

~ MINUTES ~
CALIFORNIA STATE LANDS COMMISSION
MEETING OF FEBRUARY 4, 2019

**HOLIDAY INN SACRAMENTO DOWNTOWN – ARENA
300 J STREET
SACRAMENTO, CALIFORNIA 95814**

APPEARANCES

COMMISSIONERS PRESENT

- Eleni Kounalakis, Lieutenant Governor
- Betty T. Yee, State Controller
- Jacqueline Wong-Hernandez, Chief Deputy Director and Alternate for Director of the Department of Finance Keely Bosler

STAFF MEMBERS IN ATTENDANCE

- Jennifer Lucchesi, Executive Officer
- Mark Meier, Chief Counsel

REPRESENTING THE OFFICE OF THE ATTORNEY GENERAL

- Andrew Vogel, Deputy Attorney General

NOTE: The final approved Minutes also include the Agenda and corresponding staff reports (incorporated into the draft Minutes by reference) approved as presented unless otherwise indicated in the Record of Action. A list of individuals making statements before the Commission and the entities they represent, along with the Executive Officer's Report, are included in a complete transcript of the proceedings, which is on file in the Sacramento offices of the Commission and posted on the Commission's website at www.slc.ca.gov. Also included on the website is the voting record of the meeting with the staff report for each agenda item linked to the respective consent, regular or informational item number. A link to a recorded Cal-span.org webcast of the meeting is also available on the Commission's website. All of these items may be found under Previous Meetings, by date of the meeting.

**RECORD OF ACTION TAKEN BY THE
CALIFORNIA STATE LANDS COMMISSION
MEETING OF FEBRUARY 4, 2019**

Chair Eleni Kounalakis called the meeting of the California State Lands Commission to order at 10:05 A.M. at the Sacramento Inn Sacramento Downtown – Arena, 300 J Street, Sacramento, California 95814; also present were Commissioner Betty Yee and Commissioner Alternate Jacqueline Wong-Hernandez.

Confirmation of the Minutes of the December 3, 2018 meeting were approved as presented by a vote of 2-0 (Kounalakis–Abstained; Yee–Yes; Wong-Hernandez–Yes).

EXECUTIVE OFFICER’S REPORT

Executive Officer Jennifer Lucchesi updated the Commission on the following items:

- Staff is putting the final touches on our responses to comments in the Final EIR for the San Onofre Nuclear Generating Station Units 2 and 3 Decommissioning Project. Staff expects to publish the Final EIR by February 13th. This would give stakeholders and the public over 30 days to review the Final EIR before the tentative March 21st special meeting.
- Tijuana River: Andrew Vogel, Deputy Attorney General, and other representatives the Attorney General’s office toured the infrastructure meant to capture cross-border wastewater with staff from the San Diego Regional Water Quality Control Board. They witnessed discarded clothing, tires, plastic bottles, and sewage that entered the Tijuana River when the infrastructure fails and discussed solutions with the Regional Water Quality Control Board staff.
- Rincon Island and Rincon Upland leases: Since September 2018, the Commission has abandoned 11 wells at the onshore location. Fourteen wells remain, which staff expects to have fully abandoned before the end of 2019. The first island well abandonment began about one week ago. There are a total of 50 wells located on Rincon Island, and this work is expected to last up to 36 months. The work is progressing ahead of schedule and costs remain within budget.
- Platform Holly: The Parker Drilling Company finished their surveys to lay the basis for full repair and replacement work involving the platform. The list of repairs and replacement equipment is extensive, and the repairs have begun. However, the total work won’t be completed until August 1st, weather permitting. The plugging and abandonment of the 30 Platform Holly wells should begin this summer.
- Ellwood Onshore Facility: Both the oil and gas lines from the platform to shore have been electronically surveyed and the oil line has been repaired in two places by placing clamps over the area showing reduction in steel thickness. So again, more work relating to ensuring that everything is properly repaired and put into place in order to start the well plug and abandonment portion of the decommissioning project.

RECORD OF ACTION CONTINUED

- Lease PRC 421 update: Staff is continuing to evaluate how to approach the plugging and abandonment. Staff anticipates beginning the abandonment once the structure is set and the rig moves in. Staff anticipates beginning the plug and abandonment of the 421 wells within the next month or so.
- PG&E bankruptcy case: The State Lands Commission has 34 active leases with PG&E for a variety of improvements and facilities, such as roads, gas transmission lines, natural gas pipelines, and distribution lines on both school lands and Public Trust lands, including offshore and river crossings. The Commission also has a lease with PG&E for the offshore infrastructure associated with the Diablo Canyon Nuclear Power Plant. The Commission's Land Management and Legal divisions in collaboration with the Attorney General's Office are closely monitoring the bankruptcy proceedings to ensure the Commission's interests are protected.
- Hollister Ranch: Since December, staff has been working to survey the approximately eight and a half miles of coastline along the Hollister Ranch area of the Gaviota Coast. That survey was essentially completed this last Friday. The aerial imagery portion has been completed. Staff has been able to survey approximately seven and a half miles of the eight and half miles of coastline. A mile of the coast in different areas were unable to be surveyed because of unsafe conditions or access issues.
- The Commission's Mineral Resources Management Division and the Marine Environmental Protection Division offices are headquartered in Long Beach. Due to an expiring office lease, staff have been preparing to move these two divisions to a new office location. Both divisions will start moving on Tuesday, February 19th and the move will be completed by Monday, February 25th.
- On January 31st, Commission staff participated in a legislative staff briefing relating to sea level rise and climate change. The Assembly Committee on Natural Resources hosted this legislative staff briefing on sea level rise policy. Various State agencies were invited, including the Coastal Commission, the Coastal Conservancy, the Ocean Protection Council, and the San Francisco Bay Conservation and Development Commission, in addition to the State Lands Commission.
- The Commission's website is transitioning to an updated, user-centered and mobile-friendly site. This new website, which staff expects to unveil in the next month or so, is intended to increase transparency, improve accessibility, and better showcase the diverse and picturesque public lands and resources under the Commission's jurisdiction.
- The Governor's proposed fiscal year 2019-2020 proposed budget was released a couple weeks ago. For the State Lands Commission, the 2019-20 budget is for \$85,423,000. It's about 50 percent greater than prior base year budgets. And

RECORD OF ACTION CONTINUED

most of this increase is attributed to the \$40 million the Commission is being allocated for the Rincon and Platform Holly decommissioning projects. Other 2019-20 funded projects include

- Two million for the second year of the Bolsa Chica Wetlands dredging
 - Two million for the new Coastal Hazards and Legacy Well Remediation Program
 - Two million for continued record preservation and digitization, and the implementation of the Commission's Records Management IT Project
 - The Commission was also provided a new forestry position to help manage approximately 55,000 acres of school lands
- The Executive Officer introduced the Commission's Chiefs and Assistant Chiefs of staff to the new Chair, Lt. Governor Eleni Kounalakis, since it was her first meeting.
 - The Executive Officer acknowledged that for the first time in the Commission's 80-year history, the State Lands Commission is being led by an all-female Commission.

CONSENT CALENDAR

- Consent Items C29, C50, and C68 were removed from consideration
- Consent Items C01-C28, C30-C49, C51-C67, and C69-C77 were approved as presented by a vote of 3-0 (Kounalakis–Yes; Yee–Yes; Wong-Hernandez–Yes)

INFORMATIONAL CALENDAR

ITEM 78: was informational – no vote required

REGULAR CALENDAR

ITEM 79: An informational presentation was made to the Commission to update them on the implementation of the Commission's 2016-2020 Strategic Plan.

Item 79 – was informational – no vote required

ITEM 80: A staff presentation was made to the Commission to consider certification of a Final Subsequent Environmental Impact Report (State Clearinghouse No. 1998031027); adoption of Findings and Mitigation and Monitoring Program; an application for an amendment to Lease No. PRC 8097.1, a General Lease – Non-Income Producing Use, of sovereign land located in the Pacific Ocean, San Clemente, Orange County, to authorize the Wheeler North Reef Expansion Project and revise the annual rent.

RECORD OF ACTION CONTINUED

Item 80 – was approved as presented by a vote of 3-0 (Kounalakis–Yes; Yee–Yes; Wong-Hernandez–Yes)

ITEM 81: A staff presentation was made to the Commission to consider approval of the legislative report titled “2019 Biennial Report on the California Marine Invasive Species Program.”

Item 81 – was approved as presented by a vote of 3-0 (Kounalakis–Yes; Yee–Yes; Wong-Hernandez–Yes)

ITEM 82: A staff presentation was made to the Commission to consider sponsoring state legislation in the 2019-20 legislative session to amend the Marine Invasive Species Act.

Item 82 – was approved as presented by a vote of 2-0 (Kounalakis–Yes; Yee–Yes; Wong-Hernandez–Abstained)

ITEM 83: A staff presentation was made to the Commission to consider sponsoring state legislation in the 2019-20 legislative session to address the decommissioning of offshore oil and gas facilities.

Item 83 – was approved as presented by a vote of 2-0 (Kounalakis–Yes; Yee–Yes; Wong-Hernandez–Abstained)

ITEM 84: A staff presentation was made to the Commission to consider supporting federal legislation introduced in the 116th Congress, H.R. 310 by Congressman Jared Huffman (D-CA-2) to permanently prohibit offshore drilling on the outer Continental Shelf off the coast of California, Oregon, and Washington; and H.R. 279 by Congressman Salud Carbajal (D-CA-24) to permanently prohibit oil and gas leasing off the coast of California.

Item 84 – was approved as presented by a vote of 3-0 (Kounalakis–Yes; Yee–Yes; Wong-Hernandez–Yes)

(The State Lands Commission adjourned into closed session from 12:25 P.M. to 12:40 P.M., then resumed open session at 12:41 P.M.)

The Commission meeting public session was adjourned at 12:41 P.M.

**STAFF AND PUBLIC ADDRESSING
THE FOLLOWING STAFF REPORTS
FEBRUARY 4, 2019**

ITEM 79

Colin Connor, Assistant Executive Officer, CSLC

ITEM 80

Cheryl Hudson, Public Land Management Specialist, Land Management Division, CSLC

Sarah Mongano, Senior Environmental Scientist, Environmental Planning Management Division, CSLC

- David Asti, Senior Advisor, Regulatory Affairs, Southern California Edison
- Kate Hucklebridge, Senior Environmental Scientist, California Coastal Commission

ITEM 81

Chris Scianni, Supervising Senior Environmental Scientist, Marine Environmental Protection Division

- John Berge, Vice President, Pacific Merchant Shipping Association

ITEM 82

Sheri Pemberton, Chief of External Affairs and Legislative Liaison, CSLC

ITEM 83

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ITEM 84

Sheri Pemberton, Chief of External Affairs and Legislative Liaison, CSLC

PUBLIC COMMENT

- Mary Bernier, volunteer, Interfaith Peace Coalition
- Emilio Diaz
- Dominick Gulli, Civil Engineer, The Public Trust
- Alison Madden, representing self and San Francisco Bay Marinas for All
- Dan Slacker, President, Redwood Creek Association
- Ed Stancil, resident of Docketown