to produce 50 million gallons of potable water each day. This project in no doubt a win-win situation.

In addition, the immediate economy -- economic benefits to the local economy offered by the project are significant. The construction of the project facilitates -- will generate more than 500 million in local economic activity and create 3,000 good middle class construction jobs, and 400 direct and indirect jobs.

On behalf of local 652 and its members, I respectfully urge you to support the process and the amendments for the project. So I'm asking here each and every one of you to do the right and the responsible thing to do, and approve this project. Thank you very much.

GARDEN GROVE CITY COUNCIL MEMBER O'NEIL: Good afternoon. Chairman Newsom and fellow Commissioners.

Thank you so much for being a good leader up there on the Chair and wrangling this crowd of activists here in Orange County. Whether you're on one side or the other, we still get along. We get things done here.

But I wanted to come to you today as -- my name
is John O'Neil for the record. I am a City Councilman in the City of Garden Grove. But I chose to speak with my buddies here in the building trades, because I've made my living in the last 32 years in the building trades, and built projects like this. It's very important.

And when we talk about good paying jobs, these are the good paying jobs that enable our youth, and our men and women, and our young youth, if they are going through our apprenticeships, to actually be able to live in the city where they're actually working or in the near county.

But I came here to speak about the amendment. I hope that you would vote in favor of that, and so we can move forward with this project. It's gone on way too long, 15 years. We could have had this done and built and had 50 million gallons a day of fresh water. Our aquifer is dangerously low. We can only clean so much wastewater. We need that uninterrupted supply of 50 million gallons a day of water. And we -- and it's a private job. It's all funded. We didn't pay a dime until the water comes out of the spigot.

If you're a good conservationist, you're not going to pay much for this plant, because your water bill is going to be lower.

But anyway, let me get back to my script. I had
a little -- a few things written down. I was on the Orange County -- I was honored to be on the Orange County Water District's Citizens Advisory Committee, which was established a couple years ago. Twenty people out of Orange County were selected for those spots. Ten people sat on the Committee.

We revised and went over the draft agreement. And the majority of that committee was in favor of the draft agreement and proposed recommendations to the water district. So I was very honored to be on that Committee as a representative.

So one thing I've learned about this process is that we need this 50 million gallons a day of uninterrupted -- excuse me -- water supply. I think Carlsbad has been a great example. They point out some minor things that have happened. But if you look at the -- what they've done there, it's been a great success down there.

This project is important to the building trades guys. Like I said before, this is -- these are -- these are the middle class. These are the real jobs. We have -- we all have apprenticeship programs that take kids right out of high school. I'm the product of that. And you can -- with the education you get in any of these trade apprenticeships, you can go on to be a city
councilman, a mayor, assemblyman, a senator, or a community nonprofit leader.

So I want to thank you for your time. I know there's a lot of speakers here today. I'll wrap it up, but please vote in favor of this amendment.

Thank you.

MR. ZAMBRANO: Hello. My name is Frank Zambrano, and I'm a representative of the Southwest Regional Council, vice president for local 2361, and representing 10,000 members just here in Orange County with locals 803, 2007, and 2361.

And you know what, this project we've been waiting for for a long time, as you've heard many of us already speak on it, and all the people that are here that are for or against it. But, hey, you know what, water is life. And that's what we need. And not only with water being life, but this type of project right here it's not going to just provide jobs, it's going to provide careers.

For the young ladies and gentlemen that are graduating from high school, these individuals that aren't going to go to college are going to able to attend apprenticeship program, and be able to have a career that's going to take them forward for the rest of their lives.

So, hey, please approve this project. I know
it's not the place for it right now. But, hey, you know what, it's good for not only Southern California, but it's good for Orange County.

Thank you.

CHAIRPERSON NEWSOM: Thank you, all.

EXECUTIVE OFFICER LUCCHESI: So we are moving on to our individual speakers.

CHAIRPERSON NEWSOM: Right.

EXECUTIVE OFFICER LUCCHESI: But before we get to that, I want to invite Carolyn Crockett up, and then move on to some of the elected officials that we did not get to earlier.

CHAIRPERSON NEWSOM: Okay.

EXECUTIVE OFFICER LUCCHESI: Okay. Next, I'd like to welcome up Kris Murray council member from the City of Anaheim.

ANAHEIM CITY COUNCIL MEMBER MURRAY: Thank you so much for your time. I know it's been a long day, and I appreciate your time. Thank you, Chairman Newsom and members of the Commission. I'm here today representing the largest city in Orange County. I also serve as chair of the Orange County Council of Governments, and as a board member for the Association of California Cities, Orange County.

This project represents the newest and largest
sustainable local water supply for Orange County to truly allow us drought-proof solutions that will sustain our communities and sustain our community going forward for decades, and for the next generation. It's absolutely essential with the level of drought that we are contending with, and the cycles are indefinite they're always going to be there that we learn and we figure out how to make these projects possible, and that we get them approved.

We're here today because this one has gone through the time and the expense to minimize the impacts even further above what was originally proposed. This is a company that has really attempted to work very closely across all of the various parameters of the Environmental Impact Report to ensure that this is a sustainable and environmentally sensitive project.

It will create thousands of jobs, millions in new tax revenue, but most importantly will ensure billions of gallons in fresh drinking water, which is the essential to our quality of life, to our quality of our economy, and the quality of our communities.

And as our population grows, we have the responsibility to ensure that we can adequately supply long-term water supplies for our -- for our area. And I ask for your consideration of the Supplemental Environmental Impact Report, and the extension of their
lease. And I appreciate your time and all of the energy you're putting into this. So thank you.

EXECUTIVE OFFICER LUCCHESI: Joe Carchio with Waste Management.

MR. CARCHIO: Thank you.

Good afternoon, Commissioner, and fellow Commissioners, and Mr. Chairman. My name is Joe Carchio. I am chairman of Orange County Waste Management, and former mayor of Huntington Beach.

(Laughter.)

MR. CARCHIO: Another former Mayor of Huntington Beach.

Well, it's kind of like former governors and stuff like that.

(Laughter.)

MR. CARCHIO: Hopefully. And I support the Huntington Beach Desalination Project and would encourage you to vote yes to certify and the EIR and to approve the leased amendment.

I first elected to the city council in 2006, and reelected in 2010. I approved the EIR when I was on the city council during my first term in office. And here I am nearly a decade later asking you to approve the Supplemental EIR that your staff has worked so hard on.

The technical aspects are really clear. There
are no threatened or endangered species that will be affected, no kelp beds or sensitive habitat. The new intake systems have a fine mesh that prevents anything larger than a millimeter from entering the system.

Flow rate is just a half a foot per second, which is so slow that natural wave actions prevent it from impingement onto the screen.

In short, there are no significant environmental impacts to the project. Huntington Beach -- Huntington Beach's community wants this project built -- it will provide water, necessary jobs, and tax revenue that's so desperately needed by the City of Huntington Beach.

Please vote yes and give us the opportunity to reduce our dependence on imported water, and utilize the world's largest reserve, which is right at our doorstep.

Thank you so much.

EXECUTIVE OFFICER LUCCHESI: Donovan Higbee.

MR. HIGBEE: Good afternoon, Mr. Chairman and fellow Commissioners. My name is Donovan Higbee, and I am a representative for United States Congresswoman Mimi Walters who represents California's 45th Congressional District, which includes much of Orange County.

Congresswoman Walters is unable to be here this afternoon, but she asked me to come on her behalf to express her support for the Huntington Beach Seawater
Desalination Project.

While Orange County is a leader in sustainable water management, the region still relies on imported water for nearly half of its water supply. Investing in water infrastructure projects like desalination will increase water reliability and help to mitigate future drought impacts throughout Orange County. This project has the potential to produce 50 million gallons of potable water daily allowing Orange County to be more water independent.

For these reasons, Congresswoman -- Congresswoman Walters supports the Huntington Beach Seawater Desalination Project and encourages the Commission to approve the Supplemental Environmental Impact Report, and the amended land lease with Poseidon Water today.

Thank you very much for your time and consideration.

EXECUTIVE OFFICER LUCCHESI: Patricia Taylor.

And after Patricia, Constance Towers.

MS. TAYLOR: Good afternoon, Mr. Chairman fellow Commissioners. My name is Patricia Taylor, and I'm the Chief of Staff for Assemblyman Matthew Harper. And I'm here today as one of the speakers on the behalf of the bipartisan Orange County legislative delegation.

I'm here today to request that you certify the
Supplemental Environmental Impact Report for the Huntington Beach Seawater Desalinization project, in addition to the approval of the amended land lease with Poseidon Water.

Your affirmative votes on these items will move this critical water infrastructure project closer to becoming a reality and help Orange County become more water independent. Orange County is known around the world as a leader in sustainable water management and water reliability practices.

As an example, the groundwater replenishment system was just a concept 20 years ago, and it envisioned treating our wastewater and using it to recharge our groundwater basin. Today, having entered its final expansion phase, the facility will produce 134 million gallons of treated water each day to recharge the groundwater basin. And it is known around the world as a model of innovation and sustainability.

However, despite the success of the groundwater replenishment system, Orange County must continue to import nearly 50 percent of its water from Northern California and the Colorado River to simply meet the county-wide demand of our constituents, and to support and sustain economic growth, investment, and jobs.

The Huntington Beach Seawater desalinization
project would help Orange County achieve its water supply needs by providing a new local drought-proof water supply. It would also reduce the county's dependence on climate-driven imported water supplies, which are becoming more and more expensive, and whose delivery to Orange County could be interrupted for an extended period by earthquake-related damage to the state's water conveyance system and/or its resource waters.

The project would generate approximately 3,000 jobs during construction and hundreds of millions of dollars in economic activity. Orange County's elected State legislators believe that managing Orange County's water supply resources should be left to local decision makers. The Huntington Beach Seawater Desalinization Product -- Project is identified as a planned future water supply project in the Municipal Water District of Orange County's Urban Water Management Plan and Orange County Water District's Groundwater Management Plan.

As such, we urge the State Lands Commission to certify the SEIR and approve the amended land use with Poseidon Water. It is time for this product -- project to move forward and for Orange County to move closer towards a more secure water future.

This project enjoys unanimous bipartisan support once again, as evidenced by this letter of support which
I'm about to pass out to you. And signed on this letter is Senator John Moorlach, Assembly Member Phillip Chen, Assembly Member Steven Choi --

CHAIRPERSON NEWSOM: Just because of time, we'll --

MS. TAYLOR: I'm done. Okay.

CHAIRPERSON NEWSOM: We'll -- pass it on to us and we'll take a look at all those signatures.

MS. TAYLOR: Okay.

CHAIRPERSON NEWSOM: We'll verify them.

EXECUTIVE OFFICER LUCCHESI: Right here.

CHAIRPERSON NEWSOM: I appreciate it.

Who's up next?

EXECUTIVE OFFICER LUCCHESI: Constance Towers.

CHAIRPERSON NEWSOM: Thank you.

EXECUTIVE OFFICER LUCCHESI: And then Erik Weigand, Weigand.

CHAIRPERSON NEWSOM: Thank you very much. Appreciate it.

MR. WEIGAND: Constance with Congressman Rohrabacher left earlier.

My name is Erik Weigand. I work for Senator Patricia Bates, Senate Republican Leader Pat Bates.

And Senator Bates asked me to convey her strong support for this project, and to request your
certification of the Supplemental EIR and the approval of
the amended land lease with Poseidon Water. This project
has demonstrated its ability to adapt to the State's
evolving policies for desal projects as demonstrated by
its proposed enhancements to the facility's intake and
outfall lines.

The Huntington Beach facility's proposed upgrades
would conform with the State's recently amended ocean plan
and offer significant protections to the marine
environment. We have seen how San Diego County, which
Senator Bates represents, has benefited from having the
Carlsbad Seawater Desal Facility, providing 50 million
gallons of additional drinking water per day. Local
reliability has improved, and overall dependence on
imported water has been reduced.

San Diego County is better and stronger with this
local water supply option. Orange County wants the same
opportunity, and its local water leaders should be allowed
to lead and determine how best to meet the county's future
water needs.

Thanks for your time.

CHAIRPERSON NEWSOM: Thank you.

EXECUTIVE OFFICER LUCCHESI: Jennifer Beall and
then following Ms. Beall is Claudio Gallegos.

Jennifer Beall?
CHAIRPERSON NEWSOM: They don't seem to be.

EXECUTIVE OFFICER LUCCHESI: Okay. Claudio Gallegos.

All right. Conner Everts.

CHAIRPERSON NEWSOM: He's coming.

EXECUTIVE OFFICER LUCCHESI: Okay. After Conner is Milt -- I'm -- Milt --

MR. DARDIS: Dardis.

EXECUTIVE OFFICER LUCCHESI: Dardis. Thank you.

Sorry.

CHAIRPERSON NEWSOM: Thank you much.

MR. EVERTS: Thank you for the opportunity.

After 15 years, it takes me a little while to get to the podium.

My name is Conner Everts, and I'm here representing the Southern California Watershed Alliance. I want to remind you that the State Lands has already adopted a policy decision on seawater intakes. And this decision undermines that policy. So I vote -- I encourage you to vote no.

And I'll go. In the late nineties, a coalition of environmental organizations and State Attorney General were advocating for regulations enforcing the Clean Water Act provisions for cooling water. In the early 2000s, we started advocating for regulations to enforce California's
law that applies to all seawater intakes.

The State Lands staff did exhaustive research for over a year. And in 2006, this Commission adopted a policy resolution to use the best technology available to minimize intake and mortality from seawater intakes. The Ocean Protection Council adopted a similar policy resolution. I'll hand those two resolutions to your staff for the record.

If Poseidon gets approval to build the desalination facility here, they must design the plant to operate with subsurface intakes. That's the rule. Screens and existing intake are an exception to the rule. They're not eligible for the exemption -- the exception. I'm sorry.

Studies conclude screens will only minimize the existing entrainment mortality by one percent. To allow this project as it is proposed, in effect, is violating your own policy resolution to mandate the use of best technology available.

For that reason and so many more, you should deny the lease because of unacceptable impacts on Public Trust resources. Please make clear to Poseidon and every desal proponent that follows in cases like this that subsurface intakes are mandatory.

And finally, I'd like to make a comment. As a
founder 17 years ago of the Environmental Justice Coalition for Water, which statewide deals with people without the human right to water, those that don't have access to clean, safe, and affordable water, we need to make that a priority.

Thank you very much.

CHAIRPERSON NEWSOM: Thank you.

EXECUTIVE OFFICER LUCCHESI: Milt Dardis.

Following Milt -- Mr. Dardis is Yenni Diaz.

MR. DARDIS: Milt Dardis, southeast Huntington Beach peasant, taxpayer.

One major problem, this one billion dollar project is, it's only going to employ 20 full-time employees. It's being built on an earthquake fault, right next to a 50-year old toxic dump site, and the rebuilt AES electrical plant.

I live one block from this operation. So if the earthquake comes, no water, you'll have no electricity to operate the desal process, which takes a high amount of electricity to operate. Poseidon conveniently forgot to inform you of this phenomenon. Poseidon does not recognize earthquake faults as a problem, and only cares about the 50-year open contract, 50-year open contract with the ability to increase water rates any time they want.
The Orange County Water District can only increase their water rates once a year. We're going to be -- the residents will be hit every month.

In addition, you have to take the desal water, whether you want to or not. Just wait for option 5, as Huntington Beach will lose our present water supply and enjoy the boron-enriched Poseidon desal water. Poseidon conveniently forgot to tell you that. This project is by and for local politicians as they see a 50-year monetary political contribution stream on the backs of us, the peasant taxpayers of southeast Huntington Beach.

Thank you, and good day. And please vote no, as us peasant taxpayers need to be supported.

CHAIRPERSON NEWSOM: You have a lot of support in the audience.

(Laughter.)

CHAIRPERSON NEWSOM: All right. Thank you. Jennifer.

EXECUTIVE OFFICER LUCCHESI: Yenni Diaz.

Yenni Diaz and then Dyana Pena. Dyana Pena. Yenni Diaz.

Dyana Pena.

Raymond Heimstra?

(He's coming.)

EXECUTIVE OFFICER LUCCHESI: Okay.
CHAIRPERSON NEWSOM: He's coming down.

(Thereupon an overhead presentation was
Presented as follows.)

MR. HEIMSTRA: Good afternoon. My name is Ray
Heimstra. I'm the associate director at Orange County
Coastkeeper. I want to talk a little bit about some of
the things for this project that we've been talking about
for so long. We have oppose this project as designed.

One of the first things is the intake. So
Poseidon privately mentioned that they're going to use
these wedgewire screens offshore for the first time in
this capacity. Well, good luck with that. These things
have been shown to clog. They corrode easily, and clog
up.

So they're going to be cleaning this thing a lot.
They're going to back within a year asking for a lease
amendment. So that's a big problem right there.

We also heard a lot about that it's really not a
big impact or anything like that. If you look at that
pyramid, the little red part up at the top, that's the
actual amount of impact that we measure. All of that
below that, that's the actual impact of the plant. So
there's a huge amount of impact from this that is not
getting caught, not getting measured, and that's really --
that's really important.
Next slide, please.

And then also up at the top, you see water running out there, that's about -- that's just the kind of runoff we're dealing with. This -- we have more -- we're wasting more water every day than this -- than this plant would produce.

Here's another one, the discharge -- as your staff identified, the discharge is a killing machine, a hundred percent mortality in the discharge zone. It degrades water quality. We've heard about the problems down in Carlsbad already with water quality violations. And what for? Again, for parking lots full of water and stuff like that.

You know, I -- conservation has -- still has a long ways to go, despite some of the things that you've heard.

Next slide, please.

And then some of the things that we're not talking about. The first thing is the need. Right here at the top that's a slide from a presentation from the Municipal Water District of Orange County that identifies by 2040 the average annual -- average shortage is 6,300 acre feet. And then Orange County Water District says a smaller project is more feasible for Poseidon for one of their options.
I guess I'm over. Thank you.

CHAIRPERSON NEWSOM: Grateful. Thank you.

EXECUTIVE OFFICER LUCCHESI: Thank you.

Norma Molen.

Cara Blaton[SIC].

Mary Ann Celinar.

MS. VANDERMOLEN: Good afternoon. My name is Norma Vandermolen, 52-year resident of Huntington Beach. I'm not a Millennial, I'm an Octarian.

(Laughter.)

MS. VANDERMOLEN: But I'm happy to be here in spite of having waited since 8:00 o'clock this morning.

Anyway, what I want to tell you is I live down there in southeast Huntington Beach. That Edison plant has impacted us for the past 52 years, then -- and now we're going to put in a 50-year lease on a desal plant that's unproven as being adequate.

As an ex-member of the Huntington Beach Commission on Harbors, Beaches, and Recreation for 17 years, I have a distinct interest in our beach, believe me. And it just hurts my heart to see that the sea life is going to be damaged the way it's been projected. And I know that that's true, because I've been in the marine environment for many years, having had a boat.

Anyway -- I don't mean a row boat, I mean a boat,
boat.

(Laughter.)

MS. VANDERMOLEN: And so anyway, I would say to you please do not approve this. It's not been shown to be accurate with many of the facts and figures that you've been given. Certainly, the citizens feel there's no need. You know, when we're down there in Huntington Beach, southeast Huntington Beach, we're impacted by the sanitation plant. Have you been there lately? It's humongous, and they keep building more and more to recycle so we could recycle the water.

So there you go. Vote no.

Thank you.

EXECUTIVE OFFICER LUCCHESI: Cara Blaton[SIC].

Yenni Diaz or Dana --

MS. CELINAR: I'm Mary Ann.

EXECUTIVE OFFICER LUCCHESI: Oh, go ahead, Mary Ann. Thank you very much.

MS. CELINAR: Hello. Good afternoon. I'm Mary Anne Celinar. I'm with the environmental team of the HB Huddle, a local activist group. And I live less than a mile from the proposed site. Air quality is a concern. I live down wind. Huntington Beach Huddle opposes this project. Your decision affects all of us living above the high water tide.
If 70 percent of our rainwater is flowing out into the ocean, replenishing our water basin might be a better idea. After last year's record rain, how is the water basin at 37 percent when the river was full and water was rushing out to see? How did that happen? It's a management problem.

Allowing microorganisms to perish when sucked into a desal plant definitely affects the web of life. It's just about protecting Flipper.

On a personal note, my streets will be torn up, my beach will be compromised. None of us here opposing this project are being paid to be here. I fully support union workers, but not at the expense of our community, and not at the expense of our environment.

I'm sure there's a bridge somewhere you guys can build. We don't need this project. No on Poseidon.

EXECUTIVE OFFICER LUCCHESI: Roy McCord and Mary Kyle. And then Keith Borh -- Borh. And then Zeke Hernandez.

MR. MCCORD: Hi. Thanks for coming down to Huntington Beach. I'm an engineer, scientist, educator, entrepreneur, and a resident and parent here in Huntington Beach for 35 years. I'm not an environmentalist. I'm not a good enough person to be an environmentalist.

I walk the beach every day, and I know something
about it from direct personal experience. And I am
against the plant as proposed by Poseidon. I have heard
some of my thinking questioned, and some of the thinking
of others who are with me, how could I not be for this
plant?

I had one answer. I'm not being paid.

(Laughter.)

MR. McCORD: Some of the people are being paid to
report about the plant. Many of the people here will be
making -- are representing others who will be making a
nine percent plus return on investment over a 30-year
period guaranteed, and the guarantee is on my back in the
rate structure.

How could us Republicans here in Orange County
make that kind of a deal, I ask?

Well, I'd like to focus in particular on your
jurisdiction. I've learned a lot here today. The beaches
align in the sand, and your jurisdiction apparently is
right around that line, and in particular with regard to
marine life.

Now, we heard from one of Poseidon's
representatives they will eliminate all impingement, not
per your report. On page 14, it will minimize. On page
16, it will reduce. On page 17 it will predict most fish.
If the bleeding edge, per their report, which they were so
breathlessly proud of, first-ever technology works. As an
engineer, and you probably having bought a car, or house,
or for that matter hired a plumber, how many times does the
best case turn out? And that's what's in the report.
That's what they say in the best case, it will work.

What about the non-best cases? All the time
between the four visits that the divers will make,
according to the report, in order to clean up the filter
that they so proudly laid in front of you? Four million
gallons an hour, think about that number, going through
those filters. What happens if something blocks up a
filter?

Thank you. Look at Poseidon's record before you
jump on a new bleeding edge technology.

EXECUTIVE OFFICER LUCCHESI: Mary Kyle. Keith
Bohr or Borh.

MS. KYLE: Okay. I'm Mary Kyle. I'm a 20-year
resident of Huntington Beach. I'm here to speak against
the Poseidon project. Poseidon is bad for our economy,
and it's bad for our environment.

Huntington Beach businesses depend on our coast
for tourism. Huntington Beach residents depend on the
coast for both quality of life and property values. Think
back to the economic impact of the beach closures in 1999
and 2000 for bacteria levels.
Also consider that Huntington Beach is still dealing with the aftermath of another outside business, Ascon, that was allowed to operate a toxic landfill in Huntington Beach.

The Ascon Landfill closed near 40 years ago and the clean-up -- clean-up is still not complete. We can't afford ocean dead zones or the other environmental hazards posed by Poseidon. I'm not opposed to desalinization, but I am opposed to Poseidon. Poseidon is a bad actor, and this is a bad deal.

Our water is a Public Trust, and it doesn't belong in the hands of a private company.

Thank you.

EXECUTIVE OFFICER LUCCHESI: Keith Borh, and then Zeke Hernandez, followed by Leslie Dobalian.

MR. BOHR: Good afternoon, Commissioners. It's Keith Borh. And, yes, I'm a former Huntington Beach Mayor. Get it out of the way.

(Laughter.)

MR. BOHR: So 12 years ago I'm sitting up here at this dais and we had a 13 hour long meeting with the vote for this Project at 7:00 a.m. in the morning. So you're getting off fairly easy.

I'm going to cut it short in that regard. I'd just like to say it's not a matter of recycling versus
desal, or conservation versus desal, the answer is all of the above. D, all the above.

It's going to be 95 degrees according to my Apple phone on Monday, on October 23rd. We're getting hotter, not cooler. It's not a matter of we have too much water. And as far as the folks that say we're for desal, but not here, I think it's a little disingenuous. When we were looking at this back in 2005, it was a study from the Coastal Commission that said desal needs to be co-located where there's existing intake lines. That's why it's here in HB. Thank you for your time and patience.

EXECUTIVE OFFICER LUCCHESI: Zeke Hernandez, Leslie Dobalian, and then Michael Grant.

Ruben Franco?

CHAIRPERSON NEWSOM: If you heard your name, just come on up, even if you didn't hear it in order. Don't worry.

EXECUTIVE OFFICER LUCCHESI: Thank you.

CHAIRPERSON NEWSOM: Thanks.

MS. DOBALIAN: Thank you for the opportunity to speak today. My name is Leslie Dobalian, and I am a Principal Water Resources Specialist at the San Diego County Water Authority.

While the water authority does not have a position on the proposed Huntington Beach Desalination
Plant, we do think it is appropriate to provide you with a brief overview of the performance and benefits of its perceived sister project the Claude "Bud" Lewis Carlsbad Desalination Plant, which is developed and operated by Poseidon in San Diego County.

The Carlsbad Desalination Plant has produced over 23 billion gallons of high quality, drought-proof drinking water since commercial operations began in December 2015. This represents nearly nine percent of the county's total demand over that same period. The plant produces this water using state-of-the-art energy efficiency technologies, and a net carbon neutral energy footprint.

During recent mandatory drought restrictions, drought-proof water supplied from the Carlsbad Desalination Plant insulated the water authority from further cutbacks.

Important ratepayer protections are built into the project's public-private partnership through a water purchase agreement between the water authority and Poseidon. These protections include controlling increases in purchase price, and transferring the risk associated with non-delivery of water to Poseidon.

All water delivered by the Carlsbad desalination plant has complied with State and federal drinking water standards. And, in fact, we have experienced improvements
in the quality of drinking water throughout San Diego County from Carlsbad to the Mexico border.

   Treatment challenges that have been experienced by the plant, such as those related to algal blooms are typical of what a new water treatment plant might experience and were fully addressed in the water purchase agreement.

   Poseidon is implementing operational strategies based on lessons learned, and Huntington Beach will have the benefit of that experience.

   Desalination -- desalinated water from the Carlsbad project complements an increasing and diverse portfolio of water supplies in San Diego County, which includes recycled water, and soon potable reuse, and we look forward to continuing into the future.

   Thank you.

   CHAIRPERSON NEWSOM: Thank you.

   EXECUTIVE OFFICER LUCCHESI: Zeke Hernandez, Michael Grant, Ruben Franco.

   MR. GRANT: Good afternoon, Chair Newsom, Commissioners. My name is Michael Grant, and I am a resident, a small business owner, and co-chair of the Government Affairs Branch of the Huntington Beach Chamber of Commerce. It is in this capacity that I want to express my support for the Huntington Beach Seawater
Desalinization Project.

The Huntington Beach Desalinization Water Project is an opportunity for Orange County to reduce its dependence on imported water and diversify its local water supply portfolio, while creating jobs, stimulating the economy, and supporting our community.

Having a new local water supply source would not only help to reduce our dependence on imported water, but it would also offer residents, businesses, and investors greater certainty than Orange County would successfully manage a prolonged disruption in imported water deliveries, another statewide drought, or some other emergency water shortage situation. As a resident and an owner of a Huntington Beach business, I understand how critical water is to a community, its economy, and its quality of life. I also understand its importance to businesses, investors who often look at things like water reliability when deciding if, when, and where to build or expand.

I also support this project because it will serve as a significant jobs creator for thousands of working families, as well as an economic stimulator in Huntington Beach and throughout the region.

It would create about 3,000 skilled construction-related jobs and support numerous direct and
indirect jobs after the facility goes on line. Additionally, the project will generate several hundred million dollars during construction, plus millions of dollars per year in property tax, and hundreds of thousands of dollars per year in local sales tax, all of which will benefit our community and the provision of services for many years to come.

Finally, I support the Huntington Beach desalination project, because it continues to balance the economic water supply benefits with economic or environmental protection.

Thank you.

EXECUTIVE OFFICER LUCCHESI: Ruben Franco, Carolyn Cavecche, and Michael Bushey.

MR. FRANCO: Good afternoon, Chairman Newsom, fellow Commissioners. My name is Ruben Franco. I'm the president and CEO of the Orange County Hispanic Chamber of Commerce. We represent the interests of over 30,000 Hispanic-owned businesses here in the county. I'm here to ask you to certify the Supplemental IRE -- or ERR -- I'm sorry -- for the desal project and approve the land lease.

The chamber supports this project, because it will improve the current and future reliability of all of Orange County, and facilitate long-term economic development, and growth opportunities among Hispanic and
other minority-owned businesses.

The Chamber realizes this is just a first step in meeting the water needs of Orange County. And finally, we support this plant for the creation of the 3,000 jobs as well. We think there's a lot of good reasons to support it, and that's we rise in support.

And thank you for your time. Appreciate it.

EXECUTIVE OFFICER LUCCHESI: Carolyn Cavecche, Michael Bushey, and then Leslie Vasquez.

MS. CAVECCHE: Good afternoon. My name is Carolyn Cavecche. I'm the CEO and president of the Orange County Tax Payers Association. OC Tax is strongly supportive of the Huntington Beach Seawater Desalinization Plant from the ratepayer protection perspective.

Now, we followed this project for many, many, many years. And the same individuals and organizations that 15 years ago opposed this project based on a false environmental narrative are now using ratepayer advocacy as a reason to deny this project, that the permit -- that it deserves. You know, it's interesting. I was up at the Metropolitan Water District just a few weeks ago on the California WaterFix watching that public hearing. And it was amazing that the increased use and the possibility of building desalinization plants was used as a reason for those who were opposed to that as well.
Candidly, I don't think there's a water project anywhere that is going to get some organizations' and people's approval.

Now, as the only county-wide organization whose exclusive focus it is to represent taxpayers on tax and spending issues, we look forward to reviewing the water purchases agreement between Poseidon and the Orange County Water District to assure that it has ratepayer protections in place, but we have to get through this process first to get there.

So today we're asking you to approve this project based on science, and your staff's recommendation, and preserve our right to have the opportunity to this new water supply for Orange County. Thank you very much for your time today.

EXECUTIVE OFFICER LUCCHESI: Michael Bushey, followed by Leslie Vasquez, and Bethany Webb.

MR. BUSHEY: Good afternoon. Mike Bushey, executive with Southern California Edison Company. I'm here talk about SCE's support for the Poseidon Huntington Beach Desalination Facility. In 2013, Southern California Edison was asked by the California Coastal Commission to review the projected electricity consumption for the proposed Poseidon facility, and confirm that there would be a reliable electrical supply to serve the
SCE reviewed the projected electrical -- electricity consumption and confirmed there will be a an elect -- a reliable electrical support for the facility.

Today, SCE applauds Poseidon's voluntary commitment to offset indirect greenhouse gas emissions from the purchase of electricity from the electrical grid, and its willingness to optimize the proposed facility's electrical load in a way that helps integrate renewable energy resources and reduce its contribution to the peak use of power.

Edison has also engaged Poseidon on ways to be a leader in the sustainable energy related practices, including integrated demand-side management and conservation, through the use of its product water tank storage, or other power storage programs.

We are also committing Poseidon for being willing to rapidly reduce load to minimal levels during system emergencies, and to explore green power alternatives, either directly with SCE or through other providers and other ways to meet the goals of the parties and State regulator.

Finally, we look forward to working with Poseidon within our service territory to make the proposed Huntington Beach facility part of a solution to
California's water and power needs. Thank you very much for your time.

EXECUTIVE OFFICER LUCCHESI: Leslie Vasquez, followed by Bethany Webb, and then Christine Brady.

MS. VASQUEZ: Good afternoon. My name is Leslie Vasquez, and I'm here to share why I do not support Poseidon -- the Poseidon desalination plant here in Huntington Beach.

For starters, I was born and raised my whole entire life in a Hispanic community here in Orange County. And so I can say that I know about the struggle and what it's like living in California during this drought.

Having the desalination plant would not only affect the marine life and add more chemicals, but it would also cause us to pay so much more for water that we don't need. We don't need this amount.

Coming from where I come from where I'm lucky in where I live to live in a one-room apartment with my five other family members. I know a bunch of people that would not be happy with this, if they knew. We don't all know about this. I'm sure if I asked a bunch of people they wouldn't even know about this project.

We have other opportunities and actions that we can use to help our water needs, and that will cost less damage. Not only that, but other actions can help us
prevent this from happening again if we learn from it. For these reasons, the desalination plant in Huntington Beach is a last resort. And it's not something we need right now. And I just hope that as a community we can work together to get the water that we need.

Thank you.

Planet before profits.

EXECUTIVE OFFICER LUCCHESI: Bethany Webb followed by Christine Brady, followed by Richard Armendariz.

MS. WEBB: Hi, I'm Bethany Webb with the HB Huddle, Huntington Beach Huddle. I'm part of the environmental team and also the local elections team, which this is both part of. The first thing I'd like to say is water is life, but corporations are not people, and people need water, and corporations should not be profiting and deciding who gets water. It -- I mean, that should just say what we're talking about right now. We have a problem where oil is decided the power of this -- of this planet. We don't need water in corporation's hands to decide who has the power.

Number two, there's been a lot of snarky remarks about surfers in the pipes. Okay. We're not talking about surfers, but we're talking about what bigger fish eat. They eat smaller fish, and smaller fish eat things
that can fit inside of a dime. So if you look at the trail of that, we need to see what can fit in a dime and what's going to eat that.

And also, Huntington Beach Huddle is having a candidates forum on January 13 2018 to flip the 48th, Dana Rohrabacher, we would love Gavin to come and moderate for us. Thank you.

(Laughter.)

EXECUTIVE OFFICER LUCCHESI: Christine Brady followed by Richard Armendariz, and Stephanie Pacheco.

MS. BRADY: Good afternoon, Commission and the next Governor of the United -- of the California.

I'm here today not representing some company or somebody making some financial interest. I'm here representing myself, my husband, my two millennial kids -- they're out working today and can't be here -- and the other neighbors that aren't millionaires in my neighborhood in southeast Huntington Beach.

We live in a place where we just have been inundated with crap, if you'll excuse the expression. We have the electric company. We have the Ascon dump. We have the water treatment plant. And this is just going to be another stuff -- thing that they put on us.

They showed that picture up there and said this is the perfect place, like it was a horrible place. Well,
It's not a horrible place. That little area is a horrible place. The Ascon dump is a horrible place. But the people and the area living around it are not horrible people, they're not rich people, they're working people, and they want a healthy environment.

I'm also here to speak for the ocean, because no one seems to be doing that. I've been a resident of Huntington Beach for 30 years. I was born in Long Beach. I've been in this area my entire life. I've been down to the beach since I was a little kid. The ocean is in trouble. It has been in trouble and it continues to be in trouble. And we don't need to do anything to have any more negative impact upon it.

There used to be all kinds of wildlife in the ocean. Now, there's less. I went to the tide pools the other day in Corona del Mar way less things than were even 10 years ago. Right now, Santa Barbara, Monterey have whales. All summer we barely had a whale. It's ridiculous. And those whales eat the smallest things in the world, the shrimp which are so tiny that they probably could get caught inside of that thing.

So all I'm asking is that you please look at the people that are there, the environmental impact, the possibilities that can be used prior to doing a desal plant. We don't do any water restoration from our rooves.
We should do that. The amount of water -- just sticking a bucket out on one of our poor little days gives all kinds of water. The water that comes down the river is not claimed. We need to do before we start doing a desalination plant that can impact the ocean.

Thank you.

EXECUTIVE OFFICER LUCCHESI: Richard followed by Stephanie Pacheco, followed by Scott Smith.

MR. ARMENDARIZ: Good afternoon, Commissioners, Mr. Chairman. My name is Richard Armendariz: I declare under penalty of perjury that I have not been -- have not received or have been promised any compensation for making this presentation or being here today.

I wish that I challenged all the other speakers to make that same declaration. And I wish that it had the opportunity to challenge them previously because nobody else would have been able to speak for Poseidon, because basically they're all bought and paid for.

I am a retired administrative law judge, and a resident of Huntington Beach for the past 55 years. I am speaking as a member of the Latino community. Poseidon in their desperation to get approval for the EIR has raised the phony issue of environmental justice.

Environmental justice somehow they believe that they're claiming that the desalinization has a --
specifically impacts the Latino community. Environmental justice can best be described as what has occurred in the Central Valley of California where decades of pesticide use are suspected as a cause of cancer clusters that have occurred in the predominantly Latino area.

The Orange County Latino community does not need fresh water anymore than any other resident of Orange County. This issue is as fake as a $3 bill. The only impact on the Latino community would be that like everyone else, water bills will be raised by at least $6 a month.

One more thing. Look up the case -- have your staff look up the case of Tampa Bay versus Poseidon. It will give you an idea of the destruction of the marine life. And also have your staff look up LULAC. Many of their charters have been suspended. People come here and speak in favor of LULAC on suspended charters. And therefore, whatever they say cannot be taken for what -- for its worth.

Thank you.

EXECUTIVE OFFICER LUCCHESI: Stephanie Pacheco, Scott Smith, followed by Clayton King.

MS. PACHECO: Stephanie Pacheco. I appreciate the work the State Lands Commission does to protect our Public Trust lands. I live in Fountain Valley not near the proposed Poseidon plant. Yet, I am here as I agree

J&K COURT REPORTING, LLC 916.476.3171
with many of the concerns such as the conservation groups, the Irvine Ranch Water District, residents near the proposed plant, the problem of increased public cost for interior water we do not need and the inadequacy of the EIR.

To be informed about water issues, which in turn helps a community and the -- even the State Lands Commission, I have attended, and I hope others will attend, the Orange County Water District and other water district meetings which occur monthly to focus on what we can do to protect our public water resources.

We all need to work to remove elected people, which have been influenced by large corporate donations from Poseidon and keep our democratic values alive by supporting elected officials that support water conversation, while caring about water resources for all.

I hope the State Lands Commission appreciates that private corporations look at water as a source of profit, not as a way to manage an important natural resource.

I also hope the Commission will listen to those who really care about water quality and public lands, not those paid by Poseidon, either by salary or donations.

Thank you.

EXECUTIVE OFFICER LUCCHESI: Scott Smith followed
by Clayton King, followed by Lubna Hammad.

MS. SMITH: Good afternoon, Commissioners. My name is Scott Smith and I've lived in Huntington Beach for over 40 years. I would like to make sure you're aware of a public safety and environmental issue that by approving this SEIR, you are saying that the risk of the public safety is less than the benefit of this project.

No one else has mentioned public safety at all have they? The public safety and environmental issue is the placement -- is the placement of a huge water transition pipe right past the Superfund toxic waste site. Although some of the wastewater will -- some of the waste will be removed, most of the toxic waste will be stored in a four-story high hill right next to where the toxic -- right next to where the pipe is going to be.

So across the street of the toxic waste dump is a school with over 2,500 kids. The failure of this pipe will likely result in a catastrophe -- a catastrophic failure in the containment of the toxic waste, which will result in the school being flooded with toxic water.

You are probably thinking that the failure is extremely unlikely. However, there is an active fault that runs right under the pump and the pipe. This fault caused the second deadliest earthquake in California history, and it's within walking distance -- the epicenter
is within walking distance of the Poseidon plant.

What is the environmental issue? All that toxic water will drain right into the ocean.

Commissioners, do not approve this SEIR, because it is incomplete. It puts over 2 -- 2,500 kids at risk, and the value of the project is questionable, especially compared to the public risk. There are better places and entities to build a desal plant.

Thank you for your time.

EXECUTIVE OFFICER LUCCHESI: Clayton King followed by Lubna Hammad followed by Allan Beek.

MR. KING: Good afternoon, Commissioners. My name is Clayton King. I've lived in Huntington Beach since 1978. I was present in these chambers 12 years ago when that council meeting occurred that went on for 12 hours. One of the speakers was a vice president of Poseidon. He was questioned at length. He stated that 50 million gallons a day was the maximum the plant was capable of producing, that the realistic number was 35 million gallons per day, not counting downtime for routine maintenance, breakdowns et cetera.

Throughout this day, you've heard this term in numbers and calculations based on 50 million gallons. That is not realistic. They're putting in the same plant they proposed to put in all those years ago.
Also, the speakers from the Orange County Water District who said they don't have a price, well, at public meetings in the past, they have had a price. It was approximately $2,300 per acre foot. I think the current rates around here vary anywhere from $200 an acre foot up to $700 an acre foot. There's something wrong in all of these numbers.

My advice to you when you consider how to vote is that you treat the data that has been given to you by Poseidon with a grain of salt before it gets taken out.

Thank you.

EXECUTIVE OFFICER LUCCHESI: Lubna Hammad or Hamad, Allan Beek and Steve Noble.

MS. HAMMAD: Mr. Chairman, Honorable Commissioners. I'm Lubna Hammad from Aliso Viejo. I'm here because this project affects people not only in Huntington Beach but all over the county. It affects us in two ways, in terms of its environmental impact and also in terms of the water prices.

I am also here -- I'm specifically here to ask you respectfully not to certify the environment -- environment impact review, because it's been done on a piecemeal basis, it's incomplete, and it's -- it only gives a partial view of the whole picture, so we're talking about half truths in a sense. And that's not a
good basis for an informed decision by a Public Trust.

I -- this is really important now, because there are two -- for two reasons. One, that there is an imminent threat of climate change. We saw that in Harvey. We saw that in Puerto Rico. We saw that everywhere. So climate change is real, and it's problematic that our leadership -- political leadership does not acknowledge it, and denies it, but also because this is like the first time this desalination policy is being implemented, so this is going to be precedent setting, and it has to be done the way it should be done. It has to be done right. So all the other projects are -- would follow the same steps.

I am mother to a six year old, and that's probably the foremost motivation for me to be here since 7:00 o'clock in the morning for me to be in the streets in the last few days, because I feel I owe it to her. I brought -- we moved to California five years ago, so I can -- so she can have a healthy life. She can have a better life.

And what this project is doing is putting that at stake. I have at stake much more than Poseidon does. I -- my environmental rights are at stake, because I don't have their resources, but I have you, the Commissioners. I have your integrity and I have the law. And I fully
believe, and I'm very confident that you will put that as
the indicator and main guide for your decision.

    Thank you.

EXECUTIVE OFFICER LUCCHESI: Next up is Alan
Beek, followed by Steve Noble, followed by Ed Laird

    Alan Beek?
    Steve Noble?
    Ed Laird?

CHAIRPERSON NEWSOM: Come on up.

MR. MAREN: My name might have been poorly
written, and that might be me.

CHAIRPERSON NEWSOM: Come on up.

(Laughter.)

MR. MAREN: I'm left handed and blind in one eye.

    (But you drink water.)

MR. MAREN: Yes, ma'am.

    Okay. Now I have to cancel this.

    All right. My name is Steve Maren, and good day
Commissioners. Thank you for allowing us to speak and
taking the time to listen. I've been a Huntington Beach
resident for 47 years, California for 55, and a
teacher/coach for 40 plus. I'm now retired.

    I realize you're in a no-win situation today.

You'll not be able to keep us all happy. God bless you
for that one. My colleagues and I have tried to edit out
what has already been said, and then I had nothing left to
say, so we've limited it to three points. It will still
be somewhat redundant, I'll do my best.

I'm here to ask you, with all due respect, to
deny the Poseidon Desal Project. It is not needed. The
excess noise, the dust, the dirty dirt, the polluted
runoff, the air emissions, the oceanic pollution that will
be purchased -- produced by power plant demolition and
replacement, the scraping and remediation of the Ascon
landfill, the demo of the Magnolia tank farm for a huge
new hotel residential project in the immediate area will
negatively affect nearby schools, parks, residents,
wildlife, adjacent wetlands habitat, the ocean, and all
that we need it for.

Consequently, the EIR and the SEIR are grossly
inadequate, incomplete, and simply stated all in out
inaccurate. Please see that it is redone and take it
under serious consideration.

The brine produced will raise sea level temp and
kill sealife. If we compare it to driving fuel efficient
cars, it would be -- as it affects our ocean, it would be
like we all go back to driving V-10 Hummers each day.

The screens. The screens will not prevent fish
eggs photo and micro plankton from being sucked into --
from Palos Verdes to Dana Point. That's crucial.
We need to find a better more cost effective, and more environmentally friendly -- a more environmentally friendable -- friendly amenable strategy before it's too late for us, our children, and those that follow.

Respectfully, thank you for your time and serious consideration.

EXECUTIVE OFFICER LUCCHESI: Allan Beek, Ed Laird, followed by Jim Leach.

Ed Laird?

MR. LAIRD: Good afternoon -- long afternoon. My name is Ed Laird and I'm a long-time resident of Huntington Beach, and former chairman of the Bolsa Chica Conservancy and current advisory chair at the Bolsa Chica. I was on the water committee for the Orange County Water District for this project. I'm a business owner here in Huntington Beach, and I'm speaking on behalf of myself today to say that I'm in favor of the Poseidon.

We've been talking about it for 20 years, and I think it's time for some action. I've got a lot of bullet points that I could read, but in the interests of time, I would just please ask you to vote in favor of certify the Supplemental EIR, and approve the land lease amendment with Poseidon Water.

Thank you very much.

EXECUTIVE OFFICER LUCCHESI: Jim Leach, Adam
Jim Leach, Adam Wood, Ira Leibowitz?

Aaron McCall.

Oh, great.

After Ira is Aram McCall -- Aaron McCall, and Sharon Coke and Flossie Hargan -- Horgan.

MR. WOOD: I'll cut in line. My name is Adam Wood - good afternoon - representing the Building Industry Association representing our 1,100 member organizations. Our mission is to champion housing as the foundation of vibrant and sustainable communities. What makes a vibrant and sustainable community possible is quality infrastructure.

Roads, power, schools, all are important, but none more so than high quality, always reliable water source. Orange County has already tightened its belt in terms of water conservation, and we are recycling more water than any urban county in the nation.

As home builders, we are proud of the sustainable homes we build, and our role in this conversation. Inside and out, new communities throughout Orange County are using less water than ever before. New homes use an average of 50 percent less water than similarly-sized homes built just a decade ago.

Nevertheless, we still import millions of gallons...
of water from Northern California and the Colorado River. Those sources will certainty allow us to continue to build the homes Orange County needs, but these water sources are a hundred miles away, and they cross significant fault lines. This is not our best option. We need a new, local, drought-proof water supply, and the Poseidon project provides that.

Thank you for your consideration and I hope that you will support the items before you today.

EXECUTIVE OFFICER LUCCHESI: Ira Leibowitz.

Oh, go ahead.

Oh, sorry.

CHAIRPERSON NEWSOM: Aaron, can you wait one sec? Yes, let this gentleman go first.

Thank you so much.

MR. LEIBOWITZ: Good afternoon, Commissioners. Thank you for the opportunity to. I just want you to know I'm not an ex-Huntington Beach Mayor. (Laughter.)

MR. LEIBOWITZ: Basically, I want to touch on three points. One is I remember reading at some point that the OCWD, they head their engineers take a look at the Poseidon plant and they decide, well, we don't really need it. So then they want outside and got a consultant, and the consultant came back and said, yeah, you don't
really need it. So let me move on.

It's been mentioned recently about the Ascon Landfill in that area. We live within a mile of it, so we're very well aware of it. That's -- land tends to liquefaction. So if there's an earthquake, that's pretty nasty. And the Long Beach earthquake, by the way, wasn't in Long Beach. It was Coast Highway on Huntington Beach. So just to make that more obvious.

And lastly, it hasn't been brought up, but we're -- I -- most of us are aware of the temperature changes, and basically the melting glaciers and the water rise. And Florida and Huntington Beach have been pointed out, okay, by NASA scientists that our coast is going be under water in the -- by the 19 -- excuse me, the 2030s. And this has also been agreed to by UC Irvine that this is going to happen.

So that means this expensive fix does not have a long time -- a long lifetime. It's going to be a lot of money for a short -- relatively short amount of time. So thank you.

CHAIRPERSON NEWSOM: Aaron come on up.

EXECUTIVE OFFICER LUCCHESI: Aaron.

MR. McCALL: Hello. My name is Aaron McCall.

Thank you for this opportunity.

I wanted to say that, first off, I understand
that we all agree that we need to look at all of the above options to deal with droughts and our future. But we've seen in this hearing that they are not looking at all the above options, and that they're saying that Poseidon is the only option, and they don't actually have those records or measurements to say how the other options could possibly work instead of doing the Poseidon.

Secondly, as a science student, I've been hearing people talking about we need to follow the science all day today. But science is based off of evidence and data that is strong and reliable. However, Poseidon has shown that they're a bad actor and that they're willing to manipulate data to come to conclusions that don't match other scientist's conclusions.

And so I think that we need to take that with a grain of salt and -- or talking about the wildlife that will be affected. It's -- fish aren't going to fit through that, that's true, but Microscopic organisms will, and that's going to affect the food web. And we need to keep that in mind when we're talking about this issue.

So I would just ask that when we are talking about this, we look at all of the above, and then we -- so you guys basically postpone this and vote no it, until they can come back with the evidence and the things that we've asked them to bring forward to prove their
Thank you so much.

EXECUTIVE OFFICER LUCCHESI: Sharon Coke, Flossie Horgan, and Michael Wellborn.

MS. COKE: Good afternoon, Commissioners. I'm Sharon Coke, and I'm here as chair of the Angeles Chapter of the Sierra Club, representing the 48,000 members, and 120,000 supporters of the club, in both Orange and Los Angeles counties. And I'm also a representative, and a resident, of the City of Newport Beach.

The Sierra Club is not opposed to desalination in principle. We are opposed to the Poseidon Project. It is the wrong project, in the wrong area, at the wrong time. It has not been shown that Orange County has a dire need for water, particularly not with a 50-year guarantee to the project.

In 50 year's time, lots of technological advances can be probably predicted to happen. Why approve a project now that is already using antiquated technology? It is not in the interest of the Public Trust to support this project. By supporting the project before you today, you are committing the citizens of Orange County to again a 50-year obligation, a 50-year obligation to take water whether they need it or not without consideration of alternative processes for increasing
our measures to save water, such as low-impact
development, better management practices, and conservation
methods.

Please decline the Supplemental EIR and do not
increase the lease term.

Thank you.

EXECUTIVE OFFICER LUCCHESI: Flossie Hargon,
Michael Wellborn, and Doug Cable.

MR. WELLBORN: Mr. Chairman, members of the
Commission, fellow campers --

Good afternoon, I'm Mike Wellborn. Flossie I
think spoke earlier today, so I just jumped right in.

I'm president of the Friends of Harbors, Beaches,
and Parks, a nonprofit organization covering all of Orange
County. We love our coast. We love our hills. I'm also
chair of the Orange County League of Conservation Voters.
We love candidates that love our coast, and we --

(Laughter.)

MR. WELLBORN: -- that love our hills.

A couple years ago as just an aside, I spoke in
front of the Orange County Water District board of
directors. You know, the technology for desal is the same
as that used for the groundwater replenishment system,
micro-filtration. Orange County Water District
technology, is the best in the world. People come from
all over the world to see it.

So I said Board Members, if you really needed this water, you would have already built this plant, but they didn't. They're expanding the GWRS, because it provides a more cost-efficient water supply than desalinating ocean water, cost of, you know, taking the salt out is a lot more expensive with highly saline water.

We urge you to deny both of these items before you. The Supplemental EIR it fails to address cumulative impacts for this project with -- in relation to adjacent projects that are going on in that area of the community. And, in my opinion, using statements of overriding consideration for significant environmental impacts by a for-profit proponent is just bad public policy.

Let's not talk about money. Let's not talk about the 50 year take or pay contract, but let's talk about the technology they want to put on those pipes, those antique pipes. The technology they're talking about for diffuser and the intake it's really untested in this kind of capacity.

Does this Commission really want to consider turning this coast into a test bench? I would urge you to deny this project.

Thank you very much for your time.

EXECUTIVE OFFICER LUCCHESI: Doug Cable,
Michael -- and then Dr. Mikel Hogan.

MR. CABLE: Hi. I'm Doug Cable. Thank you for public comment. I live three blocks from the proposed site and have for 35 years. I'm speaking for some of my neighbors as well who are against this. Your own staff slide says you can't mitigate against the construction, and the digging up of the streets, and we're not a neighborhood of millionaires, so we're between the sewers, and the power plant and the toxic landfill. So we're just regular people.

The unions who are here to deceive you, according to their own T-shirts, they're from L.A. and they're retired. So they -- they misled you. I asked around the locals and we don't know who the Millennials for New Water are, so...

(Laughter.)

MR. CABLE: See.

And as you know, Barbara Boxer is from Palm Springs Rancho Mirage, which was profligate in their water use during the drought, so her presence here is hypocritical.

So what I want you to think about, and what I haven't heard yet, in terms of the Environmental Impact Report is that most of what's offshore is invertebrates, and they did not evolve in a hypersalinity environment.
So they're going to die, and they will wash up and stink,
and that will affect our environment.

    Thank you.

EXECUTIVE OFFICER LUCCHESI: Dr. Mikel Hogan.

DR. HOGAN: Thank you Commissioners for this
time. I won't -- I just -- I'm not going to go through
what others have already said about the legal and the
environmental impact of Poseidon.

    I am here to urge you to vote no on Poseidon's
Supplemental EIR as well as the amended land lease. I'm
concerned about all the issues as I said that have already
been stated, but the project will compound the impacts
from several massive adjoining demolition and development
projects, such as the power plant being built, the planned
Ascon toxic dump remediation, the proposed mixed-use
development on Magnolia Street.

    The EIR does not consider these cumulative
impacts, and it must in order to be complete. So please
vote no today.

    Thank you so much

EXECUTIVE OFFICER LUCCHESI: Can you restate your
name for the record. I'm sorry.

DR. HOGAN: Dr. Mikel, M-i-k-e-l. Hogan,
H-o-g-a-n.

EXECUTIVE OFFICER LUCCHESI: Thank you.
Before we move on to the rest of the speakers, I just wanted to offer a time check for the Commissioners. And we have about -- I'm just guessing about between 80 and 100 more speakers.

CHAIRPERSON NEWSOM: Wow.

(Laughter.)

(Applause.)

CHAIRPERSON NEWSOM: All right.

EXECUTIVE OFFICER LUCCHESI: I will also note they're evenly matched between opponents and supporters, so...

CHAIRPERSON NEWSOM: Yeah. All right. Well, let's -- we've already wasted 30 seconds.

(Laughter.)

EXECUTIVE OFFICER LUCCHESI: Well, one option is to reduce time to one minute or actually maybe just respectfully request speakers if it --

CHAIRPERSON NEWSOM: I mean, what's the -- well, of course, everyone who's spoken, says yes. Everyone who hasn't spoken may have a different point of view.

(Laughter.)

CHAIRPERSON NEWSOM: But what is -- what is the sentiment? This is a democracy of sorts. Everyone all right with one minute?

(Yeses.)
CHAIRPERSON NEWSOM: All right. Let's do one minute, and if someone is desperate, I'll -- we'll be a little lenient. So why don't we do that.

EXECUTIVE OFFICER LUCCHESI: Great.
CHAIRPERSON NEWSOM: Thank you all.
EXECUTIVE OFFICER LUCCHESI: Okay. Next up is De'Andre Valencia followed by Jordan Brandman, and Paul Simonds.

CHAIRPERSON NEWSOM: All right. There's go three minutes.

Next.

(Laughter.)

EXECUTIVE OFFICER LUCCHESI: Followed by Dallas Weaver.
Dallas Weaver, Peter DeMarco, Tony Capitelli, James O'Callaghan.
Oh, please.

CHAIRPERSON NEWSOM: Come on up, sir.

Thanks.
And if you could, state your name.
DR. WEAVER: Okay.

CHAIRPERSON NEWSOM: Thank you.

Thanks for your understanding.

DR. WEAVER: Yes. I'm Dr. Dallas Weaver, a scientist. And I have a great deal of experience relevant
to the entrainment issues associated with this project, having produced, bought, sold billions of larval fish and similar entrainment organisms from my hatchery at Huntington Beach.

The claims of environmental damage from entrainment of 80 million larva and now entrainment and shear damage from the discharges are all based upon a model referred to as the Extended APF model, area production foregone, which is demanded by the staffers of these regulatory agencies involved in this.

This model contains known false assumptions buried in the mathematics, and has been used as an example of regulatory science, which like tobacco company science, is designed to give the desired result of the funding agencies that are doing the studies.

We note that 80 million larva per year will be produced from 500 pounds of adult legal-sized fish in a backyard sized swimming pool. We can see that something must be wrong with this unverified model used by staffers. Entrainment is a $1,000 a year problem. And the Coastal Commission and others want a billion dollar solution to it. Something is fundamentally wrong.

Thank you.

CHAIRPERSON NEWSOM: Thank you. Appreciate it. Next speaker, please.
EXECUTIVE OFFICER LUCCHESI: De'Andre Valencia, Jordan Brandman, Paul Simonds.
Peter DeMarco.
James --
CHAIRPERSON NEWSOM: Whoever is waiting, why don't you come on up. You look like you want to speak. Please state your name.
MR. BRANDMAN: Good afternoon, members. My name is Jordan Brandman. And I am a former member of the Anaheim City Council, and former Orange County Water District director.
While I no longer serve in an elected official capacity, public infrastructure projects, like this one remain a high priority for me. During my tenure on the council, and at the water district, I had the opportunity to learn about and be part of the policy discussions on water issues. And this desalination project offers Orange County one of the largest water supplies of new water for the foreseeable future.
Right now, the State is considering the WaterFix for California, estimated to add $5 per month to our water bill. And that's just to ensure water reliability, not new water.
Desal is estimated to add $2 to $3 per month to average water bill, but we get not only reliability, but
new water supply, and it reduces Orange County's
dependence on imported water, and creates high quality,
high wage construction jobs, which benefits everyone in
the region and the State.

Please vote yes on the land lease and to certify
the EIR.

Thank you very much.

CHAIRPERSON NEWSOM: Well done. Practiced at 60
seconds. Thank you.

EXECUTIVE OFFICER LUCCHESI: James O'Callaghan,
Tony Capitelli.

MR. SIMONDS: Paul Simonds.

EXECUTIVE OFFICER LUCCHESI: There you go.

MR. SIMONDS: Good afternoon. My name is Paul
Simonds. I am the Chairman of the South Orange County
Economic Coalition. We support environmentally and
economically responsible infrastructure projects that will
help grow the economy in South Orange County.

One of our core principles is ensuring a local
reliable water supply to entice businesses to our region.
With more strains on imported supplies, I would think that
the State would be enthusiastic about local counties
trying to become more water independent.

I ask you to today to give Orange County the same
opportunity of water liability that San Diego currently
enjoys.

In addition, to being chairman of the Economic Coalition, I'm also a resident of Huntington Beach. I can't wait for this project to come on line. It will improve our water quality, water pressure, provide millions to our city in tax revenue, and be done in a way that is invisible to the residents and require virtually no city resources.

Please vote to approve this project today.

Thank you very much.

EXECUTIVE OFFICER LUCCHESI: Peter DeMarco, James O'Callaghan, Tony Capitelli?

MR. DeMARCO: Good afternoon, Commissioners. I'm Peter DeMarco of the Orange County Business Council, leading voice of business regionally, nationally, and globally. We work to enhance Orange County's economic development and prosperity to preserve a high quality of life in the nation's 6th most populous county.

OCBC historically has supported infrastructure projects throughout California because in order to enhance the business climate and grow the State's economy.

This project that's before you all today is a perfect example of how public-private partnerships can work to provide a broad public benefit, support economic growth and job creation, and keep the State moving
OCBC strongly supports the plant because it will enhance water reliability and reduce our independence on imported water to meet the needs of more than three million residents.

Currently, as you know, we must import nearly 50 percent of our water to meet our growing needs, and this is and these numbers will not be subsiding any time soon. Businesses need certainty that a reliable water supply will be available and considering whether to invest or expand in Orange County.

OCBC respectfully requests that the State Lands Commission certify the EIR before you, and approve the amended lease, so that this project can move forward through the remaining steps of the State approval process.

Thank you very much.

CHAIRPERSON NEWSOM: Thank you much.

MR. RODEL: Good afternoon, Chairman Newsom and Commission. My name is actually Adam Rodel. Tony Capitelli is our government affairs director. I'm a sitting officer for the Orange County Association of Realtors, and I'll go ahead just speak. And you'll have one less speaker, since I was on that list as well.

OCAR is requesting that the Commission certify the supplemental EIR and approve the amended land lease
agreement with Poseidon. We believe that a local reliable water supply is in best long-term interest of Orange County homeowners and for maintaining a strong housing market. I think we have concerns about supply disruption and the benefits that this particular project would bring us as well.

A lot of the stuff that we were going to talk about has been covered, and so I won't go there. I just wanted to make one observation. You know, we have a lot of environmentalists, activists. And you guys more than anybody get to see divided line between the growth and the activism. And I've seen a little bit of spirit here between some of the activists and conservancy groups and this project, which is probably lease likely than seeing Hillary Clinton Donald Trump hugging it out. So, you know, it's interesting that we have seen some support from some of these groups that we may not usually.

Thank you.

CHAIRPERSON NEWSOM: Appreciate it.

EXECUTIVE OFFICER LUCCHESI: James O'Callaghan, Donna Varner, and then Alex Kanavechyk -- Kanavechyks.

So Donna Varner, Alex Kanavechyk, Mark Sheldon.

CHAIRPERSON NEWSOM: So any of you want to assume the names, come on up.

(Laughter.)
CHAIRPERSON NEWSOM: You can actually prove -- there you are. Come on up. Thank you.

MS. VARNER: Thank you

Please state your name for the record, thank.

MS. VARNER: My name is Donna Varner.

CHAIRPERSON NEWSOM: Grateful.

MS. VARNER: And good afternoon to Chairman Newsom and the Commission.

I'll keep this short and sweet. I'd like to ask you to vote yes for this water reliability project not for me or my children, but for my grandchildren. California's agriculture is important and the population in Southern California continues to grow. Our water supplies are at the breaking point now, and tightening the tap can only get us so far. We need more water independence through local, reliable water supplies. This project ensures that reliability. Please vote yes for water reliability for the next generation.

Thank you.

CHAIRPERSON NEWSOM: Thank you.

EXECUTIVE OFFICER LUCCHESI: Alex Kanavechyk.

MR. KANAVECHYK: I'm Alex Kanavechyk. My fellow citizens and Commissioners. As a diligent student of logic and critical thinking, I cannot understand why we have to build this energy-thirsty plant. The power that
required to supply Poseidon is equals to 30,000 homes. It will significantly impact the climate change if you believe in it. Why should we build Poseidon if we have much like less expensive options?

And we already have groundwater replenishment system approval for another 30 million so -- gallons per day. And we just need to wait and see how it works. And we could just give more time for Poseidon, might be another 15 years to improve, because they -- I heard that they have some improvements after the last hearing. So we could give them another chance and they will improve.

And I cannot understand the blue collar workers that were here like several -- like hour ago. They will pay probably couple hundred of dollars, but they will lose over the lifetime much more.

And it's not -- it's about -- it isn't about you like built this plant because we have much more -- much better options.

Thank you.

CHAIRPERSON NEWSOM: Thank you much.

EXECUTIVE OFFICER LUCCHESI: Mark Sheldon, followed by Cari Swan, followed by Steve Kretzschmar.

CHAIRPERSON NEWSOM: Sir, thank you. If you could, state your name.

MR. SHELDON: Hi. I'm Mark Sheldon.
CHAIRPERSON NEWSOM: Thank you much.

MR. SHELDON: I am a resident of Huntington Beach. I happen to be a member of the Environmental Board of Huntington Beach, but I'm speaking on my own behalf.

I am speaking in opposition to the proposed project. The Environmental Board reviewed and provided comment on the project. We noted number of inconsistencies, and basically insufficient justification for the project. I personally have a background in engineering and find insufficient justification for using the pipe without verifying that it is proper -- that it is up to the -- up to the redesign task, and that the distribution of the saline plume is adequately mitigated.

I feel that more modeling needs to be done to verify that the -- that the salinity effect is not going to be problematic. I would also like to add that the -- that the mitigation through Bolsa -- the Bolsa Chica is apples and oranges, two different types after aquatic life. And I don't think it's an adequate tradeoff.

Thank you.

CHAIRPERSON NEWSOM: Appreciate it. Thank you for your comments.

EXECUTIVE OFFICER LUCCHESI: Cari Swan followed by Steve Kretzschmar and Redman.
MS. SWAN: Good afternoon. My name is Cari Swan. I'm a 39 year resident in Huntington Beach, and I live about three-quarters of a mile from the proposed Poseidon plant. I'm here to request that you oppose Item 97 for the lease extension and Supplemental EIR. First and foremost let me point out that this is 100 percent completely unnecessary. I repeat unnecessary.

As stewards of land and water, you are aware of the very highly successful groundwater replenishment system that you heard so much about. Also aware that we manage our aquifer very well. Even during the worst drought in decades, we conserved, we managed just fine.

Even probably worse though is that in every heavy rainy season, we watch millions and millions of gallons flow down the Santa Ana Riverbed. Nothing we can do about that. I urge you to look at that fresh water source before you ever come asking for an energy intensive, outdated, expensive technology.

Finally, I just have to point out that a statement of overriding consideration for something that has such environmental impacts, I can't imagine that a Commission, a body whose job is to be stewards of land and water could possibly accept a statement of overriding consideration. It just boggles my mind.

We are also a tourist -- our whole economy is
built on tourism in Huntington Beach. This plant -- imagine if we get 12 or two dozen toxic reports like they've gotten in Carlsbad. Imagine what that will do to the U.S. Open of surfing in Huntington Beach. Poseidon toxic water. I urge you please do not support this.

EXECUTIVE OFFICER LUCCHESI: Steve Kretzschmar followed by Lynn Redman, followed by Karen Coyne, followed by Terrell Koken.

Please come on up any of the names that I just read off.

CHAIRPERSON NEWSOM: Someone is coming right now.

EXECUTIVE OFFICER LUCCHESI: Okay. Great.

CHAIRPERSON NEWSOM: Thank you.

MR. KOKEN: Any friend of Terry Koken is a friend of mine.

Water, I'm thirsty. I ain't dirty. And it's been said before that whiskey is of drinking, water is for fighting over. Poseidon's promise to deed this plant to us in just 50 short years, but there's never been a desal plant that lasted more than 20 long years. Thus, we'll be getting nothing but a massive demolition project here Superfund style.

(The following was sung.)

MR. KOKEN: Poseidon plans with bold panache to make a lot of water. She thrashes around sweet Huntington
and claims that we have bought her. She bribes the
politicians lame, misleads the State Commission, she
brings her case ignobly through, though money is her
mission.

Oh, make water, Poseidon will make money. She'll
suck the water from the sea and puree fish and flounder.
Her briny effluents pollute the waters all around her.

Eew, what's that stench the surfers say when
paddling through pollution? She's gone and sucked the
beach away and left us no solution.

Oh, make water, Poseidon will make money. Cheap
water will not be found here and though she deed it to us.
What will we owe -- own in 50 years? This junk will
simply screw us. For when we're screwed, we cannot pee,
we cannot pass our water. We have -- we have much worse
than Gonorrhea. We're plugged because we got her.

Oh, make water. Poseidon will make money.
EXECUTIVE OFFICER LUCCHESI: Sir, can you state
your name?
CHAIRPERSON NEWSOM: Will you just state your
name for the record?
MR. KOKEN: I did already. Terry Koken.
CHAIRPERSON NEWSOM: Thank you. For your agent
as well.

(Applause.)
CHAIRPERSON NEWSOM: Jennifer, next speakers.


CHAIRPERSON NEWSOM: Thank you, sir.

MR. ALBRECHT: Hello. My name is -- hello. My name is Don Albrecht. I'm a 42-year resident of Huntington Beach, and a native Southern Californian. I'm opposed to Poseidon because locating this effluent plant pipe outside of the Huntington Beach is wrong, because it's not just warm salty water, it also contains toxic chemicals that are used in the processing of the desal.

Those toxic chemicals will be pushed to the beach by wind, waves, current. And over the years and years of that toxic chemicals being pushed onto the beach will have unknown reactions to people that are trying to use that beach and could make it have very adverse effects on it.

Oppose it. Thank you.

CHAIRPERSON NEWSOM: Thank you, sir.

Thank you, ma'am.

MS. BUCHOZ: Hi. My name is Nancy Buchoz. I'm a resident of the City of Huntington Beach for 42 years. And I'm not paid. I'm not a mayor. I don't have anything to stand, and I have been here since 8:00 a.m. to address you, because I feel this passionately about my neighborhood, as a lot of other people in my neighborhood
I live in the epicenter of Southeast Huntington Beach. I am softball throw from every one of these projects. And to give you a picture, if you haven't visited this site. This is a heavily populated residential area that we're talking about. This is not like Carlsbad. I know Carlsbad. There are a lot of lagoons and there's a lot of water to kind of protect that plant down there. So it does make sense to put a desal plant in an area like that.

That's not the case here. We are a resident. We are a sleepy southeast neighborhood, which has 2,500 kids at a high school that's about 250 yards from where you want to put a huge, massive, 24-hour a day plant.

And we also have other big projects going on, which have not been talked about in great detail. The pipeline alone nobody said anything about. And I don't know about you, but with 2,500 kids walking to school, riding their bikes along with three elementary schools, two middle schools, and the second largest park that we have in this State -- in our town, which is the Edison community center, the pipeline will have an enormous environmental impact on the quality of life for thousands of people.

So it's not just about reliable water. It's
about putting the reliable source in the appropriate environment.

Thank you.

CHAIRPERSON NEWSOM: Thank you.


CHAIRPERSON NEWSOM: Ma'am, was your name called? Please come on up. Thank you. Thanks for your patience.

And if you could, just state your name for the record.

MS. SHOMAKER: My name is Jan Shomaker.

CHAIRPERSON NEWSOM: Thank you.

MS. SHOMAKER: Good afternoon. My name -- I gave you my name.

(Laughter.)

MS. SHOMAKER: I live in Mission Viejo now, but in the early 2000s, I lived in Huntington Beach and served on the Huntington Beach Planning Commission. This project was reviewed by the planning commission twice, in 2006 and again in 2010 and approved both times.

The city council likewise approved the project. I was one of those affirmative votes at the time, and stand by that vote today. Even so, it's been great to see that Poseidon is implementing new technology to make this
project even more environmentally sensitive than it was when I reviewed it.

I made the drive today to follow -- to follow your staff recommendation, approve this project, and let it be moved forward through the regulatory process.

Thank you.

CHAIRPERSON NEWSOM: Thank you.

EXECUTIVE OFFICER LUCCHESI: Lynn Redman, Karen Coyne, Maggie Williams. Dianne Thompson

MS. THOMPSON: Good afternoon. My name is Dianne Thompson. I'm a resident here in Huntington Beach for about 33 years. I am co-chair of the Huntington Beach Chamber of Commerce Government Affairs Committee. As an insurance agent, I'm well educated on risk mitigation for catastrophes in California. I've toured the Sacramento Delta and Colorado River system as part of my due diligence on this issue.

In the event of any catastrophic impact to the water system in and around our State, our access to clean water would be seriously challenged. We have only to look to Puerto Rico, U.S. Virgin Islands, and Florida to see what powerful storms can do to our infrastructure. In the event of a major earthquake, we already know the effects would be devastating.

We are foolish to think that every service is
available. We need to keep a diversified portfolio of
safe water systems in our city, and in our neighborhood.
And we can be the leader in providing another method of
protecting our city and our neighbors in a disaster.

Thank you.

CHAIRPERSON NEWSOM: Grateful.

EXECUTIVE OFFICER LUCCHESI: Seth Morrisson,
Salgado, Eloise Gomez, Liliana Sanchez.

CHAIRPERSON NEWSOM: Sir.

MR. SALMERON: My name Roland Salmeron.

I think that you have to see the facts, you know,
what the scientific people say about the global warming.
One would think that it's going to be effective. It's
definite -- the rain part that we have. We can have a lot
of raining or we can have less raining. Our geological
records show that we have some droughts that last 50
years, 70 years, you know -- you know in the geologic
sink.

We only five year -- five year of drought that we
have, you know, and you're dreaming people from here. You
believe that the water that is in the top-over area is
going to come over here. In the event of emergencies that
we have, earthquake, or we have a drought, they don't
allow from the lake to come this water over here. You're
going to be by yourself.

It's very important that we have a reliable source over here. Israel is proof you know. Israel is only 28,000 square kilometers. It's very small. It's just a corner of California. And they never have any problems with this thing, and they've been pulling this in. They supply 75 percent of the water from that over there.

So it's very important that we take into account. It's not just passion. You know, it's people is going to die if we have this kind of emergency. Definite, and the emergency is right there. We have the San Adreass Fault that having been active, you know, since 1906 and the earthquake. That is ready to go. And the source of the water that comes from the Colorado and pass on -- and that's over there.

And taking account, this is not guessing. This is not a passion thing. It's people is going to die for real, because you don't want to have water over here. You know, so it very important that you activate this thing. We already have enough by 16 years. You know, you have to act immediately. In the middle of the crisis -- big crisis, you don't want to have the resource to build this plant. It's very important to build this plant right now, and have the experience that they're going to accumulate
to use this same resources in another part of the California.

We live in a desert. You know, desert is real. And we cannot depend on the water -- water that is in the ground. San Joaquin Valley was sinking with only five years, you know, sinking. The water was sinking over there. And the whole ground was sinking because we extract.

So very important that we approve this immediately.

CHAIRPERSON NEWSOM: Thank you, sir.

EXECUTIVE OFFICER LUCCHESI: Seth Morrisson.


Winner.

MS. BARETICH: Hello. Good -- good afternoon again, Commissioners. My name is MaryJo Baretich. I'm the president of the Cabrillo Wetlands Conservancy here in Huntington Beach. I'm an engineer, and I do understand the technologies and the logistics associated with assessing water and exist -- from existing sources. I'm also deeply concerned in the environment.

I do not see any positive reasons for building a desalination plant in Huntington Beach, only negative
ones.

Negative number one, this desal plant is not needed in our -- because of our phenomenal groundwater replenishment system, the largest in the world, has proven to the world that this technology is efficient and cost worthy. Once the two plants in Los Angeles are built, they will no longer be pulling the water out of our aquifer. And within the next five to six years, we will not have that problem right there. We will then have that potential water again.

Negative two, the desal plant will be extremely energy intensive and expensive and cost four times what our groundwater replenishment system is.

And anyway, I'd like to have you vote no on this Environmental Impact Report.

Thank you.

CHAIRPERSON NEWSOM: Thank you, ma'am.


MR. HAMILTON: Coming.

(Laughter.)

EXECUTIVE OFFICER LUCCHESI: After Graham is Talaat Baselaws.

MR. HAMILTON: Good afternoon, Commissioners,
Chairman Newsom. My name is Graham Hamilton. I'm here on behalf of the Surfrider Foundation's Los Angeles chapter. I know that each of you has been well educated, so I'd like for you to travel back with me to your final days at university. And I want you to imagine handing in an incomplete, disingenuous dissertation with the expectation that your adjudicating professor might well say, yeah, okay, this is good enough.

(Laughter.)

MR. HAMILTON: You guys wouldn't dream of such a thing. And the fact is that the Supplemental SEIR that Poseidon is looking to slip through here today is as inadequate as it is disingenuous. At Surfrider, we're not against all desalination, nor are we against job creation and growth. We are, however, against projects that exploit our communities and are not worthy of the environmental resources that support a $40 billion coastal economy.

We do need good jobs in California, good jobs for good projects. As proposed, this isn't a good project. So I encourage you to reject the amended land lease and the Supplemental SEIR.

Thanks.

CHAIRPERSON NEWSOM: Thank you. You were well disciplined up there. Well done.
MR. BASELAWS: I am Talaat Baselaws. I am living in Huntington Beach. You want to project this when you need them, not with the hope that you will need them some day.

Thank you.

CHAIRPERSON NEWSOM: Very succinct.

EXECUTIVE OFFICER LUCCHESI: Meg Watson, Ann Tomlinson, Harry Slusher, Michael Tryton, Mel Kong, Talaat Baselaws, John McKirachan -- McKirachan, and Dylan Gesperik.

CHAIRPERSON NEWSOM: And if you didn't --

EXECUTIVE OFFICER LUCCHESI: Any takers?

CHAIRPERSON NEWSOM: And is that it on the formal list?

And if you didn't hear your name -- look, anyone else, because I imagine with the -- some of you may have missed that.

Anyone else here or in the other room that wishes to speak that hasn't had the opportunity to speak?

Why don't you guys lineup, and we'll just quickly go through these so we'll make sure, because we may have skipped you. We'll do one minute and everybody please state their name and we'll go quickly through this.

MR. BISSON: Hi. My name is Tony Bisson. I am a...
resident of Southeast Huntington Beach. I live downwind of this project by a mile or two. I was just -- I'm personally against it for its intense energy consumption. I believe that we should be better stewards of the environment than to allow something like this in our community.

I'm also -- I'm also rather concerned. I think of the date 3/11/11, that was when the big nuclear disaster happened in Fukushima, Japan. And that -- that disaster hasn't gone away and it continues to leach radioactive isotopes into the water, and of course water circulates. And I have -- I just have a feeling -- I'm not a scientist, but I have a feeling we're not testing for these potentialities of actually injecting un-irrevocable toxins into our water table. So that's something that perhaps should be considered in this.

CHAIRPERSON NEWSOM: Thank you. Thank you very much.

MR. BISSON: Thank you.

CHAIRPERSON NEWSOM: Yeah. So I'm going to be more strict now just at the end, because some of you may not have had a chance to fill out the forms and -- thank you, sir.

MR. McKIRACHAN: Good afternoon. I'm John McKirachan. I heard my name.
CHAIRPERSON NEWSOM: How are you?

MR. McKIRACHAN: I've been here all day and I know you guys have been too. Appreciate your time and everybody's time.

I'm against approving the current EIR and the lease extension, but basically just on the points of rule, I mean, that they haven't met the obligation. I think the Surfrider Foundation speaker said it very well. There haven't been -- there are things that are not included in there for the ongoing projects that are all around it that have compounded the environmental impacts that are not included in that.

And the second point is are they meeting the newest technology, and are they using the subsurface intakes and things. There's points of rule that are in what the regulations say they should be doing that they're simply not meeting.

CHAIRPERSON NEWSOM: Thank you, sir.

MR. SAMSON: Honorable Chair, fellow members of the body, ladies and gentlemen of the audience, you've heard it said many times already. I'm not going to take up much of your time. As you may know with the growing concerns of climate change and with the rising storms, hurricanes, wildfires that we've seen over the past two months, we need to move away from fossil fuels.
And as you've heard from the Surfrider Foundation and other environmental activists, the Poseidon plant would not move us away from fossil fuels. Rather, it would increase the use of these fuels, release more CO2 in the air, and further exacerbate our dying climate as we speak.

Climate change is real. We need to move towards renewable energy, and I don't see Poseidon being a solution to that. That's why I'd like you to vote no on the lease extension and the SEIR.

Furthermore, let me -- with the few seconds I have left, I'd like to mention that I send out a good nod to the Orange County Labor Federation. I do support good jobs. I do support that we need to have good jobs, but for -- we cannot commoditize water as a commodity. Water is life and water is a necessity for everyone.

Thank you.

CHAIRPERSON NEWSOM: Thank you very much.

EXECUTIVE OFFICER LUCCHESI: Sir. Sir, can you state your name for the record?

MR. SAMSON: Yeah, sure. My name is Justin Samson. I am a resident of Anaheim. However, I am a candidate for the California State Senate and Huntington Beach is within my district.

Thank you.
CHAIRPERSON NEWSOM: All right. Thank you.

MR. CADWALLADER: Good afternoon, Chair Newsom and Commissioners. My name is Craig Cadwallader. And I'm here speaking on behalf of the Surfrider Foundation South Bay Chapter.

And I'm concerned with this project for all the reasons you've heard earlier, but more so because you'd be setting a precedent here that's going to impact in our area, which with the pending west basin desalination project, which has many of the same elements as this.

I think it's more efficient to recycle water. I would say there's no such thing as single-use water, I know that the Hyperion Plant up there wastes about almost $500 million worth of water a year by secondary treatment and replacement on what they discard in our playground every day. So you could save money, and prevent pollution of the water resources, and I hope you'll deny the lease and the -- not approve the EIR.

Thank you.

CHAIRPERSON NEWSOM: Thank you much.

Ma'am, you're up. Thank you.

MR. BRASHEARS: Good afternoon, Commissioners.

I'm Amaida Brashears. I've lived in Huntington Beach 52 years, and I want to hope that you will deny the -- this project. The contract that Poseidon is requiring is for
50 years at a set amount of water, whether or not we use it. So the reason that they have not been successful so far in getting the project approved is that over and over they failed to meet all the requirements of the EIRs, so this is their problem.

Another thing, Cathy Green of the Orange County Water Board said that the current cost of recycled water is less than the imported water. And that's currently -- currently, the recycling facility is only at 30 percent. So obviously, we could get a lot more water out of the recycling project.

Expanding the current recycling project is less expensive and more environmentally friendly. And expanding the current recycling facilities will also provide good jobs. So we don't need this Poseidon plant in order to have good jobs.

CHAIRPERSON NEWSOM: Thank you very much, ma'am. I appreciate it. Thank you.

MS. BRASHEARS: Thank you.

CHAIRPERSON NEWSOM: Thank you.

You guys all get closer. Don't feel so timid back there.

Join the conversation.

MR. RAY: Yeah. First of all, I did sign up. I don't know why I wasn't called
CHAIRPERSON NEWSOM: Yeah, you may have been. God bless. It was hard to hear.

MR. RAY: Okay. Well, thank you. And you said to beg for additional time. I would like to have a little extra time. I had prepared remarks.

CHAIRPERSON NEWSOM: All right. If you were on the original list, I'll give you two minutes then, sir.

MR. RAY: Okay. Thank you very much.

Mr. Chair, Honorable Commissioners, my name is Steve Ray. I'm the executive director of the Banning Ranch Conservancy. You may have heard a little bit about us lately.

I am here, first of all, to register the Banning Ranch Conservancy's opposition to this project in toto. We reject the project, and reject the basis on which this meeting is being held as well. We take issue with the staff's narrow interpretation of the scope of this meeting today.

In our opinion, the -- this is the lead agency for this project at this point. There is a memorandum of understanding or agreement between this body, between the Coastal Commission and between the State Water Board. And there is an implied, if not de facto recognition that this Commission then stands as the lead agency, and as such must consider all issues relative to the Environmental
Impact Report, and that the Supplemental Impact Report
that's been presented is therefore woefully inadequate,
and will -- should not stand.

So we would -- we would ask that the Commission
not take any action today, that it go back order a new
Environmental Impact Report that is full and conclusive
before it moves any further.

And I will say, just from a personal standpoint,
I sat at this dais, along with a couple other people who
were with -- with me at that time and heard this issue.  I
proudly opposed it at that time, because of the many
issues related to it, all of which have been enumerated,
but also primarily because of the fact that the
information that we got from the opponents was, at best,
inadequate or incomplete, and actually mostly misleading
and, many times, actually false.

So take that with a grain of salt when you
consider what you're hearing today.

Thank you very much.

CHAIRPERSON NEWSOM: Thank you very much.

Sir.

MR. EARL: Thank you. My name is John Earl, Surf
City Voice, alluded to by my friend and colleague Debbie
Cook earlier. I just wanted to correct a few misleading
statements.
The Poseidon project will not prevent imported water from coming to Southern California. It will not reduce that in any way, shape, or form, a fact made clear by the Coastal Commission over 10 -- about 10 years ago. It is not a privately funded project completely, about two-thirds will be paid for by the public upfront, including subsidies of about four to five hundred million dollars.

Director Bilodeau mislead the Commission earlier. The Board prohibited any consideration of alternatives, officially prohibited that by the staff or a -- and a citizens committee. The cost of water, as you well know, will be anywhere from 2100 acre -- dollars a acre thousand -- 2,100 acres -- dollars an acre foot to 2,500 compared to about six or seven hundred for imported water already. So that will be water that will come -- still come to California, but there will not be one additional drop of water provided by Poseidon to the Orange County Water District service area.

Thank you.

CHAIRPERSON NEWSOM: Thank you very much.

(Spoke in native language)

MS. SPOTTED BEAR: I'll bet didn't understand.

(Laughter.)

CHAIRPERSON NEWSOM: I have Google translate.
MS. SPOTTED BEAR: Go ahead.

(Laughter.)

CHAIRPERSON NEWSOM: No, that's all right. I made it up.

MS. SPOTTED BEAR: My name is Joanne Spotted Bear. I'm a Tetuwan Lakhota. I'm the voice of the Lakhota people, and a holder of the 1851 Fort Laramie Treaty, as well as a dignitary at the United Nation level. I hope you respect me.

CHAIRPERSON NEWSOM: Absolutely.

ENVIRONMENTAL PROGRAM MANAGER TAKATA: So I get more than two minutes, right?

CHAIRPERSON NEWSOM: Not more.

(Laughter.)

CHAIRPERSON NEWSOM: Not that much.

MS. SPOTTED BEAR: Okay. I really don't know where to start, so I'm going to start with what I know. Okay. First off, I'd like to serve you guys with a paper. The United States went bankrupt in 1933. The second one is saying no to the Poseidon and the desalination. I may have said that wrong, but I'm a Lakhota, and I have a right to mess up because I'm not fully English.

The second one is you already have Fukushima going on, and it is contaminating the water, and water is life. Across Turtle Island, fracking and the destroying
of water is also destroying life.

I'd like to address the people. I've been around the country four times to the United Nations and Washington. And I did go to Standing Rock. I took a family of six to the United Nations about a month ago. That family will not live for five to 10 years. They have bitumen, benzene, gadolinium, Legionnaires, copper, and lead. The youngest is 17 months, and he has uranium in his system. He's just a baby. He was born that way.

He -- the family of Flint will -- the people of Flint, the only ones getting money is the mortuary, the hospital, and where they bury -- the cemetery. That's it.

This is your future.

CHAIRPERSON NEWSOM: Thank you. I appreciate it.

MS. SPOTTED BEAR: This is your future that's going to happen here. And California is very beautiful. If you want to keep the beauty and all the people coming back, I strongly urge you to please keep -- keep it clean --

CHAIRPERSON NEWSOM: Very good.

MS. SPOTTED BEAR: -- because already as indigenous people we -- you're destroying our land and you were welcomed here. And when we welcomed you here, we gave you everything that your ancestors wanted, including the bloodshed of our ancestors. And I don't know how much
it's going to take to make you happy, because obviously it's not the money.

I don't know what it's going to take.

CHAIRPERSON NEWSOM: Thank you very much, ma'am. Thank you for your comments.

MS. SPOTTED BEAR: Okay. So I'm going to serve -- who's the Attorney General?

CHAIRPERSON NEWSOM: Right there.

Ma'am, please come on up. Everybody else, seriously get a little closer, because we're just ready to -- and I'm going to -- how many more of you are going to speak, because I'm going to --

(Hands raised.)

CHAIRPERSON NEWSOM: So we've got four more people and then we'll officially close public comment.

Ma'am, please.

Five, six. All right.

MS. QUILLONES: My name is Sofia Quillones. The natural path of the water has been altered. We had water wars across these lands that caused genocide. We had an infrastructure surrounded around the Colorado River, and all -- all the water places.

But what happened is things changed. They altered and stole California's water. Recently, in current times and five surrounding states took our water.
That's why we're in a drought. But the people never got that water.

And so this was already decided. Native people did not receive one drop of water more on reservations anywhere. And so under the -- under -- in 1800 there was a lawsuit, the Supreme Court already decided, under the Winters Doctrine, you know, it's -- they have rights, first rights. That has not been honored and they -- you violated all treaties by not respecting that.

You cannot extract plutonium from the water. They're lying. These are fake facilities. They are fake. You will die of cancer. Your children will be born with deformities. You cannot extract it. And under the veil of intellectual property rights, they will hide. These are international water cartels coming and taking our water, and privatizing it. Privatizing it.

There isn't water a shortage. This is a water theft. And you will continue to live in a society of extraction on pollution because they will continue to frack. And they will continue to use water to cool down those nuclear power plants that will kill you.

CHAIRPERSON NEWSOM: Thank you.

MS. QUILLONES: They will kill you, and it is leaking in San Onofre. It is leaking in San Onofre. It is leaking in San Onofre.
CHAIRPERSON NEWSOM: Thank you.

MS. QUILLONES: And you cannot extract your uranium, plutonium, and petroleum and so many other chemicals from the water.

CHAIRPERSON NEWSOM: Thank you.

MS. QUILLONES: These are fake projects.

CHAIRPERSON NEWSOM: All right.

MS. QUILLONES: And you are in debt. You are in debt to banks. You are a corporation --

CHAIRPERSON NEWSOM: Thank you.

MS. QUILLONES: -- with a United States corporation number 052714196.

CHAIRPERSON NEWSOM: All right. Thank you, ma'am.

MS. QUILLONES: You're a corporation, not a country.

CHAIRPERSON NEWSOM: And I'm sorry. I'm sorry. Just out of respect to the folks behind you.

Thank you so much.

Ma'am, thank you.

MS. SANTUCCI: Hi. Good afternoon. Althea Santucci. I'm a Huntington Beach resident.

(Louder.)

CHAIRPERSON NEWSOM: Yeah. Sorry. Folks in the back --
MS. SANTUCCI: Okay. Althea Santucci. I'm a Huntington Beach resident. Good afternoon. I'm here to request you to vote no on the Poseidon project. The project is not needed. Demand for water is being met across the State and here in Orange County. Water is available.

Poseidon will increase the cost of water as the contract requires ratepayers to buy this high priced water. The impact -- this impacts our senior citizens, those on fixed income, and low-income people in our communities. The proposed site is located on a fault zone. And we're also in a Tsunami zone here.

I would like to ask you please vote no. Please help us. Huntington Beach is in an inflection point right now with our population, our infrastructure, and other environmental stressors. We don't need this one.

Thank you so much.

CHAIRPERSON NEWSOM: Thank you.

MS. SANTUCCI: Please vote no.

CHAIRPERSON NEWSOM: Thanks for your time.

Thank you.

Sir.

MR. COURTER: Mr. Chairman, members of the Commission, my name is Ernie Courter. Our family has lived in the neighborhood adjacent to the proposed project
for 41 years. We adamantly oppose the project, not only for the reasons that other speakers have previously voiced, but also this project has a high potential of high risk effects on the pristine beaches, local marine life, as well as acoustic noise issues, not only during the construction, but the ongoing operation and maintenance of this facility.

The current water management plan indicates that there is adequate water for many decades in the future. This is a private international corporation whose sole interest is mining gold to fill its deep pockets from local residents, and this is -- and the surrounding communities.

In several years, they determined that it's no longer profitable, the venture will leave -- they'll leave town and leave the city with this boondoggle.

In closing, I believe this project is flawed, and ask that you use your common sense, vote your heart, and deny the lease modifications and vote no on this project.

Thank you for your attention.

CHAIRPERSON NEWSOM: Thank you very much.

Sir, come on up.

MR. FERGUSON: Yes. Thank you for the opportunity to speak today. Thank you for all of you for being here doing your job.
My name is Darrel Ferguson. I'm with Surfrider Foundation, Newport Beach Chapter. I oppose this project, but I am in favor of a different project. We're in dire need of redoing or updating the Santa Ana River flood control channel. That channel is a conveyor belt for tons -- like, we got over a hundred tons of trash and plant debris down to the Newport Beach this winter.

We do that every winter when it's heavy. And so if that project would be a half billion dollar to a billion dollar project to revitalize the Santa Ana River flood control channel into something that could actually use that stormwater in a storm event. That would require lots of workers. It's very sound for the environment. I really -- I really want that project to happen. I hope it does.

Thank you so much.

CHAIRPERSON NEWSOM: Good. Appreciate that.

Sir, you're the last speaker. It's all on you.

MR. BROOKS: I was just going to say, you saved the worst for last.

(Laughter.)

CHAIRPERSON NEWSOM: No, we're counting on you.

Bring it home.

MR. BROOKS: I want to say, it's a profound honor, really, to address this body. Thank you, Chairman
Newsom, Commissioners. Forty year resident of Huntington Beach. I guess you could call me an industrialist. Poseidon, in my opinion, is a proven bad actor, has integrity problems, Carlsbad violations. Apparently, there's a failure in Tampa that the State of Florida had to pick up and bring to completion.

Poseidon is not exercising very good diligence. There is a solution for the energy issue that they haven't brought to market, and it seem to me they should have had that done. Maybe desal is a great idea, but not Poseidon as the actor, not a purely profit platform.

Orange County Water District could do this, because they do reverse osmosis on their own, and they -- in my opinion, Huntington Beach is not right site either.

Glenn Brooks.

Thank you.

CHAIRPERSON NEWSOM: Thank you, sir.

That concludes public comment. I appreciate -- okay. You got it.

Perfect. Thank you all very much. Thank you for your patience, particularly those of you that got here as early as 7:00 a.m. this morning, and those of you that waited it out, and those of you who are you listening online or at home, and those of you that are watching this a month from now, because you've had someone record it and
send it to you, we're grateful for your attention on this issue.

I have -- so, Jennifer, I want to go through some of these things. Look, let's just set this up. Staff has recommended a number of things to this Commission. And I think it was appropriately acknowledged that this Commission has -- has, I think, stepped up its game in terms of its environmental stewardship. And we've had some significant successes over the course of the last few years. And I think we confidently say we put up against any Commission in recent memory, and we're proud of that.

So when it comes to environmental stewardship, we don't take back seat. I want to make that as a foundational point.

So with that, comes an enlightened staff, not a Commission, a staff that gets it and gets it done. And rare is it that we are on opposite sides on issues, because this staff has a sustainable mindset.

With that, there have been a number of speakers, a hundred plus, that don't agree with your recommendation. And they've made a series of comments that I think deserve at least a response. I'll do my best to try to sum up and aggregate some of them. And I don't expect a long-winded response, and I don't think anyone has the patience for that either.
But I want to just go back to a few of the principal points. There's a suggestion that we're approving - it's been implied at least - a 50-year lease for this plant. Is that accurate?

EXECUTIVE OFFICER LUCCHESI: That is not accurate. The lease amendment that is before you and recommended by staff does not change the original lease term for -- for this lease -- for this operation. It terminates in 2026.

CHAIRPERSON NEWSOM: Right. So the lease they're referring to is a lease with the water agency for a region --

EXECUTIVE OFFICER LUCCHESI: It's the life of the project.

CHAIRPERSON NEWSOM: The life of the project.

EXECUTIVE OFFICER LUCCHESI: Yes.

CHAIRPERSON NEWSOM: So beyond that, 20 -- so the question of the lease itself I know was brought up in different ways. That's about to expire. What's the basis in this -- in this request to extend the lease term?

EXECUTIVE OFFICER LUCCHESI: The term that was mentioned earlier and -- relates to start of construction, or completion of construction?

STAFF ATTORNEY GARRETT: Completion.

EXECUTIVE OFFICER LUCCHESI: Completion of
construction, excuse me.

And when the Commission originally issued the lease amendment in 2010, that lease amendment included a term that construction for the desal project shall complete by a date certain in 2018. That -- as I believe speakers during the public comment mentioned, and that's practically impossible given the entitlements that are still outstanding.

So as part of Poseidon's lease application -- lease amendment application to the State Lands Commission, they also asked that that construction term be pushed out to 2026 to coincide with the expiration date of the current lease. And so it's a little bit comparing apples to oranges when you -- the construction date is one that can be eliminated or pushed out to the end of the term.

As a staff, we didn't see that to be that significant from a land management perspective, because of the length of time it has taken Poseidon to achieve -- to get in front of the various regulatory bodies for a consideration on their projects. We didn't want to put an arbitrary -- another arbitrary construction time frame in the lease, given the uncertainties with the other regulatory agencies, and the start of construction.

So we -- our recommendation is just to put that construction term out until the end of -- until -- to
coincide with the end of the lease term.

CHAIRPERSON NEWSOM: There was suggestion that we're undermining our own State policy as it relates to the seawater intake policy itself. How do you respond to that.

EXECUTIVE OFFICER LUCCHESI: Well, I will say, and Mark can probably speak a little bit more articulately to this, the Commission, back maybe a decade ago, did adopt a once-through cooling policy that was actually -- it was challenged legally, and the judge -- essentially, the court ruled that that was -- did not meet the requirements of the Administrative Procedure Act, so the Commission does not actually have a current, valid once-through cooling policy on our books.

There is though the State Water Board and the State Water Resources Control Board agencies do regulate once-through cooling, and, of course, desalination projects through their desal amendment under the Ocean Plan.

CHAIRPERSON NEWSOM: Got it.

And as it relates to the cumulative impacts, there were a number of speakers that spoke to those.

EXECUTIVE OFFICER LUCCHESI: Right.

CHAIRPERSON NEWSOM: Were they considered? Shall they be considered? What is your response to the critique
that there are all kinds of things happening in and around this facility and they were not adequately considered as it relates to your recommendation to this Commission?

EXECUTIVE OFFICER LUCCHESI: Right. Right. I think that that goes -- that question really goes to the heart of a lot of the different -- of a lot perspectives on this -- on this overall project, and the Commission's role here. It comes down to the scope, the scope of the Commission's jurisdiction, the scope of the Commission's authority, and the scope of -- and that then branches off into CEQA compliance, along with the scope of the lease amendment and the Commission's analysis as it relates to that.

The scope -- and we have -- staff has a fundamental difference with many of the speakers that spoke today in opposition of the bigger desal project. The scope, as we talked about earlier in the day, from a staff's perspective is very limited to that delta between what the Commission approved in 2010 and what Poseidon has applied for now in their lease amendment.

The Commission in 2010 relied on the City's EIR. They -- and they considered impacts to Public Trust resources, and considered what was in the best interests of the State at the time, and they authorized the lease amendment.
And so that is the -- why the staff has approached this from a more narrow scope than maybe some other perspective -- for folks that have different perspectives on that have.

And so that's just a fundamental difference, and it's been carried out both in, you know, our CEQA compliance through the Supplemental EIR, through our findings that we're recommending, the statement of overriding considerations, and it also filters through the analysis on -- under the Public Trust Doctrine and the best interests of the State.

And we can talk more about that from a legal perspective. We can kind of get more granular on the specific question about what cumulative impacts did we consider in the Supplemental EIR, and we can have our scientists, along with some of our consultants, address some of those more specific questions.

But like I said, I think the bigger concept is the scope, and what the appropriate scope of the Commission's jurisdiction and authority is with regards to the specific lease application -- lease amendment application.

CHAIRPERSON NEWSOM: And does that scope include -- and I apologize. Jump in. Forgive me. But just the notion of this piecemealing this CEQA and sort of
someday deferring to other agencies --

EXECUTIVE OFFICER LUCCHESI: Right.

CHAIRPERSON NEWSOM: -- the CEQA analysis.

What -- I mean, what -- how do you sort of square that in the context of the broader scoping question?

EXECUTIVE OFFICER LUCCHESI: Right. So I -- I'll take piecemealing first. I think that there are concerns that -- in regards to piecemealing, because the distribution aspect of the water that will be produced from this facility has not been set in stone. And that is an uncertainty and it's an unknown. And I think the argument out there is how can you approve -- generally, the State or any entity approve a desal project without knowing how it's going to be distributed and where it's going to go.

Again, going back to our scope of review, under CEQA, we don't believe that piecemealing is a valid argument here, because the distribution element is very speculative at this point. There isn't a proposed project that talks about -- that deals with how the water is going to be distributed.

So it kind of -- I can understand the perspective of some of the audience -- of some of the members of the public on this issue, because it's so speculative, which then goes into the need issue, right?
And so there's lot to unpack here. But again, I always come back to what's the scope of review for the Commission under this lease application?

What was the other part of that question? You had piecemealing and -- okay.

CHAIRPERSON NEWSOM: No, that was -- I know that the Commissioner Yee had -- the Commissioner had a follow-up with you on this as well, and then we'll -- I've got a number of other issues, and we'll get back to it.

COMMISSIONER YEE: Thanks, Jennifer. Perhaps, it might be good to remind folks about the sequencing with respect to the other bodies that will be looking at this project.

EXECUTIVE OFFICER LUCCHESI: Oh, right. So the Santa Ana Regional Water Quality Control Board has released a tentative schedule for their review of Poseidon's application that includes a robust peer review of various studies. That will occur by December or January of 2018. And I believe that they have tentatively set a May meeting date to consider Poseidon's application.

At least earlier, we did have some staff members from the regional board here to answer questions. I'm not sure if they're still here. But after the regional board acts on this project, then the Coastal Commission is set
to act as well on the project.

And so I will just emphasize -- and, oh, I think this goes back to your deferment question about deferring to other agencies.

CHAIRPERSON NEWSOM: Yeah.

EXECUTIVE OFFICER LUCCHESI: And there was a -- there was a question or an argument made that based on some recent California Supreme Court decisions that have come out, that the Commission cannot defer environmental analysis to another agency under their CEQA responsibilities. From our perspective, we're not doing that here. What we were -- what that deferment talks -- was -- dealt with was we aren't -- the State Lands Commission isn't the body with the authority to determine compliance of a desalination project with the desal amendment under the Ocean Plan. That rests with the regional water quality control boards and the State Water Board. And that's what we were defer -- that's what -- how we described the deferment is they're -- they're the body that determines compliance with the desal amendment, not the State Lands Commission.

CHAIRPERSON NEWSOM: Right. And now I sort of reflect it as a critique that they -- we haven't -- they haven't received the regional board permit yet, they haven't received the coastal development permit yet.
EXECUTIVE OFFICER LUCCHESI: I -- and I will just -- there is a little bit of a nuance there. Poseidon did receive a permit from the regional board for this project in 2011 or 2012, but that expired. It has a five-year term, so they had to reapply to get -- for a new permit, and that's what's before the regional board at this point.

CHAIRPERSON NEWSOM: Got it. Just as it relates, and it's always an issue for us. I mean, the issues -- earthquake faults and all those considerations as --

EXECUTIVE OFFICER LUCCHESI: Right.

CHAIRPERSON NEWSOM: You know -- and from your -- our scoping here.

EXECUTIVE OFFICER LUCCHESI: Right.

CHAIRPERSON NEWSOM: How we do sort of categorize that? How do we conclude that?

EXECUTIVE OFFICER LUCCHESI: Yeah, I'm going to have to actually rely on Cy, my Chief of our Environmental Planning Division to I --

CHAIRPERSON NEWSOM: And he's passing the buck to someone else.

EXECUTIVE OFFICER LUCCHESI: I am passing the buck. I'm calling a friend.

CHAIRPERSON NEWSOM: No, he is as well, so this is --
CHIEF OGGINS: It's actually a legal case, where they will -- that the impacts of an earthquake on the project are different from the impacts under CEQA, which we analyze the impacts of the project on the environment.

CHAIRPERSON NEWSOM: So that's the distinction.


CHAIRPERSON NEWSOM: And then the question of Poseidon itself. There are plenty of critics of Poseidon on the Carlsbad plant. What's the relevance from your perspective in terms of your overall analysis on the -- well, it goes to -- it goes to trust. It goes to veracity. It goes to qualifications. It goes to follow-through, delivery, all of these things.

EXECUTIVE OFFICER LUCCHESI: Right.

CHAIRPERSON NEWSOM: What is that analysis from your perspective as it relates to the scoping today? What's our consideration as it relates to their violations, alleged or otherwise, and their operation generally?

EXECUTIVE OFFICER LUCCHESI: Well, the State Lands Commission does have a lease with Poseidon for the portions of their Carlsbad facility that are located on
State tidelands. And so when we first started hearing about potential violations of regulatory permits, particularly with the regional board or with the coastal development permit that was issued for that project, we started to reach out to those agencies to ensure -- to find out more about what those violations were, how they were being resolved, and then comparing them to what our lease provides for that project.

And at this point, from what we have been told by the Coastal Commission staff, by the regional water board staff, that -- that there isn't any notice of violations that have been issued, per se. And if they have -- if -- for any potential violations, they are being worked on with those regulatory agencies.

So the bottom line from our perspective when we were looking at lease compliance issues is, at this point, it doesn't appear that there's any evidence that they are in violation of any of the State Lands Commission lease provisions. So that's what I can say on that issue.

CHAIRPERSON NEWSOM: All right.

EXECUTIVE OFFICER LUCCHESI: I will also just mention that as far -- that we do have a current lease with Poseidon and AES for this particular site. And we have also looked into their own lease compliance with those -- with that -- with that lease and we have not
CHAIRPERSON NEWSOM: Okay.

EXECUTIVE OFFICER LUCCHESI: So that's what I can speak to.

CHAIRPERSON NEWSOM: And just two quick things and then I want to go what I know Commissioner Yee cares deeply about and that's guarantees and following up on some of these greenhouse gas related issues. And there were some comments about that --

EXECUTIVE OFFICER LUCCHESI: Right.

CHAIRPERSON NEWSOM: -- which I thought were very valid. And I hope this Commission -- I expect your leadership will attend to.

The issue of Marine Protective Areas, and the broader impacts on the MPA, is that -- was that something assessed or is that something outside the scope.

EXECUTIVE OFFICER LUCCHESI: No. Certainly, it was assessed. And again, I'm going to defer to Alexandra.

Oh, I'm sorry. Dr. Raimondi. I'm sorry I wasn't sure who Cy was pointing to. Dr. Raimondi is our consultant for the analysis, and please.

DR. RAIMONDI: Yeah. I can tell what we -- what we have done. We looked at the locations of the putative plant, the current plant as well. And then we compared that to what we know about the connectivity of the current
patterns, because I think what we're really asking is is there a likelihood that little babies, larvae are going to go from one place to the other, especially from the MPAs to be taken into the plant?

There's just been a study that came out a few weeks ago. It hasn't been fully analyzed to see what that level of connectivity is, but it could be. At the time, we thought that the distance -- distances made it likely that there would be some individuals that would go from the MPAs and get taken into the plant, and that are currently being taken into the current operation, but not very many. But that was based upon older modeling. The new models have just come out.

CHAIRPERSON NEWSOM: Okay. So if the new models have just come out, what is -- what -- and so what are we to assess from the new model? You said that we're still analyzing the new data.

DR. RAIMONDI: These were done under a different guise. They were done for the Marine Protected Area group, and they were trying to look at the level of connectivity among the MPAs themselves to establish the level of connection between them with respect of transported larvae. Because what we're really talking about, people have talked about this all day long about the things that get sucked into the pipe.
CHAIRPERSON NEWSOM: Right.

DR. RAIMONDI: So that's what -- we weren't talking about that context with respect to Poseidon or any other once-through. We were talking about with respect to all places in California, and -- but when we got here today, we realized that this would be informative -- it could be informative for this particular question if it came up.

CHAIRPERSON NEWSOM: Okay. And just --

EXECUTIVE OFF ICER LUCCHESI: I'd like --

CHAIRPERSON NEWSOM: Yeah, please.

EXECUTIVE OFFICER LUCCHESI: If you don't mind.

CHAIRPERSON NEWSOM: No.

EXECUTIVE OFFICER LUCCHESI: I'd like Alexandra our environmental scientist and project lead to just emphasize.

CHAIRPERSON NEWSOM: Fabulous.

ENVIRONMENTAL SCIENTIST BORAK: Okay. So we did work with Dr. Raimondi see what sort of effect and impact there could be on the nearest MPAs from the operation of this -- the lease modification with the screens being put on the intake pipeline. And we attempted to account for any mortality that could be -- that could occur from organisms that would be drawn in from those MPAs. And that was built into the mitigation that you'll find in the Supplemental EIR.
So we were incredibly conservative. And in the absence of a very definitive model or data set, we assumed that that mortality was going to occur and we built that into our mitigation in the EIR.

CHAIRPERSON NEWSOM: Okay. Good to hear it. And did you assess, and I don't know extending this point, the technology itself. There was a number of people criticizing potential clogging of those wedgewise, the fact that it's untested. Is that part of the analysis, part of the objective assessment when you're looking at impacts? I mean, how confident are we in the technology that we're proposing here.

ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

CHIEF OGGINS: This is Cy Oggins again. We're really relying heavily on the regional board's analysis in the desalination amendment to look at that. The supplemental environmental document prepared by the State Water Board for the desalination amendment did address the fact that wedgewise screens and diffusers, in the absence of subsurface intakes or other considerations, were the preferred technology. So we're relying heavily on our State Water Board analysis for that substitute environmental document.

CHAIRPERSON NEWSOM: Got it. And then I don't want to take the energy around guarantees as opposed to
voluntary goals as it relates to low carb -- great carbon
neutrality, some of the GHG-related commitments. It's one
thing to say, it's another to do get to a hundred percent.
And perhaps I defer to you in terms of advancing some of
those issues.

COMMISSIONER YEE: Sure. Can I just pose a
couple other questions before that?

CHAIRPERSON NEWSOM: Oh, please. Yeah.

COMMISSIONER YEE: Okay. Great.

This has been a fascinating day. And, first of
all, I just want to thank everyone who's participated in
the public hearing. This project. And you can probably
guess through some of my questions how frustrating this is
in terms of our -- the scope of what is before us in the
Commission -- at the Commission with respect to the
considerations for the entirety of the project.

And what I just would say is I don't feel like
I'm in a position to second guess local water officials,
but I hope that they do better with respect to a couple
things. One, if there are citizens advisory committees
going forward, that they definitely be more
representative. I was astonished at how many people came
forward who knew nothing about the project. Certainly,
had never been contacted or had any kind of communication.
And I think that we all could do better in terms of the
outreach.

Secondly, I was happy to hear that there seems to be some monitoring of ratepayer protections. And the idea that when we talk about desal, that we should not be focused on cost, I think, is really ridiculous. It is the most expensive type of water that we could be producing.

(Applause.)

COMMISSIONER YEE: And so I happy to hear that there's some monitoring of ratepayer protections.

And then I hope down the road, and this is the frustrating part, it's not within our jurisdiction, and it's frankly a part of how the desal policy will evolve over time, but as we talk about the need for the water, that there be some sort of amped up analysis that frankly I don't think has been done yet, where we do some scenario analysis about what the projection of the need for the water is; that there actually be an articulation of each of the water sources, pro and con; and to do the cost benefit analysis attendant to each of those. I have not seen that. I've not seen that, and I hope we do see it down the road.

Having said that, with respect to what is currently before us, I think there are a couple things, Mr. Chairman, that are squarely in our jurisdiction. And first thing I wanted to tackle was just kind of the -- and
why I asked about the sequencing of the bodies that we'll be looking at this project is that I know that the Water Board is undergoing an additional separate process for third-party review as it relates to the diffuser.

And I -- that analysis is currently not done. It will be done. And what I would like to suggest, Mr. Chairman, if we look at a motion for this project, is that we, in approving the recommended lease modification project, that we except the diffuser element of the project, which then could be approved only on the condition that the regional quality water board approves the diffuser element. And it wouldn't have to come back to this Commission. We would authorize the Executive Officer to essentially move forward on that.

The second concern -- second concern, which has been articulated well by many of the speakers does relate to the energy issue. A lot has changed since 2010. And by the time this facility is built and certainly where California is leading with respect to really aggressive greenhouse gas emissions, our transition to renewable energy, I think this project has to be a model project within that regard.

And so in that vein, I know that there is a provision in the lease agreement right now relative to Poseidon's responsibility on offsetting direct and
indirect greenhouse gas emissions. And what I would propose is that we require that Poseidon offset a hundred percent of their direct and indirect greenhouse gas emissions from construction and operations, regardless of what they've already committed to already.

And essentially, it's not just status quo, but we're going to reach and do better. And I want to give it some time. And what I would propose is that we see a plan that would be provided by Poseidon, I don't know, some period out, probably 90 days prior to the start and construction for review.

So that -- I think those two issues are squarely before us that could be incorporated in a motion. And if you're ready for a motion, I would put those into a motion.

CHAIRPERSON NEWSOM: Great. Appreciate that.

What -- so what is the commitment currently. I mean, I want to understand the clarity as it relates. And perhaps the representative from Poseidon is here.

Sorry. I'll lean in a little more.

So you've committed to the hundred percent GHG reduction, or at least offset, correct?

MR. MALONI: Correct.

CHAIRPERSON NEWSOM: Is that in the construction phase or also on the operation phase?
MR. MALONI: Both.

CHAIRPERSON NEWSOM: Both. So you've already committed. So, in essence, we're just trying to codify your commitments. How -- I mean, is there anything in the provision of the resolution of what's in front of us that does that or is it just a statement from Poseidon of commitment, and is there a way to codify it and to require it?

EXECUTIVE OFFICER LUCCHESI: Well, I think what I'm hearing is that what staff proposed is that Poseidon offset or avoid a hundred percent, direct or indirect, GHG emissions from construction operations to the extent that they have committed to already in their GHG plan, and some of the supplemental information that they have submitted to the Commission as a part of their application processing.

I think, at least from -- what I heard from Commissioner Yee was that not to have any kind of caveat associated with it. It's 100 percent avoid or offset, indirect or direct, operations or construction, period, and to submit a plan that actually achieves that 90 days before construction starts.

COMMISSIONER YEE: Right.

CHAIRPERSON NEWSOM: And is that not -- I mean, least from the perspective of the representative from
Poseidon what you're committing to?

    MR. MALONI: Yeah, and just for clarity, it's not voluntary. It's a design feature of our project, incorporated by the city council in 2010, and then memorialized a condi -- as a condition of our lease in 2010, and being renewed as a condition of our lease now. So it's not voluntary. It's a requirement.

    CHAIRPERSON NEWSOM: So this amendment shouldn't be -- an issue.

    COMMISSIONER YEE: Well, let me just clarify.

    CHAIRPERSON NEWSOM: -- unless there's a different amendment.

    COMMISSIONER YEE: I know that the conversations have started between Poseidon and Edison, and I think those are ongoing. We didn't hear a progress report back. But it's not writing a check just to fulfill the obligation. We actually want to see action, and that's the commitment. And frankly, that the direction that the State is moving towards.

    And if this is going to be a state-of-the-art desal plant that we can rely on, and by the time it's constructed, I think, that's -- that should be the standard. So, yes, you've already committed to it, that it is not just writing a check to address it, but to really develop, develop either a technology or other tools
that will help meet this obligation of being 100 percent greenhouse gas emission free.

CHAIRPERSON NEWSOM: So either I'm missing something -- it sounds like we're all on the same page, but I know the devil is in the damn details. So I get it.

EXECUTIVE OFFICER LUCCHESI: So I do want to clarify.

CHAIRPERSON NEWSOM: And so I know something, as they say, ain't right here. So what -- how do -- how do we square this circle?

EXECUTIVE OFFICER LUCCHESI: Yeah, I -- I think maybe the nuance here, and Commissioner Yee correct me if I'm wrong, is that it -- that the avoidance and the offset have to be actual --

COMMISSIONER YEE: Yes.

EXECUTIVE OFFICER LUCCHESI: -- and not purchasing credits.

COMMISSIONER YEE: Yes.

CHAIRPERSON NEWSOM: So is it a credit?

EXECUTIVE OFFICER LUCCHESI: Is that correct --

ACTING COMMISSIONER ORTEGA: To a hundred percent?

COMMISSIONER YEE: To a hundred percent.

ACTING COMMISSIONER ORTEGA: A hundred percent of -- I guess I'm not clear if we have the information
that that is achievable. If you're saying a hundred percent, no credit, I'm unclear as to whether that's feasible as a --

COMMISSIONER YEE: All I want to be sure of is that this is explored with Edison, and that they're -- all options are explored, and that it's not just about satisfying this by writing a check. There is -- there are all kinds of things being developed towards meeting our energy goals. And this plant ought to be showcasing some of that.

And so maybe at the end of the day, you come back and tell us you can't do it all through -- without just -- through the operation. And so it might be a combination of things to satisfy the requirement, but --

MR. MALONI: We hear you loud and clear, Madam Controller. In addition to the offset of 100 percent of the direct and indirect emissions associated with the construction and operation, we are proposing additional measures to make the plant and -- more energy efficient and responsive to the grid needs.

So the demand management program, the design efficiency, trying to purchase renewable energy under a long-term water purchase agreement, assuming that we can do that under State regulations, our lease amendment condition requires us to pursue all of those options, in
addition to being 100 percent carbon neutral. We're committed to doing that.

And it's memorialized in an obligation through a report that we have to submit to your staff to their satisfaction prior to the construction of the plant.

COMMISSIONER YEE: Okay. I'm just going to say this. Mr. Maloni, I appreciate that. You and I have talked about this issue several times. I know you've been in conversation with the -- I think it's one of the national labs on water technology. You just started conversations with Edison recently. We were hoping to get a status report back. But I think there are options out there for you, where you can actually develop in concert with Edison, things that you can incorporate into the operations that will get you to a hundred percent greenhouse gas emission-free.

That's all I'm asking. And we haven't heard anything back. I know you had meetings. There have been some -- and there might -- and it might be even things that you go to the legislature to help facilitate. But I want to see movement on this. By the time this is built -- by the time this is built, you be behind the standard with respect to greenhouse gas emissions. That's my belief.

CHAIRPERSON NEWSOM: So Jennifer, what -- is
there language that we can incorporate into this
authorization and lease that would basically fill the
spirit of what the Commissioner is advancing?

EXECUTIVE OFFICER LUCCHESI: So to the
existing -- to the language that we are proposing in our
recommendation, maybe add, "To the maximum extent possible
or feasible, avoid GHG emissions a hundred percent without
providing offsets", but it doesn't preclude them from
purchasing credits or --

COMMISSIONER YEE: Maybe --

EXECUTIVE OFFICER LUCCHESI: I'm sorry. I
just -- I'm time trying to thread this needle for you
right now.

COMMISSIONER YEE: Maybe you can say, "Poseidon
shall offset or avoid", and so they can -- there's kind of
that --

EXECUTIVE OFFICER LUCCHESI: Yes, it currently
says that.

COMMISSIONER YEE: Right. Okay. And so -- but
it's regardless of its -- of the commitments in its GHG
plan. I mean, it's going to be on --

EXECUTIVE OFFICER LUCCHESI: And in addition,
what I'm hearing is to the maximum extent possible.

COMMISSIONER YEE: Yes. And we want to see if
that --
EXECUTIVE OFFICER LUCCHESI: And I would also add that when we are evaluating that -- that plan 90 days before construction, we would be consulting with the Energy Commission --

COMMISSIONER YEE: Yes

EXECUTIVE OFFICER LUCCHESI: -- and other --

COMMISSIONER YEE: Yes.

EXECUTIVE OFFICER LUCCHESI: -- State agencies with more --

COMMISSIONER YEE: Air Resources Board.

EXECUTIVE OFFICER LUCCHESI: -- expertise on these. Air Resources Board exactly.

CHAIRPERSON NEWSOM: Please.

ACTING COMMISSIONER ORTEGA: On this point, I think I -- I just don't want to get too far from the staff recommendation or the language that's before us, so that the approval, or if it is approved today, is not achievable under some proposal that we don't really have the details of. So I want to be cautious to not -- while we want to push on this issue, to not go so far that we're then making the company be out of compliance with the terms that we've approved today.

COMMISSIONER YEE: Yeah, which is why I'm still preserving the ability for them to offset. So I'm trying to build in that flexibility, but --
CHAIRPERSON NEWSOM: Yeah. So, I mean, we -- so we have some language, right? And I don't know if, Jennifer, you've had a chance to see this. "Poseidon shall offset or avoid a hundred percent of all direct or indirect GHG emissions in construction or operation of the Huntington Beach desal plant lease modification project regardless of commitments in its GHG plan". So far so good?

EXECUTIVE OFFICER LUCCHESI: Yes.

CHAIRPERSON NEWSOM: Poseidon, so far so good, in the spirit of what you already are committing to?

MR. MALONI: The additional language is, "Regardless of the requirements of this GHG plan"?

CHAIRPERSON NEWSOM: Yeah, the existing. So, "shall offset or avoid", so it's still within a margin of your frame, "Poseidon shall submit its plan to comply with the terms to the Commission 90 days prior to starting construction review", right, that should work?

MR. MALONI: Yes.

CHAIRPERSON NEWSOM: That's good.

"Subsequent to the Commission's review, Poseidon's plan to offset or avoid a hundred percent direct or indirect GHG emissions from the construction and operation of Huntington desal plant lease modification, Poseidon..." -- here's the key language -- "...Poseidon
shall report annually to the Commission on the compliance
of this requirement".

Is that a huge burden?

MR. MALONI:  No.

CHAIRPERSON NEWSOM:  Didn't think so.

Fabulous.

And then we delegate to the Executive Director,
when in doubt that's you, Jen, unless you retire --

EXECUTIVE OFFICER LUCCHESI:  Yes.

CHAIRPERSON NEWSOM:  -- or your designee --

actually, wait a second. You have an out too. The
authority to make the changes to the proposed lease
amendment consistent with this motion.

Make sense?

EXECUTIVE OFFICER LUCCHESI:  Is there a motion?

ACTING COMMISSIONER ORTEGA:  Well, can I ask her

one further --

CHAIRPERSON NEWSOM:  You need clarification.

ACTING COMMISSIONER ORTEGA:  So a clarification

on the diffuser point.

EXECUTIVE OFFICER LUCCHESI:  Um-hmm.

ACTING COMMISSIONER ORT3GA:  So if the
diffuser -- if that issue is addressed in -- at the
board -- at the regional board, it would have to come back
to -- it would becoming back to the Commission?
COMMISSIONER YEE: I'm suggesting that it not. That we authorize the Executive Officer just to --

EXECUTIVE OFFICER LUCCHESI: It's essentially -- if I may --

COMMISSIONER YEE: It's a conditional approval.

EXECUTIVE OFFICER LUCCHESI: -- just elaborate.

It's a conditional approval. And so --

ACTING COMMISSIONER ORTEGA: But what I'm saying is if the regional board had not approved it, so without your proposed clarification. If the regional board doesn't approve it, it -- they -- if they -- they would have to -- likely they would be proposing something else that would come back to the Commission anyway, right?

EXECUTIVE OFFICER LUCCHESI: That's correct.

ACTING COMMISSIONER ORTEGA: Yeah. So I don't think I have any objection to that change, because I feel like the flip side of it would end up back here anyway.

EXECUTIVE OFFICER LUCCHESI: That's correct.

ACTING COMMISSIONER ORTEGA: Yeah.

CHAIRPERSON NEWSOM: Okay. So any desire to move that now or do we want to continue the conversation?

COMMISSIONER YEE: I'm prepared to make the motion, Mr. Chairman.

CHAIRPERSON NEWSOM: So moved.

COMMISSIONER YEE: Yeah.
CHAIRPERSON NEWSOM: Is there a second?

ACTING COMMISSIONER ORTEGA: Second.

CHAIRPERSON NEWSOM: Good. Without objection, we'll move that amendment to the broader issue, which we have yet to move, because we are going to continue perhaps to talk about it.

Any other comments from the Commissioners? Any other aspects of the conversation?

ACTING COMMISSIONER ORTEGA: So I guess --

CHAIRPERSON NEWSOM: Please.

ACTING COMMISSIONER ORTEGA: -- I would -- on the issue of the jurisdiction, the limited scope, respecting all of the points that have been made today, I think there are lots of legitimate policy questions that have been raised, issues that need to be addressed, you know, from where -- the position I'm representing on the Commission, it feels like many of those issues are more appropriately addressed at the regional board, and not in the context of the decision that's before us.

The decision before us is really about the amendment to the lease. And it seems to me from what's been presented by staff, what's before is an improvement over what was approved in a previous Commission action, in terms of less water intake, the application of the screens, and diffuser.
And so for that reason, and again respecting the advice our counsel is providing that the CEQA analysis is appropriate, and what is legally required, I would move adoption of the staff recommendation as it relates to the certification of the EIR. I don't know if we need a separate motion on the lease amendment or if the previous motion covers that.

CHAIRPERSON NEWSOM: It should cover it, correct?

It's amended into the authorization.

EXECUTIVE OFFICER LUCCHESI: Yes. I think just to be very clear -- excuse me, sorry. Just to be very clear, I recommend a motion that approves staff recommendation -- the staff recommendation --

CHAIRPERSON NEWSOM: As amended.

EXECUTIVE OFFICER LUCCHESI: -- as amended.

ACTING COMMISSIONER ORTEGA: Okay. So that would be the complete motion to move staff recommendation as amended by the request of Controller Yee.

COMMISSIONER YEE: Okay. I'll second.

CHAIRPERSON NEWSOM: Second.

And so before we move on that, I just want to say briefly, first of all, thank you all. I said that, but I want to repeat that for all the reasons you just advanced. I mean there's so many, I think, very substantive policy issues that came out of this conversation that are
essential to debate and discuss. The question again is
the scope of this body, and its role and responsibility
and relationship to the action at hand that limits the
broader conversation. It doesn't limit it, but it
inherently restricts our ability, at least as it relates
to the action item, to overly indulge in those other
areas. It's not without consideration those concerns.

Second, I have to say this, and I should have
said it earlier, and she left. And so I'm going to say it
behind her back to Senator Boxer. There were a few people
that took personal shots. I should have cut them off.
And I say that to make this point, you don't have to agree
with Senator Boxer's position on this issue - good people
can disagree - but my gosh, I was a resident in Marin
County when she was a champion of the environment before
it was even in people's mindset, back in the, you know,
dark ages before you were born over there.

(Laughter.)

CHAIRPERSON NEWSOM: And I don't know a more
fierce and moreover successful champion of the environment
in the United States of America than Senator Barbara
Boxer. And so I just want to -- just from a reputational
perspective, respectfully, I'm happy to get blowback on
that, but I just personally need to express that, because
I have great admiration and respect for obviously you
just -- you know, good people can disagree, but I don't 
want to undermine or impugn her integrity in this process. 
That's an editorial comment from me. 

Beyond that though, the issue is at hand. And, 
Jennifer, unless you have anything else you want to say, 
and if you do, I'd be shocked at this late hour -- 

(Laughter.) 

EXECUTIVE OFFICER LUCCHESI: I'm fine. 
CHAIRPERSON NEWSOM: -- or concern. 
You have nothing else. 
The Commissioners having nothing else. 

There's a motion, it's been seconded, and now 
approved unanimously we'll move that item forward as 
amended. 

Everybody, thank you so much for your time and 
attention today. 

We now have one other item on the agenda. And 
I'm sure you all want to stick around for it. You're 
welcome to, but I unfortunately cannot. And that's why 
Rhys is going to replace me. And we'll get to Item number 
98. You want to read it. 

EXECUTIVE OFFICER LUCCHESI: Yes. So Item 98 is 
an informational report on the Commission's efforts to 
increase transparency in our closed session agendas, and 
discussions. I'm happy not to belabor the point, but I am
very happy -- yes, I'm -- we can move very quickly.

CHAIRPERSON NEWSOM: Yes, because I actually care about this, but I'm late. I'm sorry.

EXECUTIVE OFFICER LUCCHESI: Yes. Well, we -- it was at your direction, Chair Newsom, for us to reevaluate our practices as it relates to our closed session.

CHAIRPERSON NEWSOM: And I'm sorry, everyone, if you can -- you can editorialize about your feelings about what we just outside, I'd appreciate it. Thank you.

We have one other. Jennifer, please continue.

EXECUTIVE OFFICER LUCCHESI: So we have been in the process of evaluating our practices as it relates to public disclosure of our closed session discussions to achieve more transparency in the Commission's operations.

The informational staff report in front of you talks about different ways that we can do that without prejudicing the State's position in litigation or in other confidential situations.

CHAIRPERSON NEWSOM: So I'm happy to answer any question.

CHAIRPERSON NEWSOM: Excellent. Good. What are you recommending?

EXECUTIVE OFFICER LUCCHESI: I will turn it over to Mark.

CHAIRPERSON NEWSOM: And, everybody, if we could,
just respectfully, we still -- we'll still meeting,
everybody, if you could. Thank you very much.

    CHIEF COUNSEL MEIER: There's no action for the
Commission to take. What we're recommending is to report
a little bit more information in the public agenda --

    CHAIRPERSON NEWSOM: Good.

    CHIEF COUNSEL MEIER: -- about what will be
discussed in closed session. If it's reasonable to take
votes on actions such as to pursue litigation in public,
we will recommend taking those votes in public, after
closed session discussion about the advisability and pros
and cons. And I already closed the item.

    But essentially, it would be those type -- a
little bit more description about what's being discussed,
and a little bit --

    CHAIRPERSON NEWSOM: Things that tip our hat,
don't prejudice any legal action.

    CHIEF COUNSEL MEIER: Yeah, we'd strongly
recommend that. I mean, the purpose of the Bagley-Keene
Open Meetings Act is to allow for confidential discussions
if it's in the public interest. If it's not in the public
interest, there's no reason to have a confidential
discussion.

    So we would -- we would parse out the particular
actions and separate those items that need to be discussed
in private from those items that can be done in the public.

CHAIRPERSON NEWSOM: No, I -- and colleagues I really appreciate the work on this, because I do think it's important. If we're going to preach transparency, we've got to practice transparency. But I also understand what the inherent friction as it relates to our litigation strategies and our broader legal conversations that appropriately are held in private, so as to not prejudice the State's interests.

So I am thankful. I know we've had at least, for full disclosure, three or four conversations around this in closed session. So we might as well advance that as evidence A of our commitment to be more transparent.

EXECUTIVE OFFICER LUCCHESI: Right.

CHAIRPERSON NEWSOM: And I thought they were very thoughtful, and I really sincerely am grateful to the Commissioners for their willingness to lean into this as well, and to advance these principles in a public manner. So I thank you.

EXECUTIVE OFFICER LUCCHESI: And just to -- to add just a tiny bit, this was an excellent exercise for us to go through as a staff as a Legal Division, and then in consultation with the Attorney General's office, because we realize we could really improve our communication with
the public on these issues. So thank you for directing us
to go through this exercise. I think it was beneficial
all the way around.

CHAIRPERSON NEWSOM: Well, that's actually a
wonderful way to end the day with some unanimous consent,
in the spirit of good will.

Are there any other items to come before the
Commission?

Seeing none, meeting is adjourned. Thank you all
very much.

(Thereupon the California State Lands
Commission meeting adjourned at 6:01 p.m.)
CERTIFICATE OF REPORTER

I, JAMES F. PETERS, a Certified Shorthand
Reporter of the State of California, do hereby certify:

That I am a disinterested person herein; that the
foregoing California State Lands Commission meeting was
reported in shorthand by me, James F. Peters, a Certified
Shorthand Reporter of the State of California;

That the said proceedings was taken before me, in
shorthand writing, and was thereafter transcribed, under
my direction, by computer-assisted transcription.

I further certify that I am not of counsel or
attorney for any of the parties to said meeting nor in any
way interested in the outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand
this 31st day of October, 2017.

JAMES F. PETERS, CSR
Certified Shorthand Reporter
License No. 10063