

MEETING  
STATE OF CALIFORNIA  
LANDS COMMISSION

COUNTY OF SAN DIEGO  
WYNDHAM, SAN DIEGO, BAYSIDE  
1335 N. HARBOR DRIVE  
SAN DIEGO, CALIFORNIA

FRIDAY, JUNE 28, 2019

1:04 P.M.

Michelle M. Wilson  
Certified Shorthand Reporter  
License Number 14303

A P P E A R A N C E S

COMMISSION MEMBERS:

Ms. Eleni Kounalakis, Lieutenant Governor, Chairperson,

Also Represented by Mr. Matthew Dumlao

Ms. Betty T. Yee, State Controller

Ms. Keely Bosler, Director of Department of Finance,

Represented by Ms. Gayle Miller

STAFF:

Ms. Jennifer Lucchesi, Executive Officer

Mr. Mark Meier, Chief Counsel

Seth Blackmon, Senior Attorney

Maren Farnum, Staff Scientist, Executive Office

Ken Foster, Public Land Manager, Land Management Division

Chris Packer, Research Data Specialist, Information  
Systems Division

Sheri Pemberton, Chief of External Affairs and  
Legislative Liaison

ATTORNEY GENERAL:

Mr. Andrew Vogel, Deputy Attorney General

A P P E A R A N C E S C O N T I N U E D

ALSO PRESENT

Paloma Aguirre, Imperial Beach City Councilmember

Clement Alberts, Environmental Coordinator

Leon Benham, Executive Director, Citizens for Coastal  
Conservancy

Molly Bruce, Legal Intern, Surfrider Foundation

Kevin Carone, Signal Hill/Carone

Bruce Cowen, Carone Petroleum/Signal Hill

Matt Everingham, Board Member, San Diego Fisherman's  
Working Group

Nolan Fargo, Legal Intern, Surfrider Foundation

Carlos Galarza, Rig Driller, Signal Hill

Dave Gibson, Executive Officer, San Diego Water Board

Mark W. Gilbert, Head Mechanic, Signal Hill

Mark Gilbert, Jr., Mechanic, Signal Hill

Jason Giffen, Assistant Vice President, Port of San Diego

Christopher Goodall, Plant Operator, Pacific Offshore

David Grubb, Sierra Club

John Heatherington

Pam Heatherington, Board Member, Environmental Center of  
San Diego

Dylan Jaff, District Representative, Senator Ben Hueso

Matt Kenney, Roustabout, Signal Hill/Carone

A P P E A R A N C E S C O N T I N U E D

ALSO PRESENT

Erik Knudsen, Maintenance Supervisor, Signal Hill

Tom Le, Payroll personnel, Signal Hill

Tyler Little, Rig Hand, Signal Hill

Luis Luna, Tool Pusher, Signal Hill

Chris Magill, Operations Superintendent, Signal Hill

Petroleum

Bishoy Matta, Engineer, Signal Hill

Amalia Medina, Driller, Signal Hill

Gabriel Mendoza, Roustabout, Signal Hill

Job Nelson, Port of San Diego

Edgar Peña, Roustabout, Signal Hill

Anastacia Pirello, Legal Intern, Surfrider Foundation

Miguel Prado, Petroleum Engineer, Signal Hill

Raznik Rocher, Operator Trainee, Signal Hill

Michael Schield, Rig Hand, Signal Hill

Miguel A. Sosa, Rig Supervisor, Signal Hill

Gabriela Torres, Policy Coordinator, Surfrider Foundation

Joaquin Torres, Jr., Fire watch, Signal Hill

Lily Tsukayama, Planner, Port of San Diego

Kaily Wakefield, Policy Coordinator, Surfrider Foundation

Marcia Yoshida, Office Manager, Signal Hill Service

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I. 1:00 PM - Open Session	1
II. Confirmation of minutes for the April 5, 2019 meeting	2
III. Executive Officer's Report	2

Continuation of Rent Actions to be taken by the Executive Officer pursuant to the Commission's Delegation of Authority:

· Stephen Doyle Anthony and Roxanne Marie Anthony, Trustees of the Anthony Living Trust (Lessee): Continuation of rent at \$491 per year for a General Lease - Recreational Use located on sovereign land in the Colorado River adjacent to 1182 Beach Drive, Needles, San Bernardino County. (PRC 9134.1)

· Mark A. Bantle Jr. And Jennifer K. Bantle and Joseph R. Brown and Evelyn M. Brown, Trustees of the Joseph E. Brown and Evelyn M. Brown Family Trust (Lessee): Continuation of rent at \$365 per year for a General Lease - Recreational Use located on sovereign land in the Colorado River adjacent to 1154 Beach Drive, Needles, San Bernardino County. (PRC 9135.1)

· Marion M. R. Brooding, as Trustee of the Marion M. R. Brooding 1994 Living Trust, and Larry D. Brooding (Lessee): Continuation of rent at \$1,309 per year for a General Lease - Recreational Use located on sovereign land in the Georgiana Slough, adjacent to 17241 Terminous Road, near Isleton, Sacramento County. (PRC 3289.1)

· Califia, LLC, a California Limited Liability Company (Lessee): Continuation of rent at \$450 per year for a General Lease - Right-of-Way Use located on sovereign land in the San Joaquin River, adjacent to 250 Sadler Oak Drive, near

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Lathrop, San Joaquin County. (PRC 2854.1)

· Apolla Farthing and Art Acosta and Michelle Acosta (Lessee): Continuation of rent at \$470 per year for a General Lease - Recreational Use on sovereign land in the Colorado River adjacent to 1150 Beach Drive, Needles, San Bernardino County. (PRC 9136.1)

· Ryan Hughes (Lessee): Continuation of rent at \$236 per year for a General Lease - Recreational and Protective Structure Use located on sovereign land in the Sacramento River, adjacent to 2345 Garden Highway, near Sacramento, Sacramento County. (PRC 6340.1)

· Loren A. Jensen and Melissah A. Jensen, or Their Successor(s), as Trustees of the Loren and Melissah Jensen 2013 Family Trust, dated March 6, 2013; Doris A. Jensen, Trustee of the Elbert A. Jensen Bypass Trust; Birney Alan Jensen, Alice Winifred Croft, Janice Lee Jensen, Wayne Anders Jensen, Warren Boomer Jensen, and Marna June Javete; and Ronald A. Ubaldi and Esther Ubaldi, Trustees of the Ubaldi Living Trust dated July 19, 1993, and Restated August 7, 2008 (Lessee): Continuation of rent at \$377 per year for a General Lease - Recreational Use located on sovereign land in Lake Tahoe, adjacent to Assessor's Parcel Number (APN) 083-195-013, Tahoe City, Placer County. (PRC 5611.1)

· Loche M. Johnson and Susan M. Johnson, and successors in trust, as Trustees of the Johnson Family Trust dated August 13, 1999 (Lessee): Continuation of rent at \$221 per year for a General Lease - Recreational and Protective Structure Use located on sovereign land in the Sacramento River, adjacent to 4603 Garden Highway, Sacramento, Sacramento County. (PRC 7212.1)

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·John M. Kruger and Ellen M. Kruger, Trustees of the John and Ellen Kruger Trust, U/A dated June 17, 1998, as amended; and Scott Littman, Trustee of the John M. Kruger 2008 Irrevocable Trust, U/A dated May 31, 2008 (Lessee): Continuation of rent at \$1,194 per year for a General Lease - Recreational Use located on sovereign land in Lake Tahoe, adjacent to 1040 West Lake Boulevard, near Tahoe City, Placer County. (PRC 6937.1)

·Charlotte P. (Shirley) Mencarini, Trustee of the Mencarini Family Trust, dated July 29, 1998 (Lessee): Continuation of rent at \$152 per year for a General Lease - Recreational and Protective Structure Use located on sovereign land in the Sacramento River, adjacent to 3563 Garden Highway, Sacramento, Sacramento County. (PRC 5376.1)

·Harold M. Messmer, Jr. And Marcia N. Messmer, Trustees of the Messmer Family Trust dated 10/1/93 (Lessee): Continuation of rent at \$1,339 per year for a General Lease - Recreational Use located on sovereign land in Lake Tahoe, adjacent to 4420 North Lake Boulevard, Carnelian Bay, Placer County. (PRC 4315.1)

·Pacific Fruit Farms, A Corporation (Lessee): Continuation of rent at \$182 per year for a General Lease - Recreational Use located on sovereign land in the Sacramento River, adjacent to 14090 State Highway 160, Walnut Grove, Sacramento County. (PRC 7796.1)

·Richard Alan Rethford and Bambi-Lynn Rethford, Trustees of the Rethford Family Trust (Lessee): Continuation of rent at \$642 per year for a General Lease - Recreational and Protective Structure Use located on sovereign land in the

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Sacramento River, adjacent to 2399 Garden Highway, near Sacramento, Sacramento County. (PRC 9126.1)

·Jeffrey R. Schotsal (Lessee):  
Continuation of rent at \$353 per year for a General Lease - Recreational and Protective Structure Use located on sovereign land in the Sacramento River, adjacent to 4471 Garden Highway, near Sacramento, Sacramento County. (PRC 6672.1)

·Kenneth Erik Sorensen and Mary Elizabeth Sorensen, Trustees of the Sorensen Family 2000 Trust dated April 18, 2000 (Lessee):  
Continuation of rent at \$170 per year for a General Lease - Recreational and Protective Structure Use located on sovereign land in the Sacramento River, adjacent to 17444 Grand Island Road, near Walnut Grove, Sacramento County. (PRC 7213.1)

·Joanne C. Taylor or her successor(s) as Trustee of the Joanne C. Taylor Trust certified under Agreement dated June 29, 1993; Joanne C. Taylor and Carrie Hughes Taylor, Co-Trustees of the Carrie Hughes Taylor Trust under the Will of Edward H. Taylor; Bruce C. Taylor and Linda R. Taylor, Trustees of the Bruce and Linda Taylor Family Trust dated November 27, 2002; Jeffrey Edward Taylor; Stephen Bruce Taylor (Lessee): Continuation of rent at \$1,293 per year for a General Lease - Recreational Use located on sovereign land in Lake Tahoe, adjacent to 2580 West Lake Boulevard, near Homewood, Placer County. (PRC 5560.1)

·Wildland, Inc. (Lessee): Continuation of rent at \$450 per year, for a General Lease - Other, located on indemnity school land in Section 18, Township 11 North, Range 13 West, SBM, north of Oak Creek Road, Kern County. (PRC 8110.2)



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·Jack G. Wilkinson and Shirley M. Wilkinson as Trustees of the Wilkinson Family 2002 Trust (Lessee): Continuation of rent at \$125 per year for a General Lease - Recreational Use located on sovereign land in the Calaveras River, adjacent to 2767 Calariva Drive, Stockton, San Joaquin County. (PRC 7793.1)

IV. Consent Calendar 01-90

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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  
Northern Region

01 10:10 HOLDINGS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (LESSEE); GREGORY M. KING AND KAREN M. KING, AS TRUSTEES OF THE GREGORY M. KING AND KAREN M. KING FAMILY TRUST (APPLICANT): Consider termination of Lease No. PRC 8419.1, a General Lease - Recreational Use, and an application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 8551 Meeks Bay Avenue, near Tahoma, El Dorado; for one existing mooring buoy. CEQA Consideration: Categorical exemption. (PRC 8419.1; RA# 20818) (A 5; S 1) (Staff: A. Franzoia)

02 LUIS ROBERT UBILLUS ADELMAN (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 1590 North Lake Boulevard, near Tahoe City, Placer County; for an existing pier and two mooring buoys. CEQA Consideration: Categorical exemption. (PRC 8644.1; RA# 12218) (A 1; S 1) (Staff: A. Franzoia)

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- 03      BABBAGE, LLC, A CALIFORNIA LIMITED  
LIABILITY COMPANY (LESSEE): Consider  
amendment of Lease No. PRC 8728.1, a  
General Lease - Recreational Use, of  
sovereign land located in Lake Tahoe,  
adjacent to 1530 North Lake Boulevard,  
near Tahoe City, Placer County; to reduce  
the length of a pier. CEQA Consideration:  
Categorical exemption. (PRC 8728.1, RA#  
21018) (A 1; S 1) (Staff: M. J. Columbus)
  
- 04      BELLE HAVEN REALTY, A CALIFORNIA  
CORPORATION (APPLICANT): Consider  
application for a General Lease -  
Recreational Use, of sovereign land  
located in Lake Tahoe, adjacent to 710  
West Lake Boulevard, near Tahoe City,  
Placer County; for an existing pier and  
two mooring buoys. CEQA Consideration:  
Categorical exemption. (PRC 4893.1; RA#  
14518) (A 1; S 1) (Staff: S. Avila)
  
- 05      BODEGA FARMS (LESSEE): Consider revision  
of rent to Lease No. PRC 6617.1, a  
General Lease - Right-of-Way Use, of  
sovereign land located in the Pacific  
Ocean at Estero Americano and Bodega Bay,  
near Bodega Bay, Sonoma County. CEQA  
Consideration: Not a project. (PRC  
6617.1) (A 2; S 2) (Staff: N. Lee)
  
- 06      ALAN BRYAN AND MARTHA BRYAN, TRUSTEES OF  
THE BRYAN FAMILY TRUST DATED OCTOBER 27,  
1994 (APPLICANT): Consider application  
for a General Lease - Recreational Use,  
of sovereign land located in Lake Tahoe,  
adjacent to 7422 North Lake Boulevard,  
near Tahoe Vista, Placer County; for one  
existing mooring buoy not previously  
authorized by the Commission. CEQA  
Consideration: Categorical exemption. (W  
27196; RA# 02118) (A 1; S1) (Staff: M.J.  
Columbus)
  
- 07      LESLIE CAREY (APPLICANT): Consider  
application for a General Lease -  
Recreational and Protective Structure  
Use, of sovereign land located in the

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Napa River, adjacent to 1812 Milton Road, Napa, Napa County; for an existing boat dock, appurtenant facilities, and bank protection. CEQA Consideration: Categorical exemption. (PRC 7250.1; RA# 20518) (A 4; S 3) (Staff: S. Avila)

- 08 CEDAR POINT HOMEOWNERS ASSOCIATION (LESSEE): Consider revision of rent to Lease No. PRC 2859.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 1200 West Lake Boulevard, near Sunnyside, Placer County; for an existing pier, 18 mooring buoys and six marker buoys. CEQA Consideration: Not a project. (PRC 2859.1) (A 1; S 1) (Staff: S. Avila)

- 09 RICHARD HELZBERG AND CAROL HELZBERG, TRUSTEES OF THE RICHARD M. HELZBERG AND CAROL A. HELZBERG REVOCABLE TRUST DATED APRIL 10, 2003; AND MELVIN BLAUSTEIN AND MARILYN BLAUSTEIN, TRUSTEES OF THE MELVIN BLAUSTEIN AND MARILYN BLAUSTEIN REVOCABLE TRUST DATED 7/15/2015 (LESSEE); MAQUINA DE VAPOR, LLC, A DELAWARE LIMITED LIABILITY COMPANY (APPLICANT): Consider acceptance of a lease quitclaim deed for Lease No. PRC 9414.1, a General Lease - Recreational Use, and application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 6061 North Lake Boulevard, near Carnelian Bay, Placer County; for two existing mooring buoys. CEQA Consideration: Categorical exemption. (PRC 9414.1; RA# 15418) (A 1; S 1) (Staff: J. Toy)

- 10 THOMAS R. KEANE AND SUSAN D. KEANE (LESSEE); ROBERT A. MANDEL, TRUSTEE OF THE 6800 DUME DRIVE TRUST, DATED OCTOBER 4, 2011 (APPLICANT): Consider acceptance of a lease quitclaim deed for Lease No. PRC 8871.9, a Recreational Pier Lease; and application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 1250

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West Lake Boulevard, near Tahoe City,  
Placer County; for two existing mooring  
buoys. CEQA Consideration: Categorical  
exemption. (PRC 8871.1; RA# 19718) (A 1;  
S 1) (Staff: S. Avila)

- 11      KW-NORTHSTAR VENTURES, LLC, A DELAWARE  
LIMITED LIABILITY COMPANY (LESSEE); BHR  
TAHOE, LP, A DELAWARE LIMITED PARTNERSHIP  
(APPLICANT): Consider acceptance of a  
quitclaim deed for Lease No. PRC 8601.1,  
a General Lease - Commercial Use; and an  
application for a General Lease -  
Commercial Use, of sovereign land located  
in Lake Tahoe, adjacent to 7170 North  
Lake Boulevard, near Tahoe Vista, Placer  
County; for an existing pier, boat lift,  
six mooring buoys, and one marker buoy.  
CEQA Consideration: Categorical  
exemption. (PRC 8601.1; RA# 19418) (A 1;  
S 1) (Staff: S. Avila)

- 12      TODD W. LOCKWOOD AND KAREN SUE  
LOCKWOOD, HIS WIFE, TRUSTEES UNDER  
DECLARATION OF TRUST DATED SEPTEMBER 30,  
1980; LISA L. MILEY, TRUSTEE, AND KAREN  
SUE LOCKWOOD, TRUSTEE OF THE LISA  
(LOCKWOOD) MILEY TRUST; CYNTHIA SUE  
CLIFT, TRUSTEE OF THE CYNTHIA SUE CLIFT  
SEPARATE PROPERTY TRUST; AND DANIEL P.  
MOYLAN, TRUSTEE AND SHAWNE L. MOYLAN,  
TRUSTEE OF THE MOYLAN FAMILY TRUST UNDER  
DECLARATION OF TRUST DATED FEBRUARY 7,  
1996 (APPLICANT): Consider application  
for a General Lease - Recreational Use,  
of sovereign land located in Lake Tahoe,  
adjacent to 6650 West Lake Boulevard,  
near Tahoma, Placer County; for an  
existing pier, boathouse with boat lift,  
and two mooring buoys. CEQA  
Consideration: Categorical exemption.  
(PRC 3787.1; RA# 21218) (A 1; S 1)  
(Staff: S. Avila)

- 13      ROBERT D. MAY AND JUDITH T. MAY,  
TRUSTEES OF THE MAY FAMILY TRUST AS  
AMENDED AND UPDATED IN 2013 (APPLICANT):  
Consider acceptance of a lease quitclaim

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Deed for lease No. PRC 8983.1, a General Lease - Recreational Use, and an application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 8441 Meeks Bay Avenue, near Rubicon Bay, El Dorado County; for the removal and reconstruction of an existing pier with an extension, and use and maintenance of three existing mooring buoys. CEQA Consideration: Categorical exemptions. (PRC 8983.1; RA# 15918) (A 5; S 1) (Staff: J. Toy)

- 14      MARCUS MONTE, TRUSTEE OF THE MARCUS MONTE LIVING TRUST DATED APRIL 23, 2002, AS AMENDED (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 6100 North Lake Boulevard, near Tahoe Vista, Placer County; for two existing mooring buoys not previously authorized by the Commission. CEQA Consideration: Categorical exemption. (W 27232; RA# 17518) (A 1; S 1) (Staff: J. Toy)
  
- 15      RTI INFRASTRUCTURE, INC. (APPLICANT): Consider adoption of a Mitigated Negative Declaration, State Clearinghouse No. 2019049159, adoption of a Mitigation Monitoring Program, and consider an application for a General Lease - Right-of-Way Use, of sovereign land located in the Pacific Ocean, near Manchester, Mendocino County; for installation, use, maintenance, and repair of four steel conduits and one fiber-optic cable. (W 27136; RA# 05417) (A 2; S 2) (Staff: A. Franzoia)
  
- 16      LEONARD SHAW AND JUDITH B. SHAW, TRUSTEES OF THE LEONARD AND JUDITH B. SHAW TRUST, UTA DATED MAY 3, 2000, AS RESTATED ON JULY 2, 2018; LAURENCE J. SHAW; AND FRED LOEBL AND AMY LOEBL, TRUSTEES OF THE FRED LOEBL AND AMY LOEBL REVOCABLE LIVING TRUST DATED 6/6/94

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(APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 7750 North Lake Boulevard, near Kings Beach, Placer County; for two existing mooring buoys. CEQA Consideration: Categorical exemption. (PRC 8857.1; RA# 22718) (A 1; S 1) (Staff: S. Avila)

- 17        SIERRA PACIFIC POWER COMPANY (LESSEE): Consider revision of rent to Lease No. PRC 7902.1, a General Lease - Right-of-Way Use, of sovereign land located in the Pit River, adjacent to Assessor's Parcel Numbers 022-010-052 and 022-010-053, near Alturas, Modoc County; for an existing overhead transmission line and associated facilities. CEQA Consideration: Not a project. (PRC 7902.1) (A 1; S 1) (Staff: S. Avila)

- 18        ELAINE-MARYSE SOLARI, TRUSTEE OF THE ELAINE-MARYSE SOLARI REVOCABLE TRUST, DATED SEPTEMBER 9, 2009; MATTHEW SCOTT FERRANTE; JASON ANTHONY FERRANTE; MARISSA DIANE FERRANTE; RICHARD DONALD JOHNSON; AND ANN SOLARI FERRANTE, TRUSTEE OF THE JOSEPH A. FERRANTE AND ANN SOLARI FERRANTE 2004 TRUST, U/D/T DATED MARCH 31, 2004 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 8453 Meeks Bay Avenue, near Meeks Bay, El Dorado County; for an existing pier, boat lift, boat hoist, and two mooring buoys. CEQA Consideration: Categorical exemption. (PRC 7416.1; RA# 18318) (A 5; S 1) (Staff: S. Avila)

- 19        WARREN E. SPIEKER, JR., TRUSTEE OF THE SPIEKER 1991 RESIDENTIAL TRUST NO. 1 U/A/D NOVEMBER 21, 1991; AND WARREN E. SPIEKER, JR., TRUSTEE OF THE SPIEKER 2010 IRREVOCABLE CHILDREN'S TRUST (LESSEE): Consider correction of prior authorization of Lease No. PRC 4869.1, a

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General Lease - Recreational Use, of  
Sovereign land located in Lake Tahoe,  
adjacent to 251 and 261 Paradise Flat  
Lane, near Rubicon Bay, El Dorado County;  
for an existing pier, boat lift, and four  
mooring buoys. CEQA Consideration: Not a  
project. (PRC 4869.1; RA# 14218) (A 5; S  
1) (Staff: S. Avila)

- 20 VIRGINIA K. STOCK AND GEORGE JOHANNESSEN  
(APPLICANT): Consider application for a  
General Lease - Recreational Use, of  
sovereign land located in Lake Tahoe,  
adjacent to 5568 North Lake Boulevard,  
near Carnelian Bay, Placer County; for  
two existing mooring buoys. CEQA  
Consideration: Categorical exemption.  
(PRC 7949.1; RA# 16918) (A 1; S 1)  
(Staff: J. Toy)

- 21 KENNEDY WHITE AND JEANETTE RAE WHITE, AS  
TRUSTEES OF THE WHITE FAMILY LIVING TRUST  
DATED MARCH 16, 1987 (APPLICANT):  
Consider application for a General Lease  
- Recreational Use, of sovereign land  
located in Donner Lake, adjacent to 14926  
South Shore Drive, near Truckee, Nevada  
County; for the removal of an existing  
pier not previously authorized by the  
Commission, and the construction, use,  
and maintenance of a new pier. CEQA  
Consideration: Categorical exemptions. (W  
27234; RA# 18218) (A1; S 1) (Staff: S.  
Avila)

- 22 JO'ANNE N. ZSCHOKKE, AS TRUSTEE OF THE  
PHILLIP B. AND JO'ANNE N. ZSCHOKKE  
REVOCABLE INTERVIVOS TRUST, UNDER TRUST  
AGREEMENT DATED DECEMBER 15, 1999; JIM  
STEHRE AND DANYA STEHR, AS TRUSTEES FOR  
THE STEHR 2000 REVOCABLE TRUST; AND EDGAR  
G. PROTIVA AND AUDREY N. PROTIVA, AS  
TRUSTEES OF THE PROTIVA 1995 TRUST DATED  
OCTOBER 24, 1995 (APPLICANT): Consider  
application for a General Lease -  
Recreational Use, of sovereign land  
located in Lake Tahoe, adjacent to 2895  
West Lake Boulevard, near Homewood,

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Placer County; for an existing pier,  
Boathouse, and two mooring buoys. CEQA  
Consideration: Categorical exemption.  
(PRC 3132.1; RA# 15718) (A 1; S 1)  
(Staff: S. Avila)

Bay / Delta Region

- 23        BRIAN D. BURKE AND KATHY LAMPRECHT  
(ASSIGNOR); DAVID HOYLE AND SARA L. WELCH  
(ASSIGNEE): Consider assignment of Lease  
No. PRC 8795.1, a General Lease -  
Protective Structure Use, of sovereign  
land located in the Pacific Ocean,  
adjacent to 4630 Opal Cliff Drive, near  
Santa Cruz, Santa Cruz County; for an  
existing stem wall. CEQA Consideration:  
Not a project. (PRC 8795.1; RA# 25218) (A  
29; S 17) (Staff: D. Tutov)
- 24        CALIFORNIA DEPARTMENT OF TRANSPORTATION  
- DISTRICT 3 (LESSEE): Consider amendment  
to Lease No. PRC 9422.9, a General Lease  
- Right-of-Way Use, of sovereign land  
located in the Sacramento River, near  
Sacramento and West Sacramento,  
Sacramento and Yolo counties; for the  
Tower Bridge Fender System Replacement  
Project. CEQA Consideration: Mitigated  
Negative Declaration, adopted by the  
California Department of Transportation,  
State Clearinghouse No. 2015112002. (PRC  
9422.9; RA# 28018) (A 7; S 6) (Staff: A.  
Franzoia)
- 25        CALIFORNIA STATE LANDS COMMISSION  
(PARTY): Consider approval of the 2019  
Category 2 Corte Madera Creek benchmark  
rental rate for sovereign land in Corte  
Madera Creek, near Greenbrae and  
Larkspur, Marin County. CEQA  
Consideration: Not a project. (I 1093) (A  
10; S 2) (Staff: V. Caldwell)
- 26        CALIFORNIA STATE LANDS COMMISSION AND  
PACIFIC GAS AND ELECTRIC COMPANY  
(PARTIES): Consider an Indemnification  
Agreement for installation of two



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Electrical distribution ducts on the Bon Air Road Bridge, on sovereign land located in Corte Madera Creek, adjacent to Bon Air Road, near Larkspur, Marin County. CEQA Consideration: Not a project. (A 2066; RA# 23518) (A 10; S 2) (Staff: M. Schroeder)

- 27 CITY OF LARKSPUR (LESSEE): Consider waiver of rent, penalty, and interest, amendment of lease, and revision of rent to Lease No. PRC 1977.1, a General Lease - Public Agency Use, of sovereign land in Corte Madera Creek, adjacent to Bon Air Road, near Larkspur, Marin County; for removal of PG&E as a sublessee; and installation, use and maintenance of a conduit and appurtenant facilities for seismic instrumentation. CEQA Consideration: Categorical exemption. (PRC 1977.1; RA# 17418) (A 10; S 2) (Staff: M. Schroeder)

- 28 BRENT J. COHN AND HOPE COHN, TRUSTEES OF THE COHN FAMILY TRUST DATED AUGUST 9, 2005, A TRUST (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in the Sacramento River, adjacent to 513 River Road, near Rio Vista, Solano County; for an existing boat dock with slip and appurtenant facilities. CEQA Consideration: Categorical exemption. (PRC 8832.1; RA# 16618) (A 11; S 3) (Staff: J. Holt)

- 29 GENE H. COLVER AND KATHY C. COLVER DBA DECKHANDS (LESSEE): Consider revision of rent to Lease No. PRC 5498.1, a General Lease - Commercial Use, of sovereign land located in the Sacramento River, adjacent to 14090 Highway 160, near Walnut Grove, Sacramento County; for an existing commercial marina, known as Deckhands. CEQA Consideration: Not a project. (PRC 5498.1) (A 11; S 3) (Staff: J. Holt)

- 30        CONEY ISLAND FARMS, INC. (LESSEE):  
Consider revision of rent to Lease No.  
PRC 2222.1, a General Lease -  
Right-of-Way Use, of sovereign land  
located in the Old River, adjacent to  
Contra Costa County Assessor's Parcel  
Number (APN) 001-111-005 and San Joaquin  
County APN 189-250-007, between Coney  
Island and Union Island, San Joaquin and  
Contra Costa counties; for a wood bridge,  
boat dock, and appurtenant facilities.  
CEQA Consideration: Not a project. (PRC  
2222.1) (A 14, 13; S 5, 7) (Staff: N.  
Lavoie)
- 31        COUNTY OF SANTA CRUZ (APPLICANT):  
Consider application for a General Lease  
- Public Agency Use, at the mouth of the  
Pajaro River at Monterey Bay, near  
Watsonville, Santa Cruz and Monterey  
counties; for periodic breaching of a  
sandbar. CEQA Consideration: Mitigated  
Negative Declaration, State Clearinghouse  
No. 2002122066, adopted by County of  
Santa Cruz. (PRC 7934.9; RA# 17718) (A  
29; S 17) (Staff: M. Schroeder)
- 32        RAYMOND L. DEGENNARO AND MARGARET E.  
DEGENNARO (APPLICANT): Consider  
application for a General Lease -  
Recreational Use, of sovereign land  
located in the Sacramento River, at Long  
Island, adjacent to 17460 Grand Island  
Road, near Isleton, Sacramento County;  
for an existing boat dock and appurtenant  
facilities. CEQA Consideration:  
Categorical exemption. (PRC 4766.1; RA#  
33917) (A 11; S 3) (Staff: G.  
Asimakopoulos)
- 33        LIONEL L. DUFF, JR. AND JOAN R. DUFF  
(APPLICANT): Consider application for a  
General Lease - Recreational and  
Protective Structure Use, of sovereign  
land located in the Calaveras River,  
adjacent to 2739 Calariva Drive,  
Stockton, San Joaquin County; for an

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- Existing floating boathouse with boat Lift, appurtenant facilities, and bank protection. CEQA Consideration: Categorical exemption. (PRC 5653.1; RA# 20718) (A 13; S 5) (Staff: J. Holt)
- 34 EQUILON ENTERPRISES LLC DBA SHELL OIL PRODUCTS US (LESSEE): Consider revision of rent to Lease No. PRC 4908.1, a General Lease - Industrial Use, of sovereign land located in the Carquinez Strait, Martinez, Contra Costa County; for the operation and maintenance of an existing marine oil terminal. CEQA Consideration: Not a project. (PRC 4908.1) (A 14; S 3) (Staff: N. Lavoie)
- 35 ANDOREA HOPE GOODMAN (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Tomales Bay, adjacent to 19225 State Route 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 Clearinghouse No. 2012082074. (W 27229; RA# 28715) (A 10; S 2) (Staff: D. Tutov)
- 36 STEVEN JACK LININGER, AS TRUSTEE OF THE JACK A. LININGER TRUST DATED JANUARY 4, 2008 (APPLICANT): Consider application for a General Lease - Recreational and Protective Structure Use, of sovereign land located in the Sacramento River, at Long Island, adjacent to 17412 Grand Island Road, near Isleton, Sacramento County; for an existing boat dock, appurtenant facilities, and bank protection. CEQA Consideration: Categorical exemption. (PRC 7769.1; RA# 34217) (A 11; S 3) (Staff: G. Asimakopoulos)
- 37 ANDREW K. MARCKWALD (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land

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Located in Tomales Bay, adjacent to 19695 State Route 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 Clearinghouse No. 2012082074. (W 27230; RA# 17315) (A 10; S 2) (Staff: D. Tutov)

38 DONALD G. PHILLIPS AND DEBRA L. PHILLIPS (LESSEE); GARY M. MARTIN AND COLETTA A. MARTIN, AS TRUSTEES OF THE GARY M. MARTIN AND COLETTA A. MARTIN REVOCABLE TRUST DATED SEPTEMBER 27, 2000 (APPLICANT): Consider termination of Lease No. PRC 8221.1, a General Lease - Recreational Use, and an application for a General Lease - Recreational Use, of sovereign land located in Georgiana Slough, adjacent to 17211 Terminous Road, near Isleton, Sacramento County; for an existing covered boat dock with boat slip, boat lift, personal watercraft dock, and appurtenant facilities. CEQA Consideration: Categorical exemption. (PRC 8221.1; RA# 21718) (A 11; S 3) (Staff: J. Holt)

39 RIVERBANK HOLDING COMPANY LLC (LESSEE): Consider revision of rent to Lease No. PRC 6427.1, a General Lease - Commercial Use, of sovereign land located in the Sacramento River, adjacent to 1383 Garden Highway, near Sacramento, Sacramento County; for an existing commercial marina known as Riverbank Marina. CEQA Consideration: Not a project. (PRC 6427.1) (A 7; S 6) (Staff: N. Lavoie)

40 SACRAMENTO VALLEY CONSERVANCY (LESSEE): Consider amendment of Lease No. PRC 9033.1, a General Lease, of sovereign land located near the American River, Assessor's Parcel Numbers 274-0120-007 and 274-0120-009, Sacramento, Sacramento County; for Camp Pollock. CEQA Consideration: Categorical exemptions.

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- 41 (PRC 9033.1) (A 7; S 6) (Staff: J. Holt)  
MICHEL AND TERESA SMANIO (LESSEE):  
Consider revision of rent to Lease No.  
PRC 7912.1, a General Lease -  
Recreational and Protective Structure  
Use, of sovereign land located in Sutter  
Slough, adjacent to 12080 Sutter Island  
Road, Courtland, Sacramento County; for  
an existing boat dock, appurtenant  
facilities, and bank protection. CEQA  
Consideration: Not a project. (PRC  
7912.1) (A 11; S 3) (Staff: N. Lavoie)
- 42 TOMALES BAY SAILING LLC (APPLICANT):  
Consider application for a General Lease  
- Commercial Use, of sovereign land  
located in Tomales Bay, adjacent to 19225  
State Route 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 Clearinghouse No.  
2012082074. (W 27227; RA# 30215) (A 10; S  
2) (Staff: D. Tutov)
- 43 UNION SANITARY DISTRICT (APPLICANT):  
Consider application for a General Lease  
- Public Agency Use, of sovereign land  
located in the Alameda Creek Flood  
Control Channel, adjacent to Assessor's  
Parcel Number's 482-22-6-5 and 482-80-3,  
Union City, Alameda County; for an  
existing outfall pipeline and  
construction, use and maintenance of  
appurtenant facilities. CEQA  
Consideration: Mitigated Negative  
Declaration, adopted by Union Sanitary  
District, State Clearinghouse No.  
2018062006, and adoption of a Mitigation  
Monitoring Program. (W 27235; RA# 19618)  
(A 20; S 10) (Staff: M. Schroeder)
- 44 UNITED STATES DEPARTMENT OF THE  
INTERIOR, FISH AND WILDLIFE SERVICE  
(LESSEE): Consider amendment of Lease No.  
PRC 6045.9, a General Lease - Public  
Agency Use, of sovereign land located in

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- Various sloughs and creeks in the San Francisco Bay National Wildlife Refuge Complex in San Mateo, Alameda, and Santa Clara counties to include sovereign lands in Mountain View Slough near Mountain View, Santa Clara County. CEQA Consideration: Environmental Impact Report, certified by the California State Coastal Conservancy, State Clearinghouse No. 2013092010, and adoption of a Mitigation Monitoring Program, Statement of Findings and State of Overriding Considerations. (PRC 6045.9; RA# 04617) (A 24; S 13) (Staff: D. Tutov)
- 45      RAY W. WALKER, TRUSTEE OF THE WALKER LIVING TRUST (LESSEE); CARTER FISHER AND SHARON FISHER (APPLICANT): Consider termination of Lease No. PRC 5226.1, a General Lease - Recreational Use; and application for a General Lease - Recreational Use, of sovereign land located in the Sacramento River, adjacent to 14370 Highway 160, near Walnut Grove, Sacramento County; for an existing boat dock, pier, and appurtenant facilities. CEQA Consideration: Categorical exemption. (PRC 5226.1; RA# 18518) (A 11; S 3) (Staff: J. Holt)
- 46      WESTPOINT HARBOR, LLC (APPLICANT): Consider application for a General Lease - Dredging to dredge material from sovereign land located in Westpoint Slough, near Redwood City, San Mateo County; disposal of dredged material at U.S. Army Corps of Engineers-approved in-bay disposal or upland reuse sites. CEQA Consideration: Categorical exemption. (W 27126; RA# 32016) (A 22; S 13) (Staff: A. Franzoia)
- 47      ANNA YOUNG, TRUSTEE OF THE ANNA YOUNG TRUST DATED APRIL 21, 1997; CATTARINA BIRGITTA VAN DEN TOORN, TRUSTEE OF THE CATTARINA BIRGITTA VAN DEN TOORN SEPARATE PROPERTY TRUST DATED DECEMBER 2, 2002; AND LINNEA ALBERTA BONDOC, TRUSTEE OF THE

LINNEA ALBERTA BONDOC SEPARATE PROPERTY TRUST DATED DECEMBER 2, 2002 (LESSEE/ASSIGNOR); LAUREN VOGT (APPLICANT/ASSIGNEE): Consider assignment of Lease No. PRC 3582.1, a General Lease - Recreational Use, of sovereign land located in the Petaluma River, adjacent to 55 Havenwood Road, near Novato, Marina County; for an existing walkway, access ramp, and fixed boat dock. CEQA Consideration: Not a project. (PRC 3582.1; RA# 20218) (A 10; S 2) (Staff: G. Asimakopoulos)

Central / Southern Region

- 48 TOM ACCETTA AND FRANCINE ACCETTA, TRUSTEES OF THE TOM ACCETTA AND FRANCINE ACCETTA TRUST DATED NOVEMBER 20, 1995 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign located in the Main Channel of Huntington Harbour, adjacent to 16872 Coral Cay Lane, Huntington Beach, Orange County; for an existing boat dock, access ramp, and cantilevered deck not previously authorized by the Commission. CEQA Consideration: Categorical exemption. (W 27013; RA# 21618) (A 72; S 34) (Staff: K. Connor)
- 49 NAZIR S. ANTOUN, TRUSTEE OF THE NAZIR AND MARY ANTOUN TRUST U/T/D/ JUNE 13, 1985 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in the Main Channel of Huntington Harbour, adjacent to 16971 Bolero Lane, Huntington Beach, Orange County; for the use and maintenance of an existing boat dock, access ramp, and cantilevered deck. CEQA Consideration: Categorical exemption. (PRC 3568.1; RA# 25518) (A72; S34) (Staff: K. Connor)
- 50 NAZIR S. ANTOUN, TRUSTEE OF THE NAZIR S. ANTOUN AND MARY ANTOUN LIVING TRUST DATED

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JUNE 13, 1985 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign located in the Main Channel of Huntington Harbour, adjacent to 16787 Bolero Lane, Huntington Beach, Orange County; for an existing boat dock, access ramp, and cantilevered deck not previously authorized by the Commission. CEQA Consideration: Categorical exemption. (W 27046; RA# 24718) (A 72; S 34) (Staff: K. Connor)

- 52 CALIFORNIA-AMERICAN WATER COMPANY (LESSEE): Consider amendment to Lease No. PRC 9177.1, a General Lease - Right-of-Way Use, of sovereign land located in the Pacific Ocean, Monterey Bay, near Marina, Monterey County; to modify the Lease Special Provisions and extend the lease term. CEQA Consideration: Categorical exemption. (PRC 9177.1; A2070; RA# 27118) (A 29; S 17) (Staff: D. Simpkin)

- 53 CALIFORNIA HIGH-SPEED RAIL AUTHORITY (APPLICANT): Consider application for a General Lease - Public Agency Use, of sovereign land crossing the Kings River old channel, near Laton, Kings County; for the construction of a railroad system and steel truss bridge crossing. CEQA Consideration: Environmental Impact Report, certified by the California High-Speed Rail Authority, State Clearinghouse No. 2009091126, and adoption of a Mitigation Monitoring Program and Statement of Findings. (W 27137; RA# 06317) (A 31, 32; S 12, 14) (Staff: C. Hudson)

- 54 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 28118 Pacific Coast Highway, Malibu, Los Angeles County. CEQA Consideration: Not a project. (W 24665) (A 50; S 27) (Staff: L. Pino)



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- 55 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 21100 Pacific Coast  
Highway, Malibu, Los Angeles County. CEQA  
Consideration: Not a project. (W 24665)  
(A 50; S 27) (Staff: L. Pino)
- 56 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 21106 Pacific Coast  
Highway, Malibu, Los Angeles County. CEQA  
Consideration: Not a project. (W 24665)  
(A 50; S 27) (Staff: L. Pino)
- 57 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 18954 Pacific Coast  
Highway, Malibu, Los Angeles County. CEQA  
Consideration: Not a project. (W 24665)  
(A 50; S 27) (Staff: L. Pino)
- 58 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 19768 Pacific Coast  
Highway, Malibu, Los Angeles County. CEQA  
Consideration: Not a project. (W 24665)  
(A 50; S 27) (Staff: L. Pino)
- 59 CITY OF AVALON (LESSEE): Consider  
revision of rent to Lease No. PRC 6696.1,  
a General Lease - Commercial Use, of  
sovereign land located in the Pacific  
Ocean at Hamilton Cove, Santa Catalina  
Island, Los Angeles County; for 10  
mooring buoys. CEQA Consideration: Not a  
project. (PRC 6696.1) (A 70; S 28)  
(Staff: D. Simpkin)

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- 60           DUNCAN MCINTOSH COMPANY INC.  
(APPLICANT): Consider application for a General Lease - Commercial Use, of sovereign land located in Harbor Island West Basin, San Diego, San Diego County; for construction and deconstruction of a temporary marina for an annual boat show. CEQA Consideration: Categorical exemption. (PRC 8602.1; RA# 36715) (A 78; S 39) (Staff: R. Collins)
  
- 61           GREGORY A. GRANI (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in the Midway Channel of Huntington Harbour adjacent to 3302 Gilbert Drive, Huntington Beach, Orange County; for an existing boat dock, access ramp, and two cantilevered decks not previously authorized by the Commission. CEQA Consideration: Categorical exemption. (W 26998; RA# R18718) (A 72; S 34) (Staff: L. Pino)
  
- 62           BARBARA ANN GREER (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign located in the Main Channel of Huntington Harbour, adjacent to 16851 Bolero Lane, Huntington Beach, Orange County; for an existing boat dock, access ramp, and cantilevered deck not previously authorized by the Commission. CEQA Consideration: Categorical exemption. (W 27030; RA# 05718) (A 72; S 34) (Staff: K. Connor)
  
- 63           MADERA COUNTY/CSA-16 (APPLICANT): Consider application for a General Lease - Public Agency Use, of sovereign land located in the San Joaquin River, 4 miles south of Friant Dam, San Joaquin County; for bank restoration, cove fill, and a temporary construction easement. CEQA Consideration: Environmental Impact Report, certified by Madera County, State Clearinghouse No. 2018031001, and adoption of a Mitigation Monitoring Program and Statement of Findings. (W

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27208; RA# 09818) (A 5; S 8) (Staff: D. Simpkin)

- 64 PETER W. MCKINLEY AND LIZ NORRIS  
MCKINLEY, TRUSTEES OF THE PETER W.  
MCKINLEY AND LIZ NORRIS MCKINLEY FAMILY  
TRUST DATED MARCH 9, 1994 (APPLICANT):  
Consider application for a General Lease  
- Recreational Use, of sovereign located  
in the Main Channel of Huntington  
Harbour, adjacent to 16882 Coral Cay  
Lane, Huntington Beach, Orange County;  
for an existing boat dock, access ramp,  
and cantilevered deck not previously  
authorized by the Commission. CEQA  
Consideration: Categorical exemption. (W  
27012; RA# 13417) (A 72; S 34) (Staff: K.  
Connor)
- 65 KHEIM VAN NGUYEN AND VAN KIM NGUYEN,  
TRUSTEES OF THE KHEIM VAN NGUYEN AND VAN  
KIM NGUYEN 2010 TRUST, DATED DECEMBER 12,  
2010 (APPLICANT): Consider application  
for a General Lease - Recreational Use,  
of sovereign land located in the Main  
Channel of Huntington Harbour adjacent to  
17001 Bolero Lane, Huntington Beach,  
Orange County; for an existing boat dock,  
access ramp, and cantilevered deck. CEQA  
Consideration: Categorical exemption.  
(PRC 3567.1; RA# R32417) (A 72; S 34)  
(Staff: L. Pino)
- 67 PACIFIC GAS AND ELECTRIC COMPANY  
(APPLICANT): Consider rescission of  
approval and issuance of a General Lease  
- Right-of-Way Use, of sovereign land  
crossing the San Joaquin River, near  
Fresno, Fresno and Madera Counties; for  
an existing electrical transmission line  
and the installation, use, and  
maintenance of a fiber-optic cable. CEQA  
Consideration: Categorical exemptions.  
(PRC 9524.1; RA# 35217) (A 5, 23; S 8,  
12) (Staff: D. Simpkin)

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- 68        PACIFIC GAS AND ELECTRIC COMPANY  
(APPLICANT): Consider application for  
termination of a General Lease - Data  
Collection Use and acceptance of a  
quitclaim deed, of sovereign land located  
in the Pacific Ocean, adjacent to Diablo  
Canyon Power Plant, San Luis Obispo  
County; for four autonomous ocean bottom  
seismometer (AOBS) units. CEQA  
Consideration: Not a project. (PRC  
8985.1; RA# 22018) (A 35; S 17) (Staff:  
C. Hudson)
- 70        PEBBLE BEACH COMPANY (APPLICANT):  
Consider application for a General Lease  
- Recreational Use, of sovereign land  
located in Stillwater Cove, Carmel Bay,  
Monterey County; for an existing multiuse  
pier with public access, and approval of  
"Pier Rules & Regulations By Pebble Beach  
Company" for public access to, and use  
of, the multiuse pier. CEQA  
Consideration: Categorical exemption.  
(PRC 2714.1; RA# 20918) (A 29; S 17)  
(Staff: D. Simpkin)
- 71        TERESA N. RICE, TRUSTEE OF THE TERESA N.  
RICE LIVING TRUST 1999 (APPLICANT):  
Consider application for a General Lease  
- Recreational Use, of sovereign land  
located in Morro Bay, adjacent to 1135  
5th Street, Los Osos, San Luis Obispo  
County; for an existing recreational pier  
not previously authorized by the  
Commission. CEQA Consideration:  
Categorical exemption. (W 27239; RA#  
22818) (A 35; S 17) (Staff: L. Pino)
- 73        SURFSONG OWNERS ASSOCIATION  
(APPLICANT): Consider application for a  
General Lease - Protective Structure Use,  
of sovereign land located in the Pacific  
Ocean, adjacent to 205-239 South Helix  
Avenue, City of Solana Beach, San Diego  
County; for existing seawalls and  
portions of seacave/notch fills. CEQA  
Consideration: Categorical exemption.  
(PRC 8834.1; A2072; RA# 26718) (A 78; S

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39) (Staff: D. Simpkin)

74       STEEVE D. TRAN AND MARY A. TRAN  
(APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in the Main Channel of Huntington Harbour adjacent to 16881 Bolero Lane, Huntington Beach, Orange County; for an existing boat dock, access ramp, and partially enclosed cantilevered deck. CEQA Consideration: Categorical exemption. (PRC 3853.1; RA# R21318) (A 72; S 34) (Staff: L. Pino)

75       CYNTHIA D. WILLIAMS AND NICHOLAS DIBENEDETTO, TRUSTEES OF THE WILLIAMS-DIBENEDETTO TRUST DATED JULY 30, 2008 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in the Main and Midway Channels of Huntington Harbour adjacent to 16632 Coral Cay Lane, Huntington Beach, Orange County; for an existing boat dock, access ramp, and three cantilevered decks. CEQA Consideration: Categorical exemption. (PRC 5749.1; RA# R17318) (A 72; S 34) (Staff: L. Pino)

76       KARL W. WOLFSLAU AND LOIS C. WOLFSLAU (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign located in the Main Channel of Huntington Harbour, adjacent to 16812 Coral Cay Lane, Huntington Beach, Orange County; for an existing boat dock, access ramp, and two cantilevered decks not previously authorized by the Commission. CEQA Consideration: Categorical exemption. (W 27016; RA# 21518) (A 72; S 34) (Staff: K. Connor)

School Lands

77       CALIFORNIA STATE LANDS COMMISSION AND BARSTOW SPANISH TRAIL, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (PARTIES): Consider amendment to the "Offer to

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Purchase Real Estate in the County of San Bernardino and Acceptance of Offer to Purchase" for approximately 63.3 gross acres of indemnity school lands in Barstow, San Bernardino County; to extend the closing date. CEQA Consideration: Not a project. (SA 5772; RA# 24716) (A 33; S 16) (Staff: J. Porter, P. Huber)

- 78      ALLAN L. FAUGHN (APPLICANT): Consider application for a General Lease - Grazing Use of State-owned indemnity school land located in a portion of Section 18, Township 27 South, Range 28 East, MDM, Kern County; for livestock grazing and existing fencing. CEQA Consideration: Categorical exemptions. (PRC 8089.2; RA# 22118) (A 26; S 16) (Staff: C. Hudson)

- 79      PACIFIC GAS AND ELECTRIC COMPANY (LESSEE): Consider revision of rent to Lease No. PRC 6703.2, a General Lease - Right-of-Way Use, of State-owned indemnity school land located in Section 28, Township 4 South, Range 18 East, MDM, south of Sherlock Road, Mariposa County; for existing overhead transmission lines, one wood pole, and an unpaved access road. CEQA Consideration: Not a project. (PRC 6703.2) (A 5; S 8) (Staff: J. Porter)

- 80      SOUTHERN CALIFORNIA EDISON COMPANY (LESSEE): Consider revision of rent and amendment to Lease No. PRC 4465.2, a General Lease - Right-of-Way Use, of State-owned school land located within a portion of Section 36, Township 6 South, Range 5 West, SBM, near Elsinore Peak, Riverside County; to replace an existing power line with new overhead distribution lines, and install new poles. CEQA Consideration: Categorical exemption. (PRC 4465.2; RA# 11918) (A 67; S 28) (Staff: C. Hudson)

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- 81        UNAVCO, INC. (APPLICANT): Consider application for a General Lease - Other, of State-owned school land located in Section 36, Township 32 North, Range 15 East, MDM, north of Shinn Ranch Road, Lassen County; for an existing geodetic monitoring system. CEQA Consideration: Categorical exemption. (PRC 7879.2; RA# 24018) (A 1; S 1) (Staff: J. Porter)
- Mineral Resources Management
- 82        CITY OF SACRAMENTO (APPLICANT): Consider application for a Non-Exclusive Geological Survey Permit on sovereign lands located in the Sacramento River, Sacramento and Yolo counties. CEQA Consideration: Categorical exemption. (W 6005.198; RA# 24818) (A 7; S 6) (Staff: R. B. Greenwood)
- 83        LINCOLN GOLD US CORP. (APPLICANT): Consider application for a prospecting permit for precious metals and minerals other than oil, gas, geothermal resources, or sand and gravel, Assessor's Parcel Number 042-050-018, containing approximately 640 acres of State fee-owned school land, located within Section 36, T14S, R20E, SBM, Imperial County. CEQA Consideration: Categorical exemption. (W 41000; RA# 25318) (A 56; S 40) (Staff: R. Lee)
- 86        UNITED STATES GEOLOGICAL SURVEY (APPLICANT): Consider application for a Non-Exclusive Geological Survey Permit on sovereign lands located offshore. CEQA Consideration: Categorical exemption. (W 6005.200; RA# 26918) (A & S: Statewide) (Staff: R. B. Greenwood)
- Marine Environmental Protection - see Regular Calendar Administration

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- 87 CALIFORNIA STATE LANDS COMMISSION:  
Consider authorizing the Executive  
Officer to execute an agreement to renew  
the Commission's subscription to an  
online real estate database. CEQA  
Consideration: Not a project. (C2019006)  
(A & S: Statewide) (Staff: C. Wong, T.  
Cowgill)
- Legal - see Regular Calendar  
Kapiloff Land Bank Trust Acquisitions -  
no items  
External Affairs
- Granted Lands
- 88 CITY OF ARCATA (GRANTEE): Consider  
adopting findings relating to certain  
lands subject to the legislative trust  
grant to the City of Arcata and the  
authorization to file a certificate that  
would temporarily lift the Public Trust  
use restrictions on those lands as  
provided under Chapter 1040, Statutes of  
1976. CEQA Consideration: Not a project.  
(G 04-01) (A 2; S 2) (Staff: R. Boggiano,  
S. Scheiber)
- 90 CITY OF PITTSBURG (GRANTEE): Review a  
proposed trust revenue expenditure, in an  
amount not to exceed \$683,547 by the City  
of Pittsburg for a capital improvement  
project located on legislatively granted  
sovereign land in the City of Pittsburg,  
Contra Costa County. CEQA Consideration:  
Not a project. (G 02-03) (A 14; S 7)  
(Staff: M. Moser)
- Informational
- 91 CALIFORNIA STATE LANDS COMMISSION:  
Legislative Report providing information  
and a status update concerning state  
legislation relevant to the Commission.  
CEQA Consideration: Not applicable. (A &  
S: Statewide) (Staff: S. Pemberton)



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92	CALIFORNIA STATE LANDS COMMISSION: Application of the Consumer Price Index to update the minimum rents pursuant to California Code of Regulations, title 2, section 2003. CEQA Consideration: Not applicable. (A & S: Statewide) (Staff: G. Kato)	
V.	Regular Calendar 93-103	
93	CALIFORNIA STATE LANDS COMMISSION: Consider supporting AB 552 (Stone) in the 2019-20 legislative session that would establish the Coastal Adaptation, Access, and Resilience Program. CEQA Consideration: Not applicable. (A & S: Statewide) (Staff: S. Pemberton)	15
94	CALIFORNIA STATE LANDS COMMISSION: Consider supporting AB 1680 (Limón) in the 2019-20 legislative session that would require the California Coastal Commission, in collaboration with the California State Coastal Conservancy, the Department of Parks and Recreation, and the State Lands Commission to develop a new coastal access plan for Hollister Ranch in the County of Santa Barbara. CEQA Consideration: Not applicable. (A & S: Statewide) (Staff: S. Pemberton)	17
95	CALIFORNIA STATE LANDS COMMISSION: Consider sponsoring state legislation that would grant in trust to the City of San Diego title to three parcels of land in the vicinity of Mission Bay, known as the Famosa Slough parcels, that are associated with a 2011 land exchange agreement between the State of California, acting by and through the California State Lands Commission, and the City of San Diego. CEQA Consideration: Not applicable. (A & S: Statewide) (Staff: S. Pemberton)	20

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96	CALIFORNIA STATE LANDS COMMISSION: Consider supporting H.R. 2995, the Spent Fuel Prioritization Act of 2019 introduced by U.S. Representative Mike Levin in the 116th Congress and H.R. 2699, the Nuclear Waste Policy Amendments Act of 2019 introduced by U.S. Representative Jerry McNerney in the 116th Congress. CEQA Consideration: Not applicable. (Federal) (Staff: S. Pemberton)	22
97	CALIFORNIA STATE LANDS COMMISSION: Consider sponsoring a legislative resolution to defend California's authority to protect state waters and prevent invasive species introductions. CEQA Consideration: Not applicable. (A & S: Statewide) (Staff: S. Pemberton, N. Dobroski)	26
98	CARONE PETROLEUM CORPORATION AND EXXONMOBIL CORPORATION (LESSEE): Consider termination of State Oil and Gas Lease Nos. PRC 3133.1, PRC 4000.1, and PRC 7911.1, located in the Santa Barbara Channel, Santa Barbara and Ventura counties. CEQA Consideration: Not a project. (PRC 3133.1, PRC 4000.1, PRC 7911.1) (A 37; S 19) (Staff: S. Blackmon; J. Fabel)	29
99	SIGNAL HILL SERVICE, INC. (LESSEE): Consider termination of Lease No. PRC 3914.1, a General Lease - Right-of-Way Use, of sovereign land located in the Santa Barbara Channel, near Rincon Point, Santa Barbara and Ventura counties; for five existing pipelines. CEQA Consideration: Not a project. (PRC 3914.1) (A 37; S 19) (Staff: L. Pino)	29
100	CALIFORNIA STATE LANDS COMMISSION (PARTY): Consideration of the Commission's "Abandoned Commercial Vessel Removal Plan, Sacramento-San Joaquin River Delta Region" covering Contra Costa, Sacramento, San Joaquin, Solano,	140

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And Yolo counties, prepared pursuant to AB 2441 (Frazier), Chapter 540, Statutes of 2018. CEQA Consideration: Not a project. (A 4, 7, 9, 11, 13, 14, 15, 16; S 3, 5, 6, 7, 9) (Staff: K. Foster, A. Kershen)	
101 CALIFORNIA STATE LANDS COMMISSION (INFORMATIONAL): Informational update on two new public GIS-based interactive spatial tools, the San Diego Ocean Planning Partnership Web Mapping Application, and the State Lands Commission Sea-Level Rise Viewer, created to enhance Public Trust resource management and decision-making. CEQA Consideration: Not applicable. (A 78, 80; S 39, 40) (Staff: M. Farnum, C. Packer)	148
102 CALIFORNIA STATE LANDS COMMISSION (INFORMATIONAL): Informational update on the Tijuana River Valley pollution issues. CEQA Consideration: Not applicable. (A 78, 80; S 39, 40) (Staff: M. Farnum, B. Johnson)	95
103 CALIFORNIA STATE LANDS COMMISSION (INFORMATIONAL): Informational update on AB 691 (2013, Muratsuchi): State granted trust lands and sea-level rise. CEQA Consideration: Not applicable. (A & S: Statewide) (Staff: M. Farnum, R. Boggiano)	157
VI. Public Comment	167
VII. Commissioners' Comments	
VIII Closed Session	175
<p>.</p> <p>At any time during the meeting the Commission may meet in a session of Government Code section 11126, part of the Bagley-Keene Open Meeting Act.</p>	

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 pending and possible 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:
  - Baywood, LLC and California State Lands Commission v. DOES
  - California Coastkeeper Alliance, California Coastal Protection v. California State Lands Commission
  - Eugene Davis v. State of California and California State Lands Commission
  - In re: Rincon Island Limited Partnership Chapter 7
  - In re: Venoco, LLC, Bankruptcy Chapter 11
  - In re: PG&E Corporation and Pacific Gas and Electric Company, Bankruptcy Chapter 11
  - Madden v. City of Redwood City
  - Martins Beach 1, LLC and Martins Beach 2, LLC v. Effie Turnbull-Sanders, et al.
  - Oakland Bulk and Oversized Terminal, LLC v. City of Oakland
  - Public Watchdogs v. California State Lands Commission
  - San Joaquin River Exchange Contractors Water Authority v. State of California; State Lands Commission
  - Seacliff Beach Colony Homeowners Association v. State of California, et al.
  - 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

- SOS Donner Lake v. State of  
California, et al
- State of California v. International  
Boundary and Water Commission, et al.
- State Lands Commission v. Plains  
Pipeline, L.P., et al.
- United States v. Walker River  
Irrigation District, et al.

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.
- B. Conference with real property negotiators.

The Commission may consider matters that fall under Government Code section 11126, subdivision (c)(7), under which, prior to the purchase sale, exchange, or lease of real property by or for the Commission, the directions may be given to its negotiators regarding price and terms of payment for the purchase, sale, exchange, or lease. At the time of publication of this Agenda, it is not anticipated that the Commission will discuss any such matters; however, at the time of the

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Scheduled meeting, a discussion of any  
such matter may be necessary or  
appropriate.

- C. Other matters.  
The Commission may also consider  
personnel actions to appoint, employ, or  
dismiss a public employee as provided for  
in Government Code section 11126(A)(1).

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## P R O C E E D I N G S

CHAIRPERSON KOUNALAKIS: I call this meeting of the State Lands Commission to order. All the representatives of the Commission are present. I am Lieutenant Governor Eleni Kounalakis. I'm joined today by State Controller Betty Yee and Gayle Miller. Yeah. Okay. I'm sorry. Gayle Miller representing the Department of Finance.

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 the responsibility for the prevention of oil spills in marine oil terminals and offshore oil platforms and from preventing the introduction of marine-invasive species into California's marine waters.

Today, we will hear requests and presentations involving the lands and resources within the Commission's jurisdiction. We recognize that the lands we manage have been inhabited for thousands of years by California's native people and take seriously our trust relationship with these sovereign governments. Today, our gratitude goes to the Kumeyaay people who have inhabited the San Diego area and Baja California for over 12,000 years or 600 generations.

1           The first item of business will be the adoption  
2 of the minutes from the Commission's Meeting of April  
3 5th, 2019. May I have a motion to approve the minutes?

4           COMMISSIONER YEE: Yes, move to approve the  
5 minutes.

6           ACTING COMMISSIONER MILLER: I second.

7           CHAIRPERSON KOUNALAKIS: Any objection to  
8 unanimous vote? If not, the motion passes unanimously.

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

11          EXECUTIVE OFFICER LUCCHESI: Yes. Good  
12 afternoon. I have a number of things to report to the  
13 Commission and the public on. First, is the State Lands  
14 Commission 2019/20 budget highlights. The 2019/20 State  
15 Lands Commission budget of \$88,862,000 -- excuse me --  
16 continues the trend of heavy special project funding,  
17 nearly outweighing our usual baseline budget. The oil  
18 and gas plug and abandonment activities at Platform Holly  
19 in Rincon Island account for most of this at 40 -- over  
20 \$40 million, along with another \$4 million to fund  
21 litigation costs related to those efforts.

22          Other 2019/20 special projects include \$2  
23 million for one more year of the Bolsa Chica Wetlands  
24 dredging; \$2 million to continue the new Coastal Hazards  
25 Removal program pursuant to SB 44 by Senator Hannah-Beth



1 Jackson; and over \$1 million towards maintenance and  
2 operation of our new Records Management IT project.

3 In addition to the special project funding, it  
4 also brings a new Forestry position, to restart our  
5 Forested School Lands Management program, plus a new  
6 Environmental Justice Coordinator and an Administrative  
7 Liaison to drive this new initiative. The Commission is  
8 also gaining two new IT positions to right size the  
9 Information Services Division of the Commission and  
10 continues to build a solid technological foundation for  
11 its strategic goals.

12 Finally, the Natural Resources Agency has  
13 included over \$900,000 in an agency-wide budget request  
14 for State Lands' continued record preservation and  
15 digitization. This funding and resulting contracts will  
16 be managed at the agency with support from our Records  
17 Management staff.

18 Next, I want to provide an update on the  
19 Hollister Ranch Public Access efforts in coordination and  
20 collaboration with State Parks, Coastal Commission, and  
21 the State Coastal Conservancy. We have completed the RFP  
22 bid and interview process and have selected a consulting  
23 firm to develop the Phase One of the Hollister Ranch  
24 Contemporary Access Plan. The principal firm is KTUA, a  
25 well-respected planning and landscape architecture design

1 firm located in San Diego, with many acclaimed public  
2 access projects along the central coast.

3 In addition their in-house Public Engagement  
4 Team, KTUA has partnered with a professional public  
5 engagement firm, Participation by Design. The founder,  
6 Lewis Michaelson, has over 30 years of professional  
7 public engagement experience, and he is highly  
8 recommended for facilitating high-conflict, public  
9 engagement processes through to consensus. KTUA and  
10 their consultants will develop and execute a public  
11 engagement strategy to ensure meaningful participation in  
12 the development of a shared vision for public access at  
13 Hollister Ranch through statewide and local public  
14 engagement.

15 So the next steps is to finalize the contract,  
16 which is currently in process. The contract is  
17 anticipated to be executed after July 1st of this year.  
18 We are also planning a site visit to Hollister Ranch with  
19 agency team members, supporting staff, and consultants.  
20 It's currently being planned for the end of July.

21 And, finally, we are monitoring Assembly Member  
22 Limón's bill, AB 1680, and that's actually an item on the  
23 Commission's agenda today, with a recommendation to  
24 support. That item is being heard on July 9th by the  
25 Senate Natural Resources and Water Committee.

1           Next, I want to update the Commission on the  
2     State Lands Commission's Environmental Justice policy and  
3     implementation. In late May and early June, we provided  
4     all Commission staff with comprehensive environmental  
5     justice training. This was a key implementation effort  
6     -- element of the EJ policy the Commission adopted in  
7     December. Our internal EJ team prepared and implemented  
8     the all-day trainings together with CalEPA staff. The  
9     training went exceptionally well, incorporated social and  
10    racial equity justice issues, and the overall consensus  
11    among staff was that it was beneficial and a really great  
12    training.

13           We are now in the process of providing staff  
14    with additional training about how to use CalEnviroScreen  
15    as an environmental justice screening tool, and we're  
16    working closely with CalEPA who is providing the staff  
17    training, and we are also planning a more targeted  
18    training for our staff later this year, which is going to  
19    be focused on community outreach.

20           I'm deeply, deeply grateful to CalEPA staff and  
21    our internal EJ team for their involvement and guidance  
22    on our environmental justice trainings and for all their  
23    hard work in putting those together. They were two  
24    all-day trainings, one in Sacramento, one in Long Beach,  
25    and it was a Herculean effort to put that on, and it was

1 done through CalEPA staff and our staff only, no  
2 consultants were used. So we're very proud of that  
3 training and we can hope to continue to build on that  
4 training over the year.

5 Next, I want to update the Commission on the  
6 Platform Holly Decommissioning Project. I'll talk a  
7 little bit about the status of the project in general,  
8 and, specifically, the May 28th release of oil that  
9 occurred that we are still continuing to address and  
10 monitor. Platform the -- relating to Platform Holly  
11 itself, the platform drilling equipment required to do  
12 the plugging and abandonment of the 30 wells on Holly has  
13 entered a second phase. The rig repairs are done and  
14 most of the testing has been completed.

15 We are awaiting delivery of the new equipment  
16 for the actual plugging and abandonment work, and we hope  
17 to start the plugging and abandonment work by the end of  
18 this year. There's been a significant amount of buildup  
19 to get to that point of plugging and abandoning those  
20 wells, because we essentially had to rebuild portions of  
21 the platform and the rig to be able to implement that  
22 plugging and abandonment project.

23 Relating to the Ellwood Onshore Facility, no new  
24 operations have been completed or are planned at this  
25 time. Currently the facility is only in service for the

1 support of Platform Holly that is supplying the platform  
2 with required utilities for electric and gas services.  
3 We are continuing to be involved in litigation over the  
4 ultimate use of the EOF with the Trustee throughout the  
5 District Court in Delaware.

6 PRC 421, which is the Beachfront Wells, the two  
7 piers, shore-zone piers offshore Goleta. The Number One  
8 well has been fully plugged and abandoned; the Number Two  
9 well was almost complete, a little over 80 percent  
10 complete, when, as you are aware, there was a release of  
11 approximately 100 to 125 gallons of what we call "dead  
12 oil." That oil is -- has sat around and weathered for  
13 quite some time. Most of this oil came up inside the  
14 caisson and some released into the intertidal zone.  
15 Clean up was quick and efficient and took about five  
16 days. The incident command was comprised of OSPR, the  
17 Coast Guard, the City of Goleta, the Commission and its  
18 agents.

19 The coring inside the caisson so far has  
20 revealed that no free oil, just an old tarry mix into the  
21 soil. So, essentially, what we know is that the oil that  
22 was released was not from the production zone; that had  
23 already been completely plugged and abandoned. What we  
24 are trying to figure out and are in the process of  
25 investigating now is where did this oil come from and

1 what pathways exist for it to be released into the  
2 environment. We don't know the answers to those  
3 questions now. We're actively working with our partner  
4 agencies, as well as our contractors to figure that out.

5 We did have -- we did host a town hall meeting  
6 in Goleta last night from 5:00 to 8:00 p.m. It was a  
7 packed full house. Staff provided a presentation both on  
8 the status of the overall decommissioning project but  
9 really focused on the May 28th release and attempted to  
10 answer all the questions and concerns that the community  
11 had. I'm happy to report that it was -- it went very  
12 well. I believe that we genuinely answered all the  
13 questions that were asked of us and were very transparent  
14 in expressing what we didn't know yet but what we're  
15 trying to find out.

16 I want to thank the City of Goleta for hosting  
17 us and for welcoming us in Goleta. Thank OSPR, Coast  
18 Guard, DOGGR, and the Chumash governments, and the  
19 community and many others for spending the evening with  
20 us, providing perspective, insight, and asking very smart  
21 questions of staff.

22 Next, is an update on the Rincon -- Rincon  
23 Island decommissioning. The most significant milestone  
24 achieved during the last month is the abandonment of the  
25 Rincon oil wells, Island Wells 1466-8A and 1466-50A.

1 These two wells were known to be capable of natural flow,  
2 which coupled with a deteriorating condition of their  
3 wellhead assemblies constituted an unacceptable risk.  
4 The risk has now been eliminated and because both are now  
5 sealed to the mud line with multiple cement plugs.

6 And I'm happy to report with this project we are  
7 ahead of schedule and under budget. So currently, 21 of  
8 the -- oh, I just lost my spot. Excuse me for a second  
9 -- 21 of the 25 onshore wells have been abandoned, and  
10 13 of the 50 offshore wells have been abandoned. The  
11 project is about six wells ahead of schedule by well  
12 count and approximately \$1.3 million under plan forecast  
13 at \$15.8 million actual.

14 Next, I want to update the Commission on the  
15 Burlingame parcel request for proposal. Staff released  
16 the request for proposal -- request for project proposals  
17 on May 22nd, with the request that interested parties  
18 indicate their interest by filling out an Interested  
19 Party Registration Form. To date, four parties have  
20 registered, and today, June 28th, is a deadline for  
21 submittal of questions or requests for clarification.  
22 Based on feedback and, if necessary, staff will put out  
23 an amendment to the request for project proposals or a  
24 Frequently Asked Questions document. The submittal  
25 deadline for proposals is July 26, and we'll provide an

1 update for you at the August Commission meeting based on  
2 what we've received so far.

3           Next, I want to update the Commission on the San  
4 Francisco Waterfront Plan. State Lands Commission Staff  
5 recently participated in a comprehensive public process  
6 to update the Port of San Francisco Waterfront Land Use  
7 Plan. The original plan adopted by the Port in 1997  
8 guides the Port's land use and development decisions  
9 along the Port's seven-and-a-half mile stretch of granted  
10 Public Trust lands. With direction from the Port  
11 Commission, Port staff established a 32-member Waterfront  
12 Plan Working Group, comprised of representatives and  
13 stakeholders from San Francisco and the Bay Area,  
14 including the State Lands Commission.

15           The three-year public planning process led by  
16 the working group -- excuse me -- led by the working  
17 group was charged with developing a Port-wide policy  
18 recommendation on how best to update the Waterfront Plan.  
19 The collaborative process delved into land use,  
20 transportation, resilience, Public Trust uses, and  
21 resulted in a shared public understanding of the complex  
22 and often competing challenges of managing a thriving  
23 waterfront.

24           State Lands Commission representation in the  
25 working group also led to new leasing strategies, Public



1 Trust objectives, and policy recommendations for the  
2 rehabilitation of the Embarcadero Historic District's  
3 decaying finger piers. The working group unanimously  
4 approved 160 out of 161 policy recommendations, which  
5 were then all endorsed by the Port Commission and  
6 incorporated into draft plan amendments to update the  
7 Port's new Waterfront Plan. Commission staff is grateful  
8 for the collaborative partnership with the Port, which  
9 has been essential to addressing the complex Public Trust  
10 issues surrounding the Port's unique properties and the  
11 future of the waterfront.

12 And, finally, we are also very excited to share  
13 with the Commission that we are embarking on a major  
14 digital transformation effort to streamline the inquiry  
15 and application process for the Commission. We call this  
16 new system OSCAR, the Online System for Customer  
17 Applications and Records. We believe OSCAR will  
18 revolutionize the way we process applications and provide  
19 information to the public.

20 The project is being developed in three phases.  
21 Phase one is a digital application that can be  
22 electronically routed to allow all divisions within the  
23 Commission to work on applications in a concurrent  
24 manner. Applicants will be able to submit online, as  
25 opposed to completing a paper application, and follow

1 their application through the process. The system will  
2 also allow for online payments, and, in addition to  
3 applications, interested parties who request  
4 jurisdictional determinations from the Commission will be  
5 able to utilize OSCAR as well.

6 Phase two is a document management in Geographic  
7 Information Systems, or GIS, search will replace the  
8 existing paper-based GIS indexed of the Commission's  
9 records and title history; and, Phrase three will be an  
10 online GIS integrated records portal that will allow the  
11 public to search and download historic records.

12 OSCAR should minimize the number of missing  
13 files each month, reduce the time spent for searching for  
14 files, improve timely fulfilment of Public Records Act  
15 Requests, and preserve and protect historic records from  
16 damage, loss, wear and tear. In alignment with the  
17 Commission's strategic plan, OSCAR will cultivate  
18 operational excellence by integrating technology by  
19 implementing richer technologies and business processes.  
20 It will extend the GIS contact and capabilities. It will  
21 implement an automatic -- automated electronic data  
22 system management system, and deliver enhanced  
23 information technology tools, services, and applications.

24 While the focus is on -- while the focus is  
25 technology centric, the work involves staff from all of

1 the Commission's divisions who have been working  
2 collaboratively with the developers for this new system  
3 and are currently deep in two-week sprints to prepare for  
4 the new deployment of the project to the general public.  
5 Staff anticipates a full go-live system in August.

6 That concludes my report. I'm happy to answer  
7 any questions.

8 CHAIRPERSON KOUNALAKIS: Thank you,  
9 Ms. Lucchesi. Are there any questions from the  
10 Commissioners? Commissioner Yee?

11 COMMISSIONER YEE: Thank you. Thank you, Madam  
12 Chair. Thank you, Jennifer for the report. As you were  
13 speaking about the Waterfront Plan, with respect to the  
14 San Francisco Port Commission, it did trigger a thought.  
15 And I know we have been kept up to date, with respect to  
16 the Board of Supervisors' actions, with respect to the  
17 navigation centers to respond to some of the homelessness  
18 issues and the potential of Public Trust involvement with  
19 that, but it raised a question with respect to other  
20 jurisdictions through their granted lands, as to whether  
21 that's becoming an increasing consideration, with respect  
22 to using public lands, for either temporary housing or  
23 trying to deal with some of the effects of the  
24 homelessness issues and housing issues?

25 EXECUTIVE OFFICER LUCCHESI: Yeah. As far as I

1 know today, we have not been contacted from any other  
2 waterfront grantees, in terms of exploring options, legal  
3 options, for addressing the homelessness issue through  
4 navigation centers. However, as always, we're here to  
5 work with our grantees to accomplish the goals that they  
6 are charged with accomplishing consistent with the law.  
7 And so we're available, and we did discuss with the Port  
8 of San Francisco while this navigation center was moving  
9 through the process, and I can't really speak more to  
10 that because we do anticipate litigation in that.

11 CHAIRPERSON KOUNALAKIS: Okay. The next order  
12 of business will be the adoption of the Consent Calendar.  
13 Commissioner Yee, Commissioner Miller, are there any  
14 items you would like removed from the Consent Calendar?

15 (Head shakes.)

16 CHAIRPERSON KOUNALAKIS: Okay. Next, I call on  
17 Ms. Lucchesi to indicate which items, if any, have been  
18 removed from the Consent Calendar.

19 EXECUTIVE OFFICER LUCCHESI: Consent Items 51,  
20 69, 72, 84, 85, and 89 are removed from the agenda and  
21 will be considered at a later time.

22 CHAIRPERSON KOUNALAKIS: Okay. Is there anyone  
23 in the audience who wishes to speak on any item remaining  
24 on the Consent Calendar? Okay. If not, we will now  
25 proceed with the vote. Motion?

1 COMMISSIONER YEE: I'll move the remainder of  
2 the --

3 EXECUTIVE OFFICER LUCCHESI: I'm sorry. Okay.  
4 I would like to add Item 66 -- sorry. I would like to  
5 add Item 66 to the list of Consent Items removed from the  
6 agenda. So just to be clear, I'd like to remove 51, 66,  
7 69, 72, 84, 85, and 89.

8 CHAIRPERSON KOUNALAKIS: Okay. Do we have a  
9 motion?

10 COMMISSIONER YEE: Yes. Move approval of the  
11 remainder of the Consent Calendar.

12 ACTING COMMISSIONER MILLER: Second.

13 CHAIRPERSON KOUNALAKIS: Okay. Motion passes  
14 unanimously.

15 The next order of business will be the Regular  
16 Calendar. Item 93 is to consider supporting State  
17 Legislation that would establish the Coastal Adaptation,  
18 Access, and Resilience Program. May we have the  
19 presentation?

20 EXTERNAL AFFAIRS AND LEGISLATIVE LIAISON CHIEF  
21 PEMBERTON: Thank you. Item 93 recommends that the  
22 Commission support AB 552, which would establish and fund  
23 a Coastal Adaptation and Resiliency Program. It would be  
24 funded through what's known as Tideland Oil Revenue,  
25 which is revenue generated from State Oil and Gas Leases

1 or revenue from legislatively granted oil and gas  
2 production offshore, where the State gets a net profit  
3 from those agreements.

4 It would apportion about 30 percent of those  
5 revenues on an ongoing basis to this program for  
6 adaptation projects in the coastal zone, and that would  
7 be, we estimate, around 20 million potentially per year.  
8 While it's sort of a drop in the bucket, the author hopes  
9 that it will help get things moving and kind of prime the  
10 pump and also provide a funding source that's a little  
11 less or a little more flexible than some of the bond  
12 funding that's out there for these types of adaptation  
13 projects.

14 There's no opposition. It's in the Senate  
15 Appropriations Committee and was recently approved in the  
16 Senate Natural Resources and Water Committee earlier this  
17 week, and it would allow the State Lands Commission along  
18 with Ocean Protection Council, the Coastal Commission,  
19 and the Coastal Conservancy and State Parks to access  
20 money in the fund using the criteria in the bill. So we  
21 recommend that the Commission take a support position on  
22 the bill.

23 CHAIRPERSON KOUNALAKIS: Okay. Commissioners,  
24 any questions? Do we have a motion?

25 COMMISSIONER YEE: Yes. Move in support on AB

1 552 by the Commission.

2 CHAIRPERSON KOUNALAKIS: Oh, yes. I'll second.  
3 And so all in favor? Aye.

4 COMMISSIONER YEE: Aye.

5 CHAIRPERSON KOUNALAKIS: And one abstention.

6 EXECUTIVE OFFICER LUCCHESI: Because we have an  
7 abstention, can we take a roll call vote?

8 CHAIRPERSON KOUNALAKIS: Yes.

9 EXECUTIVE OFFICER LUCCHESI: So Chair  
10 Kounalakis?

11 CHAIRPERSON KOUNALAKIS: Yes.

12 EXECUTIVE OFFICER LUCCHESI: Commissioner Yee?

13 COMMISSIONER YEE: Aye.

14 EXECUTIVE OFFICER LUCCHESI: Commissioner  
15 Miller?

16 ACTING COMMISSIONER MILLER: Abstention, please.

17 EXECUTIVE OFFICER LUCCHESI: The motion passes  
18 two to zero with one abstention.

19 CHAIRPERSON KOUNALAKIS: Item 94 is to consider  
20 supporting state legislation relating to Hollister Ranch.  
21 May we have the presentation, please.

22 EXTERNAL AFFAIRS AND LEGISLATIVE LIAISON CHIEF  
23 PEMBERTON: Yes. AB 1680, by Assembly member Limón,  
24 relates to Hollister Ranch in Santa Barbara County. It  
25 would require the Coastal Commission in collaboration

1 with the State Coastal Conservancy, State Parks, and the  
2 State Lands Commission to develop a new coastal access  
3 program for Hollister Ranch.

4           Hollister Ranch is a 14,000 acre subdivision  
5 with about eight-and-a-half miles of coastline that is  
6 among the most beautiful in California but also  
7 unfortunately inaccessible to the public. About 40 years  
8 ago, the Coastal Commission created a coastal access  
9 program, but, for a number of reasons, it was never  
10 implemented and the area continues to be generally  
11 inaccessible to the public.

12           So this bill tries to create a new framework for  
13 state agencies to create a new meaningful coastal access  
14 program, and it includes a deadline of April 2020 for the  
15 agencies to come up with a new program. If that doesn't  
16 happen by that time, then the bill would require the  
17 agencies to implement the existing program. It's  
18 supported by the Coastal Commission and a variety of  
19 environmental groups, has no opposition, and is scheduled  
20 to be heard on July 9th in the Senate Natural Resources  
21 Committee.

22           CHAIRPERSON KOUNALAKIS: Okay. Thank you for  
23 the presentation. Do we have any comments from  
24 Commissioners? We do have some members of the audience  
25 who would like to speak on this issue. The first speaker



1 is Molly Bruce followed by David Grubb.

2 MS. BRUCE: Good afternoon, Commissioners. My  
3 name's Molly Bruce, and I'm speaking on behalf of the  
4 California Coastal Protection Network and Azul. CCPN and  
5 Azul are pleased to express support for AB 1680, which  
6 would ensure access to the coastline at Hollister Ranch  
7 in Santa Barbara County, and ask the Commission to ensure  
8 access equity along California's coastline in all areas  
9 of the state.

10 Polling data continually affirms that the coast  
11 is a key priority for Californians, but much remains to  
12 be done to make sure beach access is a reality for all  
13 residents and visitors to our state, particularly for  
14 groups that have historically lacked access to the coast.  
15 It's unfortunate some local communities and land owners  
16 put up barriers to prevent access by the general public.  
17 AB 1680 would dramatically improve the public's long  
18 overdue ability to access and enjoy the Hollister Ranch  
19 section of the California coast, access to which the  
20 public is entitled under law.

21 We, therefore, hope you will join us in  
22 supporting this important bill. Thank you.

23 CHAIRPERSON KOUNALAKIS: Next, we have David  
24 Bruce.

25 MR. GRUBB: Good afternoon, Commissioners.

1 David Grubb speaking for the Sierra Club. The Sierra  
2 Club strongly supports AB 1680, and we hope you will join  
3 us in doing the same. Thank you.

4 CHAIRPERSON KOUNALAKIS: Thank you very much.  
5 Do we have a motion?

6 COMMISSIONER YEE: Yes. Move that the  
7 Commission support AB 1680.

8 CHAIRPERSON KOUNALAKIS: Roll call vote, Ms.  
9 Lucchesi?

10 EXECUTIVE OFFICER LUCCHESI: Yes. We do need a  
11 second.

12 CHAIRPERSON KOUNALAKIS: I'll second it.

13 EXECUTIVE OFFICER LUCCHESI: Great. Chair  
14 Kounalakis?

15 CHAIRPERSON KOUNALAKIS: Yes.

16 EXECUTIVE OFFICER LUCCHESI: Commissioner Yee?

17 COMMISSIONER YEE: Aye.

18 EXECUTIVE OFFICER LUCCHESI: Commissioner  
19 Miller?

20 ACTING COMMISSIONER MILLER: Abstain, please.

21 EXECUTIVE OFFICER LUCCHESI: The motion passes  
22 two to zero with one abstention.

23 CHAIRPERSON KOUNALAKIS: Item 95 is to consider  
24 sponsoring state legislation that would grant, in trust,  
25 to the City of San Diego, title to three parcels of land

1 in the vicinity of Mission Bay, known as Famosa Slough.

2 We -- may we please have the presentation?

3 EXTERNAL AFFAIRS AND LEGISLATIVE LIAISON CHIEF

4 PEMBERTON: Yes. Thank you. This item recommends that  
5 the Commission sponsor legislation to grant these three  
6 parcels that the state obtained in a land exchange that  
7 was approved by the Commission in 2011, and this is a  
8 pretty routine type of transaction.

9 The legislation contemplated and, in fact,  
10 required that the State Lands Commission and the City of  
11 San Diego would pursue legislation to grant these three  
12 parcels to the city, and they would hold and manage it in  
13 trust, consistent with their existing grant. It's around  
14 30 acres of land that's used for tidal wetlands and open  
15 space, and we've identified a bill in the legislature, SB  
16 507, pertaining to the Port of San Diego, and the author  
17 is amenable to putting this language in to grant those  
18 three parcels back to the city.

19 We don't anticipate any opposition. If approved  
20 by the Commission, the language would be amended into the  
21 bill in the coming days, and it would be heard in the  
22 Assembly Natural Resources Committee on July 8th.

23 CHAIRPERSON KOUNALAKIS: Thank you very much.  
24 Comments from Commissioners? Do we have a motion?

25 COMMISSIONER YEE: Yes. Move that the

1 Commission sponsor this legislation to the -- relating to  
2 the land exchange.

3 CHAIRPERSON KOUNALAKIS: I'll second it. Ms.  
4 Lucchesi, roll call vote, please.

5 EXECUTIVE OFFICER LUCCHESI: Thank you. Chair  
6 Kounalakis?

7 CHAIRPERSON KOUNALAKIS: Yes.

8 EXECUTIVE OFFICER LUCCHESI: Commissioner Yee?

9 COMMISSIONER YEE: Aye.

10 EXECUTIVE OFFICER LUCCHESI: Commissioner  
11 Miller?

12 ACTING COMMISSIONER MILLER: Abstain.

13 CHAIRPERSON KOUNALAKIS: Item 96 is to consider  
14 supporting federal legislation regarding the Spent Fuel  
15 Prioritization Act of 2019 and the Nuclear Waste Policy  
16 Amendments Act of 2019. May we have the presentation,  
17 please?

18 EXTERNAL AFFAIRS AND LEGISLATIVE LIAISON CHIEF  
19 PEMBERTON: Yes. This item recommends that the  
20 Commission support two pieces of federal legislation that  
21 are intended to remove spent nuclear fuel from the San  
22 Onofre Nuclear Generating Station in southern California.  
23 When the Commission approved an EIR and issued a lease  
24 for Units 2 and 3 of the station earlier this year, it  
25 expressed concerns about the onsite storage of spent

1 nuclear fuel and authorized staff to advocate to  
2 accelerate the national efforts to identify a safe,  
3 secure long-term facility for spent nuclear fuel.

4 These two bills would prioritize removal of  
5 spent nuclear fuel at decommissioned sites based on a  
6 variety of factors that would most likely lead to the  
7 prioritization of the spent nuclear fuel at San Onofre  
8 being moved off site for storage. And because that is  
9 consistent with the direction to the Commission, we  
10 recommend that the Commission support these two bills.

11 CHAIRPERSON KOUNALAKIS: Okay. Thank you so  
12 much. Do we have any comments from Commissioners? Do we  
13 have a motion?

14 EXECUTIVE OFFICER LUCCHESI: We actually have  
15 one public comment slip.

16 CHAIRPERSON KOUNALAKIS: Oh. 96, there it is.  
17 This is 52. I don't know what that --

18 EXECUTIVE OFFICER LUCCHESI: 52 was part of the  
19 Consent Agenda, and they marked the box that they only  
20 wished to speak in the event the item came off of  
21 consent.

22 CHAIRPERSON KOUNALAKIS: Okay. Thank you for  
23 clarifying that. So we have one speaker from the public,  
24 Nolan Fargo.

25 MR. FARGO: Good afternoon. Thanks for having

1 us here today. My name's Nolan Fargo, and I'm here to  
2 speak on behalf of Surfrider Foundation. Surfrider is  
3 here to represent the beach-going public, coastal  
4 communities, and livelihoods that depend on a safe and  
5 healthy coastal environment. And I'm going to be  
6 commenting a little bit on HR 2995 and Federal Spent  
7 Nuclear Fuel Legislation in general.

8 So, due to the threats that spent nuclear fuel  
9 storage poses to our coastal environment, including at  
10 SONGS, Surfrider urges the Commission to support HR 2995,  
11 the Spent Fuel Prioritization Bill, because it  
12 prioritizes getting spent nuclear fuel off the California  
13 coast. Under current federal law, the oldest nuclear  
14 power plants are first in line to have their spent fuel  
15 collected and transported off site, but, under this bill,  
16 the removal of spent nuclear fuel from decommissioned  
17 sites is prioritized based on the operating status of the  
18 reactor, the population size of the area in which the  
19 reactor is located, and the earthquake hazard of the  
20 area.

21 And this bill is beneficial because, as was  
22 stated earlier, this would put the waste at SONGS first  
23 in line to be removed because SONGS is the only site in  
24 the nation that has the seismic risk, high population  
25 density, and is a decommissioning site. So we support

1 this legislation, but Surfrider's stance is that further  
2 federal legislation is needed because this bill only  
3 prioritizes the removal of the waste, but it does not  
4 mandate the removal.

5 So, specifically, we believe that effective new  
6 federal legislation would provide for permanent storage  
7 of nuclear waste at a site that is approved by the  
8 affected states and native nations. Furthermore, the  
9 legislation should address safety and environmental  
10 concerns by giving states and the EPA regulatory  
11 authority over the environmental review for the siting  
12 process, and the legislation should also address resource  
13 protection by, for example, disqualifying proposed sites  
14 that are close protected marine and ocean resources.

15 Lastly, the legislation should require strict  
16 timeline for permanent storage of the waste and should  
17 impose mitigation requirements, if there's a deviation  
18 from the timeline. The federal government up to this  
19 point has failed to provide a final resting place for  
20 nuclear fuel, as they're mandated to do in the Nuclear  
21 Waste Policy Act of 1982. So the 8 million people  
22 residing within 50 million -- excuse me -- 50 miles of  
23 SONGS should no longer have to bear the burden of hosting  
24 millions of pounds of spent nuclear fuel in the  
25 coastline. Because of this, Surfrider urges the

1 Commission to push for further federal legislation that  
2 would mandate the removal of the nuclear waste at SONGS.

3 Thank you very much.

4 CHAIRPERSON KOUNALAKIS: Thank you very much.

5 Do we have a motion?

6 COMMISSIONER YEE: Yes. Move to have the  
7 Commission support both federal bills.

8 CHAIRPERSON KOUNALAKIS: Second?

9 ACTING COMMISSIONER MILLER: I second it.

10 CHAIRPERSON KOUNALAKIS: All in favor, aye.

11 (Ayes.)

12 CHAIRPERSON KOUNALAKIS: Motion carries.

13 Item 97 is to consider sponsoring a legislative  
14 resolution to defend California's authority to protect  
15 state waters and prevent invasive species introductions.  
16 May we have the presentation, please?

17 EXTERNAL AFFAIRS AND LEGISLATIVE LIAISON CHIEF  
18 PEMBERTON: Yes, thank you. Preventing marine invasive  
19 species introductions in California from vessels calling  
20 at California ports is one of our Commission's main  
21 regulatory duties.

22 Earlier or late last year federal legislation  
23 was enacted that would preempt a key piece of our work,  
24 which is setting state-specific ballast water discharge  
25 standards. Under the federal law, which is known as



1 VIDA, the U.S. EPA would establish one uniform national  
2 standard for ballast water discharge by December 2020,  
3 and the U.S. Coast Guard would establish regulations for  
4 enforcement and inspection of that national standard.

5 The states that are affected by VIDA can  
6 participate and advocate for a stronger standard, and we,  
7 through our Marine Invasive Species Program, fully intend  
8 to do that. This item recommends that the Commission  
9 sponsor legislation to advocate -- or sponsor a  
10 resolution to advocate for the strongest possible  
11 standard at the federal level and really push back on  
12 preemption and push for the strongest possible  
13 enforcement and inspection provisions for our Marine  
14 Invasive Species Program.

15 CHAIRPERSON KOUNALAKIS: Okay. Thank you very  
16 much. Questions or comments from the Commissioners?

17 ACTING COMMISSIONER MILLER: Madam Chair, just a  
18 clarifying question. Is this a resolution that you'd be  
19 sponsoring or actual legislation?

20 EXTERNAL AFFAIRS AND LEGISLATIVE LIAISON CHIEF  
21 PEMBERTON: Yes. I'm sorry. It's a resolution, not  
22 legislation.

23 ACTING COMMISSIONER MILLER: Thank you.

24 COMMISSIONER YEE: I have a question, too. And  
25 this would be a California State Legislative Resolution

1     rather than a joint resolution? Do we communicate these  
2     resolutions to our Congress when we do something like  
3     this?

4             EXTERNAL AFFAIRS AND LEGISLATIVE LIAISON CHIEF  
5     PEMBERTON: Yes.

6             COMMISSIONER YEE: Okay.

7             EXTERNAL AFFAIRS AND LEGISLATIVE LIAISON CHIEF  
8     PEMBERTON: It would be a state resolution, but it would  
9     be transmitted to Congress.

10            COMMISSIONER YEE: Great. Great. Okay.  
11     Wonderful.

12            CHAIRPERSON KOUNALAKIS: Do we have a motion?

13            COMMISSIONER YEE: Yes. Move that the  
14     Commission sponsor the subject legislative resolution.

15            CHAIRPERSON KOUNALAKIS: Second?

16            ACTING COMMISSIONER MILLER: I second that.

17            CHAIRPERSON KOUNALAKIS: Any objection? Motion  
18     carries. Okay.

19            Item 98 is to consider termination of State Oil  
20     and Gas Lease, PRC 3133.1, PRC 4000.1, and PRC 7911.1,  
21     located in Santa Barbara channel. May we have the  
22     presentation?

23            EXECUTIVE OFFICER LUCCHESI: Before we get to  
24     the presentation, I do just want to note that we will be  
25     presenting both Items 98 and 99 in one presentation

1 together; those two items will be voted on separately,  
2 and I recommend that the Commission take public comment  
3 on both items, and I recommend the Commission consider a  
4 time limit of three minutes but provide flexibility to  
5 the speakers.

6 CHAIRPERSON KOUNALAKIS: Okay. We will take  
7 Item 98 and Item 99, which is to consider termination of  
8 a Right-of-Way Lease, PRC 3914.1, located in the Santa  
9 Barbara channel near Rincon point. As we will be taking  
10 these two items together as one presentation, we have  
11 quite a few speakers who are here to speak on this.  
12 Since we are taking them together, we ask the speakers to  
13 each speak within the three-minute limit. If anyone  
14 feels the need to speak longer, please just let us know  
15 and we will see what we can accommodate. But, again, we  
16 have many people here who want to speak on this issue.

17 (Thereupon an overhead presentation was  
18 presented as follows.)

19 SENIOR ATTORNEY BLACKMON: Good afternoon,  
20 Commissioners. My name is Seth Blackmon. I'm the senior  
21 attorney for the State Lands Commission presenting for  
22 you today. As we note from the topic here, we're looking  
23 at potential termination of a series of leases.

24 The first set, under Item 98, it consists of  
25 three State Oil and Gas Leases, PRC 3133, PRC 4000, and

1 PRC 7911. The second item, Item 99, deals with a  
2 Right-of-Way Lease for pipelines that connect to outer  
3 continental shelf federal platforms. That lease is PRC  
4 3914.

5 --o0o--

6 SENIOR ATTORNEY BLACKMON: The important part  
7 here and I think this is what we wanted to make a point  
8 of, in terms of collaborating the two presentations, is  
9 that, while Carone is the lessee for the State and Oil  
10 Gas Leases and Signal Hill is the lessee for the Pipeline  
11 Right-of-Way, they're operated by the same group out of  
12 the same address and they -- while the infrastructure do  
13 not overlap entirely, the purpose -- and I'll explain  
14 this in a moment -- the purpose for these being brought  
15 together will be made clear.

16 --o0o--

17 SENIOR ATTORNEY BLACKMON: The picture that I  
18 have up here and it may be difficult for everyone to see  
19 is a little bit of a breakdown of the existing  
20 infrastructure that's out and the leases.

21 In the sort of the pink portions, those are the  
22 old original leases. You'll see on the left-hand side  
23 there is a lease, 3150; that lease was actually at one  
24 time held by Chevron. That lease was partitioned, and  
25 part of it was assigned to Carone Petroleum, Inc., the

1 other part was assigned to Venoco Inc. The 3150 segment  
2 was actually quitclaimed as part of the bankruptcy from  
3 Venoco, Inc.

4 The sliver pieces, which are kind of hard to see  
5 here, again, but we can blow these up in other pictures,  
6 are PRC 4000 and PRC 7911. Those are the pieces that are  
7 closest to the three-mile limit. You'll notice the  
8 proximity on the picture to Platform Hogan, which is the  
9 platform closest to shore. The original plan when Carone  
10 took assignment on these leases from Chevron and from  
11 ExxonMobil was to try and develop a program where they  
12 were going to drill from the federal Platform Hogan into  
13 the state waters under PRC 7911, PRC 4000, and PRC 3133.

14 And so this was going to be an interstate  
15 development project. It started out as a combined  
16 EIR/EIS between the State Lands Commission and what was,  
17 Mineral Management Service now BSEE and BOEM, and that  
18 never actually was able to proceed. And we'll get into  
19 some more of that in a second.

20 The pipeline that you see runs from Platform  
21 Hogan all the way to shore to the La Conchita facility.  
22 That pipeline runs through two grants, Santa Barbara  
23 County and Carpinteria; and the ungranted section is the  
24 lighter section, and that's the section we're looking at  
25 potential termination for today.

1                               --o0o--

2               SENIOR ATTORNEY BLACKMON:  As I said, these  
3       leases were originally developed in state waters.  3150,  
4       PRC 4000, 7911, and 3133 were all part of leases that  
5       Chevron held.  There were four platforms at one time that  
6       Chevron operated from.  Those are called the 4H  
7       platforms; they're now called -- well, they're now gone.  
8       They were decommissioned and removed in 1996, and the  
9       assignment of the leases occurred a few years later in  
10      1999 when Carone took this on subject to a development  
11      plan that a prior Commission approved.

12              As we said before, Carone was planning on  
13      creating a development plan for 25 long-reach wells from  
14      Hogan into state waters.

15                               --o0o--

16              SENIOR ATTORNEY BLACKMON:  There is a lot to  
17      unpack on this, and the project was actually very  
18      difficult to come up with in the first place because  
19      there are certain types of regulations between the  
20      federal production and state production that are quite  
21      different, and there were numerous delays in the EIR/EIS  
22      process that were both technical, regulatory, and  
23      financial.

24              The financial we bring up because in 2009 the  
25      Commission actually heard a potential termination of the

1 project at one point in time because there were  
2 significant delays and financial liabilities associated  
3 with trying to finish the EIR at that point in time.  
4 Carone came in and worked with the Commission, and the  
5 Commission granted the fact that Carone met their  
6 requirements and the EIR continued to move on.

7 As you note on the list here, by 2013 the EIR  
8 had not continued forward; the EIS side of that hasn't  
9 continued forward either. We've talked with BSEE and  
10 BOEM on some of these things, and, in fact, they're  
11 wanting to close the book on the EIR/EIS process. It's  
12 been out for nearly 20 years. And, as we note here,  
13 Carone ceased funding the EIR/EIS prior to 2018, and,  
14 quite frankly, in one of our correspondences with Carone,  
15 has identified that really the development of the State  
16 Oil and Gas Leases is just not feasible; it's not going  
17 to happen.

18 More importantly, however, and this is really  
19 why we're here today is we've been working with Carone on  
20 and off over the last few years to try rectify and  
21 outstanding compliance issue for rent and for bonding,  
22 and that started back in 2015 and has persisted to today.

23 --o0o--

24 SENIOR ATTORNEY BLACKMON: For the Oil and Gas  
25 Leases, there are a couple of different bases for

1 termination. First and foremost among those, is the  
2 failure to produce oil or develop a development plan  
3 renders the savings clause of the lease language ended,  
4 meaning that these are effectively month-to-month leases  
5 that we don't have to maintain if we don't wish to, and  
6 that means that theses leases are in a position because  
7 they have failed to produce economically in more than 23  
8 years -- in 23 year in fact. The leases are expired in  
9 terms of our ability -- excuse me -- they're not expired  
10 in that sense. The right of the lessee to continue to  
11 hold these leases no longer exists. The savings is gone.

12 The secondary part of this is that during a  
13 period of time where there is no production or  
14 development, there are potential savings for payment of  
15 rent; however, as we've noted before, there hasn't been a  
16 rental payment on these leases since 2015, and, with  
17 that, we're in a position where these leases are just not  
18 viable; we're not going to produce them. And I think  
19 that, again, the basis for this is pretty easy.

20 The kind of final statement I will put on this  
21 is that there are no improvements on these leases.  
22 There's been no drilling since 1996. The original  
23 abandonment work was done. So there's no new  
24 infrastructure nor any new liability that either Carone  
25 or the State Lands Commission would be responsible for.



SENIOR ATTORNEY BLACKMON: The Pipeline

Our current lease expires in 2023. Because

— o o —

SENIOR ATTORNEY BLACKMON: The second part of this is that -- and, again, this was based on ongoing negotiations with Carone and Signal Hill -- that the bond associated with the Right-of-Way Lease was only \$50,000, which was set years and years ago, and it was actually allowed to lapse. So the minimum bonding was nominal to begin with, but it was also allowed to lapse, and that

1 was a problem because that hasn't been rectified.

2 Secondary to that was that over the past four  
3 years the rent on the pipeline has not been paid. We've  
4 worked with Carone on a number of different timeframes  
5 and proposals, and I'll get more into that a little bit  
6 later, but, at the end of the day, the final resolution  
7 of the rental payments hasn't been -- well, it hasn't  
8 been resolved.

9 We'll talk a little bit more about the offer  
10 that was rejected by the Commission. Until just recently  
11 -- and, again, I'll come back to this. We had on here  
12 there was no interceding attempts at payments by Signal  
13 Hill. That changed earlier this week, and I'll come to  
14 that kind of in a chronology that I think is a little  
15 more explanatory.

16 --o0o--

17 SENIOR ATTORNEY BLACKMON: So critical issues.  
18 This kind of breaks this down a little bit more for us on  
19 both 98 and 99. From September 2017 to January 2018,  
20 staff was working with Signal Hill and Carone to bring  
21 them into compliance to address all these issues.

22 In February of 2018, Signal Hill and Carone  
23 proposed a settlement to basically do monthly payments  
24 and arrears and to try to bring themselves back into  
25 compliance, based on the price of oil because -- and I

1 think this is an important point, too -- Carone and  
2 Signal Hill were impacted heavily by the fires in  
3 Carpinteria and Santa Barbara area and the mud slides,  
4 and this impacted their ability to maintain their  
5 efficacy of the business. And so we were sort of looking  
6 at these different items and seeing what was feasible.

7 In January 2019, you know, nearly a year has  
8 passed. Staff sent a letter on January 30th to Carone  
9 saying, hey, you know, we're still looking at this  
10 proposal to see whether or not this is viable, but you  
11 still have outstanding rent; you still have obligations  
12 to pay your rent -- your annual rent, which is coming up  
13 in March, and, you know, you're not off the hook. You  
14 can't just sit out there without paying rent, and that  
15 was January of 2019.

16 --o0o--

17 SENIOR ATTORNEY BLACKMON: March 1st, 2019 I put  
18 up because this marks the most recent annual rent that  
19 was due from Carone for the pipeline -- or sorry -- from  
20 Signal Hill.

21 April 2019 the Commission actually evaluated the  
22 proposal that Carone had previously put together. We  
23 brought it to the Commission; the Commission rejected  
24 that proposal.

25 As of June 17, staff had been putting together

1 the termination and default letters for Carone and Signal  
2 Hill. Those letters were sent giving notice.

3 June 21st, Chief Counsel Mark Meier and staff  
4 talked with Carone, and Carone -- and Signal Hill, who  
5 offered a proposed settlement stopgap as of June 21st to  
6 put a down payment of 10 to 15 percent on the total value  
7 owed against the rent outstanding, which is in excess of  
8 \$300,000 plus a \$50,000 bond.

9 Staff was not authorized to agree to that at any  
10 point because we haven't brought this back to the  
11 Commission, and so we simply said, we can't agree to that  
12 at this point in time, and we have to go through the  
13 process of the presentation today and giving the  
14 Commission a chance to weigh in on this.

15 --o0o--

16 SENIOR ATTORNEY BLACKMON: June 24th we received  
17 a FedEx package from Signal Hill/Carone with checks for  
18 \$150,000 -- sorry. That was June 26th -- with checks  
19 for \$150,000 and \$22,000 respectively. The 150,000 was  
20 for the Right-of-Way Lease; the 22,000 was for the  
21 aggregate of the State Oil and Gas Leases. This was  
22 subject to a proposal that Carone and Signal Hill made on  
23 June 24th by email suggesting that they make this net  
24 payment of \$172,000; that they then make a payment  
25 schedule of \$15,000 a month until they are brought into

1 compliance, and they will also work to provide the  
2 \$50,000 bonding within 90 days.

3 That proposal is in front of this Commission  
4 today for you to weigh on. As I said, we haven't done  
5 anything with the checks; the checks have been held  
6 because we're not authorized to deposit them or otherwise  
7 agree, and we are currently at this point. I will say  
8 that ongoing negotiations with Carone and Signal Hill  
9 over the years have not been particularly productive. As  
10 you can tell from some of the prior issues with the 2009  
11 year termination and other issues, there are significant  
12 financial realties that we think Carone is suffering from  
13 that may not make sense for this Commission to continue a  
14 relationship.

15 You know, this is one of these very difficult  
16 items where when we're not certain that the lessee has  
17 the capability to fully financially operate safely all of  
18 the infrastructure. It puts everybody at risk. So this  
19 is one of these big questions. And, again, as recently  
20 as last week -- the end of last week, the maximum that  
21 Carone was able to offer was 10 percent down -- 10 to  
22 15 percent down, somewhere around \$40,000. They were  
23 able to find some other funding and come to us with this  
24 last proposal, but we definitely still have some  
25 significant concerns. This is, like I said, a very long

1 gap in terms of rent.

2 --o0o--

3 SENIOR ATTORNEY BLACKMON: So just summing up  
4 the Pipeline Right-of-Way bases for termination. Again,  
5 failure to pay annual rent since 2015. The total on the  
6 Pipeline Right-of-Way actually ends up being about  
7 \$282,000 outstanding in rent.

8 The failure to maintain an adequate bond, which,  
9 at this point, the lease requires \$50,000. We don't  
10 actually believe that that's truly adequate. The bonding  
11 for a comparable pipeline by other operators would be far  
12 higher.

13 Additional compliance concerns. One of these  
14 things these are not uniquely a reason for default or  
15 termination, but they definitely influence our judgment,  
16 is that there are procedures and requirements that Carone  
17 has and Signal Hill have to test their lines. There's,  
18 in particular, a thing that's called a hydro test. This  
19 is to test to make sure the line doesn't have holes or is  
20 not porous.

21 It goes in addition to other things that we do,  
22 like smart pigging. These inspection reports are  
23 overdue. In fact, since 2013 we haven't received the  
24 hydro test according to our engineering department. BSEE  
25 and USDOT issued a final order in May 2019 for inspection

1 and recordkeeping violations. Even more recently than  
2 that, on June 12th, 2019, BSEE issued a notice of  
3 noncompliance for failure to properly clean the marine  
4 jacket and that's continuing on now.

5 The most recent news on that -- I think our  
6 Executive Officer can expand on this a little bit because  
7 she was the person talking to them -- was that BSEE  
8 issued a shut-in order until the compliance with the  
9 marine jacket cleaning and everything else is done, and  
10 that is not yet resolved, so this is where we set.

11 --o0o--

12 SENIOR ATTORNEY BLACKMON: In the event that the  
13 Commission chooses to terminate these leases, there are  
14 post-termination issues and work that we would need to  
15 engage in with federal, state and local actors. First  
16 and foremost, would be the requirement that the existing  
17 operator pig, flush, and inert the oil and gas pipelines.  
18 That's to get out as much of the residual oil as we can  
19 that's in there immediately.

20 We would be working with BSEE and local Ventura  
21 representatives for closing and lockout the valves for  
22 the -- from shore to Hogan pipeline, to make sure that  
23 there's no use of that line, and then also work with  
24 Signal Hill for commencing abandonment.

25 --o0o--

1           SENIOR ATTORNEY BLACKMON: So the two separate  
2 authorizations -- and these are directly from the staff  
3 report -- are going to be up on here. I'm not going to  
4 read them word for word because they're in the staff  
5 report, and they're here. But the broad spectrum on this  
6 is that the Commission is in a position to find that it's  
7 time to terminate the leases and that we direct Signal  
8 Hill and Carone to take certain steps. As I said,  
9 Carone, as it relates to the Oil and Gas Leases, doesn't  
10 have anything to remove or to ultimately address as far  
11 as the decommissioning goes; however, Signal Hill, as it  
12 relates to the Oil and Gas Pipeline, would have to  
13 address those termination issues.

14                               --o0o--

15           SENIOR ATTORNEY BLACKMON: I think the most  
16 important part of the authorizations that we would make a  
17 point of here are in authorization 5 and 6 for Item 98.  
18 And that's to authorize the Executive Officer or her  
19 designee to recover any outstanding rental amounts owed  
20 by Carone, either by Carone directly or through  
21 performance bonds held to ensure rental payment  
22 obligations, to do what we can to offset costs to the  
23 general fund that are outstanding.

24           And, 6, to authorize the Executive Officer or  
25 her designee in cooperation with the office of the



1 Attorney General, and, if reasonably necessary, retaining  
2 outside counsel to take all steps reasonably necessary  
3 including litigation to enforce the termination of State  
4 Oil and Gas Lease Nos. PRC 3133, PRC 4000, PRC 7911  
5 against Carone, and any agent, successors, or assigns; to  
6 access the leases to ensure the health and safety of the  
7 people of California in the surrounding environment; to  
8 eject trespassers that occupy the leases; to remove  
9 improvements, if any, from state sovereign land overlying  
10 the leases; to restore the sovereign land at this  
11 location to the satisfaction of this Commission; and to  
12 recover the Commission's damages and costs. That's for  
13 the Oil and Gas Leases and Item 98.

14 --o0o--

15 SENIOR ATTORNEY BLACKMON: Item 99, again, this  
16 is important because there are the same types of  
17 obligations outstanding. You have obligations even  
18 post-termination to clean up the infrastructure that you  
19 placed on state sovereign lands.

20 So we would seek to access, in any way we could,  
21 some sort of funding to offset costs that are due the  
22 State of California for the use and occupation for state  
23 sovereign lands over the last four years that have  
24 remained unpaid.

25 --o0o--

1           SENIOR ATTORNEY BLACKMON: Again, as we have  
2 here, direct staff to cooperate, as needed, with federal,  
3 state, and local agencies in any activity necessary to  
4 enforce the termination of the lease.

5           Authorize the Executive Officer or her designee,  
6 much as we had said before, to follow through on any  
7 actions that need to be taken to ensure the health and  
8 safety of the line and the termination -- or the  
9 decommissioning process and to take any steps necessary  
10 to restore the property to the state the Commission  
11 directs.

12                               --o0o--

13           SENIOR ATTORNEY BLACKMON: That's my  
14 presentation for this Item. I'm here available for  
15 questions or for other speakers.

16           CHAIRPERSON KOUNALAKIS: Okay. As I mentioned,  
17 we have a lot of people here who want to speak on this  
18 issue, but, first, do we have any comments or questions  
19 from Commissioners?

20           ACTING COMMISSIONER MILLER: I just wanted to  
21 ask one question in general, in terms of the financial  
22 liability of the state. So we know that often times what  
23 the bond requires is that these companies foot the bill  
24 of cleaning it up and decommissioning it, but, as we know  
25 from past experience, that's not always the case. The

1 Department of Finances is concerned about a \$50,000 bond  
2 because, while that may cover the least, everything else  
3 that goes into it.

4 So can we just talk a little bit about how the  
5 original bond values were set and what they include and  
6 what they don't, please.

7 SENIOR ATTORNEY BLACKMON: So, yeah. The  
8 original bond was a performance bond for the actual  
9 rental value at one point in time. It was never  
10 modified. This predates my time with the Commission,  
11 but, as I've said before, by today's standards, this is,  
12 you know, radically underfunded. A comparable sized line  
13 would be somewhere in the realm of between \$3 and \$6  
14 million in bonding, because the bonding would take into  
15 account not just the expanded rental costs.

16 So you have your performance obligations, but  
17 you also have your removal costs and decommissioning,  
18 which, you know, can be quite expensive, and depending on  
19 the length of the line it can be anywhere between \$150  
20 and \$250 per linear foot. Again, it just depends a  
21 little bit on what you're dealing with. That requires a  
22 little more information that I have at hand, but that  
23 would be sort of the range we would be looking at. So  
24 this bond was set by an earlier lease and was never -- we  
25 were never in a position to amend or force an amendment;

1 it's not unilateral, so it would require a cooperative  
2 effort between us and the lessee.

3 EXECUTIVE OFFICER LUCCHESI: And I would just  
4 add a couple of additional elements to that. The  
5 pipeline, if the Commission ends up voting to terminate  
6 the Right-of-Way Lease, the pipeline will not be ready to  
7 be abandoned right away. It will need to be placed  
8 safely in an inactive status until a determination is  
9 made on the ultimate disposition of the federal  
10 platforms, be it Platform Hogan and Platform Houchin,  
11 because that pipeline is critically necessary for any  
12 decommissioning of those platforms or any future use of  
13 those platforms. So that is something that we can plan  
14 for moving forward because we will have to place that  
15 pipeline in an inactive status.

16 Further, as part of the staff recommendation  
17 authorizing us to work with the Attorney General's Office  
18 to recover all costs, that would also include the costs  
19 associated with the responsibility of Signal Hill to  
20 abandon that pipeline ultimately. So we would pursue all  
21 litigation to recover those potential costs.

22 SENIOR ATTORNEY BLACKMON: All right. Thank  
23 you.

24 CHAIRPERSON KOUNALAKIS: I have a question for  
25 you, Ms. Lucchesi. If you could just clarify one issue

1 on the timeline. The difference between when the lessee  
2 stopped making lease payments on the lease related to  
3 Item 98 versus Item 99.

4 EXECUTIVE OFFICER LUCCHESI: Excuse me. Do you  
5 want clarification on when they stopped making payments  
6 on the Offshore Production State Leases versus when they  
7 stopped making payments on the Right-of-Way Pipeline  
8 Leases?

9 CHAIRPERSON KOUNALAKIS: Correct.

10 EXECUTIVE OFFICER LUCCHESI: Can you help me?

11 SENIOR ATTORNEY BLACKMON: Absolutely. So the  
12 last payment that was received on the State Oil and Gas  
13 Leases was a partial payment in 2015. It was incomplete;  
14 it didn't include all of the penalty and interest that  
15 was owed, and the last payment on the Right-of-Way  
16 Pipeline or Pipeline Right-of-Way was 2015. That was the  
17 last official payment.

18 CHAIRPERSON KOUNALAKIS: Okay. Thank you for  
19 that clarification. All right. We have, as I mentioned,  
20 many people who would like to speak. I'm going to call  
21 two or three at the same time, and, if you could come and  
22 maybe wait, so that you're ready to follow one after the  
23 other, and, as I mentioned, we're going to limit public  
24 comment to three minutes, unless you feel that you need  
25 to speak separately on the two issues, in which case

1 please let me know at the beginning. Our first speaker  
2 is Bruce Cowen, followed by Miguel Prado, followed by  
3 Matt Kenney.

4 MR. COWEN: Good afternoon. I'm Bruce Cowen. I  
5 represent both Carone Energy, Carone Petroleum, and  
6 Signal Hill. I would ask for indulgence since I need to  
7 give you background and information. Employees will take  
8 much shorter time, might only be a minute or less.

9 CHAIRPERSON KOUNALAKIS: Okay. Six minutes all  
10 right?

11 MR. COWEN: Six minutes is fine. But you can  
12 stop me --

13 CHAIRPERSON KOUNALAKIS: Go ahead and put six  
14 minutes on.

15 MR. COWEN: -- because, you know, the staff are  
16 good people but not everything. There's always two sides  
17 to a coin, and some of that presentation is incorrect.  
18 Where Seth said that we're shut down, we're not shut  
19 down. That is inaccurate. We are up and operating as we  
20 speak right now. That's a big difference.

21 I want to first apologize that we haven't paid.  
22 We acknowledge we haven't paid. We want to make it  
23 right. We want to make it right to the state, we want to  
24 make it right to our employees. But we've gone through a  
25 very difficult period the last five years. We've been in

1 an extended oil collapse, the Thomas Fire hit. We have  
2 pictures that I sent around, and we have a few pictures  
3 here today if you could just hold them up.

4 Our plant almost burned down. These employees  
5 that you're going to hear from shortly manned fire hoses  
6 to save the company, and the damage that resulted from  
7 the Thomas Fire caused six month interruption. The  
8 Thomas Fire was in December of '17; we made a proposal in  
9 February of '18. If we knew the impact of the Thomas  
10 Fire, you know, there would have been difficulty meeting  
11 that proposal.

12 Then we had the floods, the landslides. Our  
13 employees couldn't get to work. The 101 was closed.  
14 That's a little bit of history of why we don't -- why we  
15 have delinquency. We want to make it right to the state.  
16 We sent the state, as Seth said, \$172,000, which is a  
17 substantial payment toward that outstanding balance.  
18 100 percent of the payment for the Oil Leases; \$150,000  
19 against the Right-of-Way, with \$15,000 a month payment to  
20 make it current. This -- the money came from  
21 contribution of employees, management.

22 We don't want the state to be hurt; we don't  
23 want our employees to be hurt. I can only apologize that  
24 we're in the situation we're in, but the conditions have  
25 improved; oil prices have increased. We're doing much

1 better, so our financial condition is better. But let me  
2 give you a little background.

3 We're a 45-year-old company. We're minority  
4 majority owned. We have 51 employees, most of which are  
5 Latino. We have people that you might hear from that  
6 have worked for us for 30 years. That's how loyal our  
7 employees are. Most of the people you're going to hear  
8 from they have high-paying jobs. If they lose their  
9 jobs, there are no comparable jobs in the area with  
10 Venoco shutting down and Rincon shutting down.

11 The fire impacted us. We had \$3 million of  
12 uninsured losses. The flood, you know, as I said, there  
13 were people that couldn't even get out of their houses to  
14 come to work. So how did we survive? And I think that's  
15 an important thing. Our trade worked with us; they  
16 extended payments. This is not the first downturn we've  
17 been in; we've been in six, and we've always paid  
18 afterwards, and we intend to do the same, if you allow us  
19 to continue operating.

20 Our employees. Every employee in the company  
21 took significant pay cuts. We received forbearance  
22 agreements from our banks, which we're in compliance  
23 with. The Office of Natural Resource Revenue, Federal  
24 Government, extended us five-year payment plans for  
25 deferring payments on royalty. So we had the help of our



1 trade, our banks, the federal government, and our  
2 employees.

3 Now, you know, we've worked with the State  
4 during this difficult period, maybe our communication  
5 could have been better. I take responsibility for that,  
6 and I apologize also for that. But we had a meeting  
7 with, you know, the State approached us, they informed  
8 us, as Seth said, that we're delinquent and we need to  
9 make payment and we met with the staff in, I believe, it  
10 was September of '17, was followed up by a proposal in  
11 '18.

12 In 15 months since we submitted the proposal, no  
13 response. It's a proposal. Could have sent a counter  
14 proposal; it could have been rejected; no response at  
15 all. Then, in January, and Seth -- I have to share this  
16 with you because it's important you have to have the  
17 entire flavor. The January 31st letter of this year that  
18 we received from the staff, which Seth put, you know,  
19 comments on, didn't give you the tenor of the letter, and  
20 I have the letter, which I would be -- I have three  
21 copies. I could give you a copy if you ask.

22 But let me just share what the letter said. It  
23 says, number one, I agree. They have not received the  
24 good-faith payment discussed. Number two, the staff  
25 apologizes for delaying responding to our February 18,

1 2018 proposal. It also says, "Staff considering the  
2 proposal and hopes to respond shortly." And also, "If  
3 good-faith payment not received by March 1st, you know, a  
4 penalty and interest will be assessed." They had waived  
5 penalty and interest.

6 But then it ended. This is how it ended, "We  
7 look forward to working with you to resolve this matter."  
8 It was understanding. It was not a threatening letter.  
9 It was a letter that, you know, you know, they're telling  
10 us what we need to do, but no threats in that letter.  
11 Next thing we get, is the notice of termination -- what  
12 was it -- eight or nine days ago to be here. I know the  
13 Commission voted on this to bring it forward in April.  
14 From April, May, and June, no word at all from the staff.  
15 It would have been nice to have been informed on that  
16 instead of having to scramble in less than ten days to be  
17 able to respond to you.

18 The lease has default remedies. The first  
19 default, there are two actions you can take. Yes, you  
20 can terminate us. But, in the lease, it says that you  
21 have the option to maintain the lease in full force and  
22 effect and recover any rent without terminating lessees  
23 right of possession. That's what we recommend. And the  
24 State will get paid.

25 Just briefly a little bit of history because --

1 and I'm not doing this other than historical so you have  
2 to have understand this. In March of '14, we were paying  
3 \$12,895 a year for the Right-of-Way Lease. March 1, '15,  
4 346 percent increase. It went to \$57,575. We have a  
5 comparable -- we have a lease with the County, which is  
6 the grant portion. The current lease by the State is  
7 400 percent higher per foot. We signed the lease, we  
8 don't have legal staff on board; we're a small company.  
9 May be shame on us, and I know other companies are  
10 disputing those increases and, your know, other -- so,  
11 you know, others are fighting it where we didn't. But I  
12 think you needed to understand that.

13 As to what is the effect of the termination of  
14 the Right-of-Way, production shut down, company collapse,  
15 51 employees lose their job, the economies of Santa  
16 Barbara and Ventura \$12 million taken out of the economy  
17 because that's what we contribute to their economy. We  
18 also, besides the leases, we contribute \$400 -- I don't  
19 want to use the word "contribute" because that is wrong,  
20 but we pay \$408,000 annually -- this doesn't include  
21 State Lands -- to the State of California for  
22 unemployment compensation withholding, county taxes,  
23 agency fees. So the State will be hurt from us not being  
24 in business.

25 As to the risk on the Right-of-Way, this is a

1 pipeline. We have a California Certificate of Financial  
2 Responsibility, a COFR. It is issued by the Office of  
3 Spill Prevention and Response, and I have the current  
4 one. We have three of them from offshore, to onshore,  
5 and onshore pipelines. We have not ever had a problem in  
6 obtaining those. We have pollution insurance coverage in  
7 case there's a spill or there's an issue. We have  
8 pipeline insurance. We are a fully covered company.  
9 This is not a situation like Venoco or Rincon. You don't  
10 have exposure to wells. This is a pipeline.

11 I'm going to just -- I'm going to wrap it up.  
12 I'll cut it short because, you know, I guess I could talk  
13 on. We want to make this right to the State. We want to  
14 make this right to our employees. I think everybody is a  
15 loser, including the State, if these leases are  
16 terminated, and I thank you.

17 CHAIRPERSON KOUNALAKIS: Okay. Can you -- I  
18 have one question for you, but just for everyone here, we  
19 definitely have two sides of a story here, but, the fact  
20 is, that the lessee has not made a payment since 2015.  
21 And when you're talking about something as sensitive as  
22 offshore drilling performance on obligations is something  
23 that is held as very critical and very important for the  
24 development of trust, let alone the fact that these are  
25 contractual obligations. But I wanted to ask two things.

1 One of staff and one of you. First, for you, can you  
2 address the B-C-E-E [sic] violations, the BSEE,  
3 violations and give us a status update on those?

4 MR. COWEN: Well, the marine growth, the report  
5 has been submitted and accepted by BSEE. It was put in  
6 the mail. They did receive -- we hand delivered it to  
7 them today. So that has already been resolved. So, you  
8 know, whenever you have a platform, from time to time  
9 they may see a violation, but we have always taken  
10 corrective action. None of those have resulted in  
11 environmental harm, and, you know, I have my  
12 superintendent here; he could explain that further, but  
13 they are all resolved.

14 CHAIRPERSON KOUNALAKIS: Okay. Commissioners,  
15 do you have any other questions?

16 COMMISSIONER YEE: Thank you, Madam Chair.  
17 Mr. Cowen, you made reference about the recent payment  
18 that you were attempting to make as having been cobbled  
19 together from different sources. I don't have any  
20 confidence about the sustainability of the company  
21 meeting its obligation going forward, if that's the  
22 nature of how these payments are being put together. Can  
23 you comment on that?

24 MR. COWEN: Well, my comment on that is we had  
25 eight days' notice. So we needed to have some immediate

1 money --

2 COMMISSIONER YEE: But you knew you had the  
3 obligation all these years.

4 MR. COWEN: We were awaiting response from the  
5 staff to our proposal. We have come off of a difficult  
6 time. The company is doing much better now, and, you  
7 know, it's unfortunate that we didn't make a good-faith  
8 payment prior to this, and all I can do is apologize for  
9 that. But one of the things that, you know, I have  
10 talked to certain staff members that if there was -- if  
11 our proposal or some proposal was accepted, to defer any  
12 action and, if we become out of compliance and  
13 nonpayment, it doesn't have to come back to the  
14 Commission. I would agree to that. We will be in  
15 compliance going forward.

16 CHAIRPERSON KOUNALAKIS: Okay. So I would like,  
17 actually, if staff could respond to some of the  
18 differences between what we're hearing and the  
19 presentation. In particular, address the claim that they  
20 sent a letter that wasn't responded to for 15 months.

21 SENIOR ATTORNEY BLACKMON: So what Mr. Cowen is  
22 speaking to is the proposal that this Commission actually  
23 finally took up and heard in April of 2019. So this was  
24 something that had been kind of floating around with the  
25 previous Commission and hadn't been fully considered at

1     their regular meeting. And so that was the final  
2     proposal.

3             The January 30th letter that was sent by staff  
4     from our Land Management Division was to remind Carone --  
5     Signal Hill, in this case, that you do have outstanding  
6     payment obligations and that you do have these things.  
7     As staff, we can't say one way or the other what's  
8     happening with the proposal because it's not up to us to  
9     make the decision, which is what we said. We were still  
10    looking at the proposal, which we were bringing to this  
11    Commission.

12            Following the resolution from this Commission,  
13    we were looking at what the next steps were, and really,  
14    when we looked at the details associated with where we  
15    were and the fact yet another month -- another month --  
16    another yearly rental had come and passed, that was the  
17    basis for the termination, and that was sent out on June  
18    17th. So that was when that email was sent out, and the  
19    receipt was -- so we sent courtesy copy digitally, and  
20    then receipt of that final letter would have been later.

21            EXECUTIVE OFFICER LUCCHESI: And I would just  
22    add that the responsibility to comply with lease  
23    obligations rests solely with the lessee. And we  
24    understand that there might be some differences in how we  
25    interpret the communication that has occurred over a

1 number of years, but the fundamental issue is that they  
2 had an obligation to comply with the lease terms, and  
3 they failed to do so year, after year, after year.

4 ACTING COMMISSIONER MILLER: Madam Chair, if I  
5 may?

6 CHAIRPERSON KOUNALAKIS: Yes.

7 ACTING COMMISSIONER MILLER: Mr. Cowen, thank  
8 you for being here. I was interested to hear the way you  
9 had described the communication from State Lands  
10 Commission, and obviously the State is very concerned  
11 with anyone who doesn't pay the bills, and we do expect  
12 people to do so even if the communication isn't perfect.  
13 So I'm just interested to know how you interpreted the  
14 letter that you received since 2015 as not being the  
15 obligation to actually pay at that time because it was  
16 cordial. I just here a little bit of disconnect in the  
17 way it was communicated.

18 MR. COWEN: I think if you read the letter --  
19 can I give you copies of the letter? Would you like to  
20 see the letter? I'd be happy -- I have copies of it if  
21 you'd like, but the letter -- the way I interpreted the  
22 letter was, if we don't make the payment, interest and  
23 penalties, we'll be assessed. That's the way --

24 CHAIRPERSON KOUNALAKIS: So you thought you  
25 didn't have to pay?



1           MR. COWEN: No. It's not that I didn't think I  
2     had to pay, but, if we didn't make a payment, interest  
3     and penalties. We always were going to pay. We have  
4     been in situations like this six different times, with  
5     six oil collapses, we've always paid -- fully paid our  
6     bills.

7           CHAIRPERSON KOUNALAKIS: Okay. I think that's  
8     probably not a reasonable assumption on your part that  
9     instead of paying you can just allow penalties to accrue,  
10    but, I don't know if, Ms. Lucchesi, you can speak to  
11    that?

12          EXECUTIVE OFFICER LUCCHESI: During the  
13    communication between our legal staff and Carone  
14    representatives, there was conversations about tolling  
15    penalties and interest, but there was never any waiver of  
16    penalty and interest, and there was never any waiver of  
17    the rent to be paid. That was always an obligation from  
18    the moment that they missed.

19          And so I understand what Mr. Cowen is saying in  
20    terms of we always -- what I heard him say was, "We  
21    always planned on paying." But, again, the fundamental  
22    issue, the fundamental concern was that they had  
23    obligations to pay on an annual basis, by a certain date,  
24    and they failed to do so time and time again. Regardless  
25    of the rental payment, we also have the issue of the

1 bond, and that was maintaining a sufficient bond of  
2 \$50,000, and that has not been maintained in compliance  
3 with the lease as well.

4 So I think from staff's perspective, the pattern  
5 of behavior over the, you know, the past years leads us  
6 to the judgment that we can't trust that they will pay in  
7 the future, and so the promises that are made today  
8 should be taken at face value, with a grain of salt, and  
9 we've been in this kind of situation, most recently  
10 publicly in 2009, and things have not gotten better over  
11 that period of time.

12 So I think we have a history and a pattern of  
13 behavior, and, again, what we're currently dealing with  
14 now is specific defaults that are ripe for consideration  
15 of termination of the leases.

16 MR. COWEN: Can I just -- can I just make one  
17 last comment? You know, the issues in 2009 relate to the  
18 Oil and Gas Lease development, and we've paid the staff  
19 and their consultants a million-and-a-half dollars. A  
20 million-and-a-half dollars. This became a very extended  
21 process, so there were some issues. The second thing is  
22 that, you know, I'm not here to address other issues, but  
23 the current Lease that we have on the Right-of-Way, if  
24 you look at the plotting on it, it looks like it goes to  
25 Sutherland. It's much north. It's incorrect, but that's

1 a separate issue.

2 I'm just trying to resolve this to the  
3 betterment of the State. I can understand their  
4 position. You know, if you give us a chance, we will be  
5 good citizens, and all I can do is ask.

6 CHAIRPERSON KOUNALAKIS: Okay. We have, again,  
7 many people who wish to speak. So what I would like to  
8 do is ask you to come up and form a line where the chairs  
9 start, so that one after another we can move the comments  
10 along. We'll start with Miguel Prado, then Matt Kenney,  
11 and then Tom Le. Thank you. And say your name and  
12 introduce yourself.

13 MR. PRADO: Good afternoon, Commissioners. I am  
14 Miguel Prado, and I'm the newest employee at the company.  
15 I just wanted to add some, you know, perspective on the  
16 company. For me, I see it as an opportunity that was  
17 provided to me. The way I came about, I started off as a  
18 summer intern. Last year I did an internship, you know,  
19 and then from there an opportunity opened up to where it  
20 became a full on job. So, to me, the company just  
21 represents the opportunity to work, you know, to provide  
22 for my bills and in living, and that's just the only  
23 thing I wanted to add. Thank you.

24 CHAIRPERSON KOUNALAKIS: Okay. Thank you.

25 MR. KENNEY: Good afternoon. My name is Matt

1 Kenney, and I'd like to point out that the -- I've worked  
2 for the Carone's, the company, for a year-and-a-half, and  
3 I have previous careers in Biomedicals, and I'd like to  
4 say that this company is kind of unique in that it's a  
5 collection of families.

6 We have as many as six people from the same  
7 family working for the company. And there's other sets  
8 of four, and we have cousins, and we also have a unique  
9 situation in that we have -- our master mechanic is  
10 training his son in his trade. The welder is training  
11 his son in his trade, and now we have one of the owner's  
12 sons is a new engineer who has brought Miguel and a  
13 couple other of his fellow students who are now  
14 professional engineers, and these fellows are coming  
15 online and we'd like an opportunity for them to help us  
16 boost our production.

17 So even though oil is low, we can boost our  
18 production up, working better, meet our obligations, and  
19 restore the company to profitability despite, you know,  
20 the fire and the mud slides and those extenuating  
21 circumstances. So we've been working very hard to  
22 upgrade the platform. The Carone's have invested a lot  
23 of money in upgrades, and we would like -- and this is  
24 anticipation of our new talent coming on board that could  
25 help us, you know.

1           So I'd like to also point out that it's a small  
2   company, but a number of people would be here other than  
3   that they have to maintain the platform. So I know we  
4   all feel the same that we'd rather be working in  
5   contributing to the people of the State of California, as  
6   opposed to being on unemployment and being joined in the  
7   ranks of the unfortunate that we see so many of.

8           Finally, I mentioned that my previous career was  
9   in Biomedicals. For ten years, I worked with a company  
10   supplying research chemicals across America for all your  
11   famous medical schools, hospitals, research institutes,  
12   and another twenty years working in manufacturing  
13   producing medical devices and consumables that are used  
14   in hospitals and medical schools, and I happen to know  
15   that many of these items we often take for granted and  
16   even things in the home are all products of raw materials  
17   our oil that we produce. So we just ask for an  
18   opportunity to continue to serve you and the people of  
19   California. Thank you.

20           CHAIRPERSON KOUNALAKIS: Thank you.

21           MR. LE: Good afternoon, Commissioner. My name  
22   is Tom Le. I've been with the company for four years  
23   now. I'm pretty much on the same boat as my colleague  
24   here; I can't afford to lose my job. This job is the  
25   only source of income I have to support my family. I

1 have a wife who doesn't work and a one-year-old child.  
2 It's pretty tough. If I lose this job, I don't know what  
3 to do financially wise. Yeah. That's pretty much what I  
4 have to say.

5 CHAIRPERSON KOUNALAKIS: Thank you very much for  
6 coming.

7 All right. The next three speakers are Carlos  
8 -- I think -- Galarza, and Christopher Goodall, and  
9 Miguel Sosa.

10 MR. GALARZA: Good afternoon, my name is Carlos  
11 Galarza. I'm 58-year old. I work for this company for  
12 two years. It's a good job, you know. I got a family.  
13 I got to pay house. I need this job. Thank you much.

14 CHAIRPERSON KOUNALAKIS: Thank you for coming.

15 MR. GOODALL: Good afternoon, Commissioner. My  
16 name is Christopher Goodall. I've been working with the  
17 company for about ten years this month. I work as a  
18 plant operator at the La Conchita facility. Actually,  
19 these photos don't bring a very good -- they don't bring  
20 up good memories for me because I was actually at the  
21 facility when it was burning, and we didn't have a whole  
22 lot of support from the local fire department because  
23 they were actually focused on -- rightfully -- protecting  
24 the houses at the local town at La Conchita right next to  
25 us.

1           During that time, I remember I was able to  
2 provide water for the local and out-of-state fire  
3 department so that they could protect them and keep those  
4 people from losing their homes. But I'll try to keep it  
5 real short and sweet. How this impacts me, is I bring  
6 70 percent of the income in my home, that provides my  
7 girlfriend the ability to go to school full time. She's  
8 looking to transfer to California State University  
9 Channel Islands with 3.7 GPA. I'm very proud of her for  
10 that because she really does work really hard, and a lot  
11 of what I do I do that for her.

12           If I were to lose my job, I can't do that.  
13 She's going to have to look at the harsh reality of  
14 putting her future on hold, and I would have to figure  
15 out how to make up that gap of, you know, the 70 percent  
16 of the income that we bring in. So I hope you guys take  
17 all that into consideration. Thank you very much.

18           (Applause.)

19           MR. SOSA: Good afternoon. My name Miguel Sosa,  
20 and I'm a rig supervisor, and I've been working for this  
21 company for twenty-nine years. This company I could say  
22 has been very supportive to us, my family. Thank God I  
23 haven't missed a paycheck in twenty-nine years. I know  
24 this company has had very difficult times, but here and  
25 there they so far they've been able to survive.

1 Hopefully, this time you guys fix that up too a little  
2 bit. If this thing continue going, we're going to have  
3 to job; otherwise, what's going to happen, we all go to  
4 unemployment. Thank you.

5 CHAIRPERSON KOUNALAKIS: Thank you. Next three  
6 speakers are Marcia Yoshida, Raznik Rocher. Sorry. It's  
7 a -- handwriting is a little hard to read -- and Joaquin  
8 Torres, Junior.

9 MS. YOSHIDA: Good afternoon. My name is Marcia  
10 Yoshida. I'm the office manager for Signal Hill Service.  
11 I've been with them for thirteen years. They've provided  
12 me to own a home in California, and I've been born and  
13 raised here for three generations. I've been to Cal  
14 State Northridge, and my family is still in the area so I  
15 would love to stay very close to them. And I love my  
16 job. So thank you.

17 CHAIRPERSON KOUNALAKIS: Thank you very much for  
18 coming.

19 (Applause.)

20 MR. ROCHER: Good afternoon, Commissioners,  
21 Madam Chair. My name is Raznik Rocher. I'm 23 years  
22 old. I've been employed by the company for less than two  
23 months; I'm a fairly new employee. I would like to point  
24 out a couple things. I am first generation American, the  
25 son of two immigrants. My mother fled her home country



1 from persecution to build a better life for herself. My  
2 father fled his country to be able to support his loved  
3 ones.

4 I currently survive and honor them by attempting  
5 to accomplish both of their goals. I would love to be  
6 able to build a better life for myself, which this  
7 company has enabled me to do currently and also support  
8 my loved ones. If I lose this position, I am currently  
9 in a place where because I am procuring an apartment I  
10 would no longer be able to afford that. I would also be  
11 unable to support myself by putting myself through  
12 college where I seek to have a doctorate in psychology.

13 These things are factors that severely affect my  
14 standing as a citizen. I do appreciate your time and  
15 consideration with listening to us today, and I do hope  
16 that you reach a -- if not understanding -- fair  
17 judgment. Thank you.

18 CHAIRPERSON KOUNALAKIS: Thank you very much.

19 (Applause.)

20 MR. TORRES, JR.: Hello my name is Joaquin  
21 Torres, Junior. I would just like to say this company  
22 provides for us; they're good people. My father, I'm  
23 speaking on behalf of him; he's not here; he's working.  
24 But this company it's really good for us. They provide  
25 for my family. I have two older sisters who are in

1 college. We're middle class so we don't get FAFSA or  
2 anything, government help. So my father has to pay for  
3 their tuition, their rent, and our rent that we live in.  
4 It's a lot of bills, and we like this job. That would be  
5 all. Thank you.

6 CHAIRPERSON KOUNALAKIS: Thank you for coming.

7 (Applause.)

8 CHAIRPERSON KOUNALAKIS: All right. Next three  
9 speakers are Tyler Little, Luis Luna, and Mark Gilbert,  
10 Junior.

11 MR. LITTLE: Hi. My name is Tyler Little. I  
12 started working for the company in January, and it's been  
13 a big change for me. My previous job was making nowhere  
14 near as much as I am now, and it's granting me a lot of  
15 opportunities, you know, to be able to save up and go to  
16 college and be able to pay my bills and help out my  
17 family.

18 I go down to the Valley often, travel back and  
19 forth from Santa Barbara to there, go and visit my  
20 family, and this job provides me with that money to be  
21 able to do that and see them all the time. And just, you  
22 know, be able to take care of stuff that I like to. I  
23 can -- basically I'm at a point where I can pay my bills  
24 and have money left over. I can actually, you know, live  
25 a life, versus working day-to-day slaving away, and I

1 just want you to understand that and thank you for the  
2 opportunity to speak.

3 CHAIRPERSON KOUNALAKIS: Thank you.

4 (Applause.)

5 MR. LUNA: Good afternoon my name Luis Luna. I  
6 am the tool pusher or rig supervisor. I have 30-years  
7 old. I started working with this company 14 years ago.  
8 I have three kids, and my older kid that's only 13-years  
9 old. So this company give me the opportunity to give a  
10 better life to my family, you know. And it's real --  
11 it's real family company because I saw my father-in-law  
12 is working next to his son. You know, my brother-in-law,  
13 they kind of just showing to his son the next step. We  
14 are a new generation and hopefully you guys will give the  
15 opportunity to keep working like that, you know. I'm  
16 really happy with my company. I'm really happy with my  
17 job, and I worry about my family too. You know, my car,  
18 my bills, my kids, and everything. Thanks for the time.

19 CHAIRPERSON KOUNALAKIS: Thank you.

20 (Applause.)

21 MR. GILBERT: Hello, there. My name is Mark  
22 Gilbert, and it's so much more than what they have been  
23 speaking about. They're such great men. But what I  
24 don't understand is -- and I'm not supposed to talk about  
25 this. I'm the head mechanic offshore for two platforms.

1 I'm responsible for any equipment hurting anybody,  
2 hurting the ocean, anything wrong; it's a big deal to me,  
3 and I'm training my son.

4 When we were on the bus coming down here, one of  
5 the operators called Chris Magill and said that BSEE just  
6 shut us down. Low and behold we got told that here too  
7 also, which I thought was very strange. But it was  
8 totally incorrect. What had happened was the job was  
9 done, they didn't get the paperwork in time. But, when  
10 Chris spoke to the supervisor of the area, everything was  
11 all right. It was the people in the office doing things  
12 that -- I'll let Chris explain it. But, to me, the boss  
13 didn't understand why they were down. The boss didn't  
14 understand why they shut us down, and that to me is a  
15 problem.

16 We cleaned those legs; we worked on it. These  
17 boys scraped with 30-foot scrapers, and we had the divers  
18 out there. It was a big deal. I was the one that  
19 complained the most at the start because there's a  
20 specification of growth on the legs, six inches at the  
21 top growth and an inch at the bottom. And I started to  
22 do some research in Santa Barbara why we don't have much  
23 this year. We haven't had for the past few years because  
24 before we had feet. There's no doubt about it. But the  
25 past few years we haven't had any. There's been like

1 just a few inches of growth that's it.

2 And what I found out was that Santa Barbara  
3 fisherman had gotten like a \$500,000 grant to grow a  
4 muscle farm closer to shore because there's a bacteria or  
5 something destroying the muscles offshore. So I always  
6 said we don't even need to clean it. So I just want you  
7 to understand that my job those legs were cleaned  
8 perfectly and inspected good. If they were a day late  
9 because of paperwork, I'm sorry about that. But work  
10 wise these guys spent overtime in the cold. It's been  
11 stormy, miserable. I understand that's not anybody's job  
12 but ours that's why we're out there.

13 The other part is the pipeline. My  
14 understanding, and I can't quote this, but, when those  
15 two platforms were built, that pipeline handled  
16 34,000 barrels a day, back in the day. Okay? It's doing  
17 500 barrels a day. That's why we don't get wear on it.  
18 There's just -- we need to go in and ask for an extension  
19 on inspections because the inspections were always the  
20 same; there's no wear. So why spend this enormous fee  
21 when we know we've proven that it's not going to be worn  
22 that much.

23 So there's really not as much default on  
24 operations out there as I hear. Everybody is on it.  
25 Everybody comes to me. Everyone goes to their boss.

1 They make sure it's done. This is not a 7/11 job. We're  
2 in the ocean. We understand what that means. They've  
3 all been told that they can go to jail for things they do  
4 wrong. They all know it, and I know it. So I just want  
5 you people to understand no matter what happens today.  
6 I'm not a legal-minded guy. I'm just a mechanic. I'm  
7 proud of it, but that's what I am. But I just wanted you  
8 to know that all these men are on it. Every day and  
9 every night, twenty-four hours a day and at the plant  
10 also. And that fire that they fought was unbelievable.  
11 Because the firemen, it was like a riot they can't be  
12 there. They were off helping others and they did supply  
13 them with water which they didn't have to do that but  
14 they know they should.

15 I'm not going to deal with -- I'm not going to  
16 say that they've supplied me with money my whole life and  
17 put my kids through school and gave me three children and  
18 homes that I didn't think I would ever own or speedboats.  
19 I'm not going to explain that. But I will say that they  
20 gave me a good, proud life, and, if they made a mistake  
21 in the office, I'm sorry. That happens.

22 But the important part to us is offshore and in  
23 that pipeline and we are taking care of that, not to the  
24 best of our ability, but we are taking care of that.  
25 There is no excuses. And I just wanted you to maybe take

1     that in mind because it is very important to these guys  
2     about their income and their families. They're very  
3     proud. And I've been with them since 1982. Long time.  
4     So thank you for your time.

5             CHAIRPERSON KOUNALAKIS: Thank you.

6             MR. GILBERT: And I just hope everything is  
7     fair. That's all I want, all anyone can expect. Thank  
8     you very much.

9             CHAIRPERSON KOUNALAKIS: Thank you very much.

10            (Applause.)

11            CHAIRPERSON KOUNALAKIS: We have Mark W.  
12     Gilbert. That was you? So Mark Gilbert, Junior?

13            MR. GILBERT: No. He's done. He's okay.

14            CHAIRPERSON KOUNALAKIS: All right. Thank you.  
15     Amalia Medina and Nolan Fargo and Erik Knudsen --  
16     Knudsen.

17            MR. MEDINA: I speak Spanish.

18            CHAIRPERSON KOUNALAKIS: Oh we're going to have  
19     a translator. Oh, great. Thank you. For the record, we  
20     want to go ahead and let him translate back and forth so  
21     we have it in both languages. Thank you.

22            MR. MEDINA: Good afternoon, Commissioner. This  
23     is Amalia Medina. He's 57-year-old. He's been with the  
24     company for thirty-one years. He pays his children  
25     college tuition. He pays his mortgage payment. He loves

1 our company. He sees the company as family. He has  
2 many -- he has many problems here. He has many problems  
3 in Mexico, but the company is always willing to give him  
4 time to help out -- to help him out, and he just wants,  
5 you know, to consider that.

6 CHAIRPERSON KOUNALAKIS: Thank you very much.  
7 Thank you.

8 (Applause.)

9 MR. FARGO: Were all the comments in support  
10 again supposed to be together?

11 CHAIRPERSON KOUNALAKIS: I don't know. Would you  
12 like to wait?

13 EXECUTIVE OFFICER LUCCHESI: They're organized  
14 in the order they were submitted. If you would like to  
15 organize them between support and opposition of staff's  
16 recommendation, we can certainly do that. I can help you  
17 do that.

18 CHAIRPERSON KOUNALAKIS: I think that probably  
19 would be useful. So can we go ahead and skip you until  
20 the end?

21 MR. FARGO: Absolutely.

22 CHAIRPERSON KOUNALAKIS: All right. So we will  
23 come back to you. So I'm going to continue reading  
24 names, but, if you are here to support staff action, so  
25 far we have speakers against the staff recommendation.



1 So we're going to keep going, but, if you hear your name  
2 and you support staff recommendation, I'll ask you to  
3 just let us know and we'll have those comments taken  
4 together. So Erik Knudsen, Edgar Peña, and Chris Magill.

5 MR. KNUDSEN: Good afternoon, Commissioners. My  
6 name is Eric Knudsen. I've been very fortunate to work  
7 for this company for almost 15 years now. It's pretty  
8 hard watching my guys, my family here come up here and  
9 speak in front of you guys. We work so hard. We work  
10 12, 13-hour days. You know, this company's been so  
11 reliable, well-paying, you know, it's giving myself, my  
12 family the stability to have a couple kids. Try to  
13 continue on the best we can.

14 But, you know, besides our personal family and  
15 bills and all that, we are family offshore and we work  
16 really hard. Really enjoy working for these guys day in  
17 and day out, and they do sacrifice to keep us going with  
18 the job, and I think I'm just going to stop right there,  
19 but we all love this job. We work really hard, and I  
20 really hope you guys can come to resolve this situation  
21 in a fair manner and thank you.

22 CHAIRPERSON KOUNALAKIS: Thank you.

23 (Applause.)

24 CHAIRPERSON KOUNALAKIS: Edgar Peña?

25 MR. PEÑA: Good afternoon. My name is Edgar

1 Peña, and I've been working for this company for about  
2 four-and-a-half years maybe, and it's everything to me.  
3 Like, they provide for me everything. I have a wife that  
4 doesn't work because she takes care of our 2-year-old and  
5 8-month-old daughters, and I really just need to stay in  
6 this job because I would have nowhere else to go to. So  
7 it would be considerate if you guys would be fair with  
8 everything. Thank you.

9 CHAIRPERSON KOUNALAKIS: Thank you.

10 (Applause.)

11 MR. MAGILL: Good afternoon, Commissioner. My  
12 name is Chris Magill. I've been with the company for  
13 twenty-seven years. Like Erik and all of our men and  
14 women, we need these jobs, and they're specialized enough  
15 to where if that pipeline easement is taken away and we  
16 lose our jobs, we're going to have to move out of state  
17 to find equivalent jobs, you know. And we've all  
18 sacrificed an awful lot to keep this thing going and  
19 going in the right direction.

20 And so we all would appreciate giving us that  
21 opportunity to at least keep the easement for the  
22 pipelines so we can continue to operate. And, you know,  
23 I'm very proud of the way everybody has come up here and  
24 spoke. It's very challenging. None of us are public  
25 speakers, including myself. And like the incident, you

1 know, Mark brought up, our mechanic, the incident this  
2 morning. Basically a little lack of communication there.

3 BSEE's regional supervisor was a little animated  
4 and got off to a start four days before it was actually  
5 all due, and the green copies of the INCs were already  
6 done and the work was done and the report was FedExed to  
7 them and it was actually in their office when they sent  
8 the guys out to shut the platforms down. And, when you  
9 do that, all we had to have was a phone call. One phone  
10 call would have resolved the whole thing.

11 When we shut those wells down, we lost two wells  
12 coming back on because the rods part and the oil well  
13 doesn't produce and you have to skid the rig, and, of  
14 course, the majority of our rig crew is here today to  
15 stand up for the company. So that could have been  
16 resolved in a much better fashion but it doesn't matter.  
17 It is resolved. They immediately called their inspectors  
18 and allowed us to come back on this morning.

19 The pipeline internal surveys, all those surveys  
20 have been done and are current, and we're currently  
21 meeting -- I'm meeting with Rose and the company who  
22 supplies the smart pigs and the equipment, and I'm  
23 meeting with those guys in about three weeks. So we're  
24 making preparations to do that work this year again on  
25 schedule. You know, there's a lot of different things to

1 talk about, but we'll just keep it that simple.

2 We really appreciate whatever latitude you can  
3 give us so that we can continue to keep our jobs because,  
4 you know, my daughter and grand kids moved back in with  
5 me two years ago, so my wife and I have another support  
6 issue to take care of, and I would have to leave the  
7 state to get another job like I have, and these guys have  
8 been very good to all of us.

9 CHAIRPERSON KOUNALAKIS: Thank you.

10 MR. MAGILL: Thank you very much.

11 CHAIRPERSON KOUNALAKIS: Thank you very much.

12 Okay. Next, we have Gabriel Mendoza, Michael Schield,  
13 and Bishoy Matta.

14 MR. MENDOZA: Good afternoon, everybody. My  
15 name is Gabriel Mendoza. I've been working for this  
16 company for 19 years, and I'm so happy working with these  
17 guys. It's fun over there, and, like, the problem we  
18 have right now with oil line and everything, I hope this  
19 thing fixes soon. Because nobody wants to lose their job  
20 over there because everybody has a lot of bills to pay.  
21 Thank you.

22 CHAIRPERSON KOUNALAKIS: Thank you very much.

23 (Applause.)

24 MR. SCHIELD: Hi. My name is Michael Schield,  
25 and I've been with this company now for seven years. And

1 just like everyone else I have a new daughter that just  
2 came into my life and a fiancée, and I just -- I hope to  
3 continue my life with them and continue paying my  
4 mortgage and bills. Thank you.

5 CHAIRPERSON KOUNALAKIS: Thank you.

6 (Applause.)

7 CHAIRPERSON KOUNALAKIS: Bishoy Matta and then  
8 Kevin Carone.

9 MR. MATTA: Good afternoon, Commissioners. My  
10 name is Bishoy Matta, and I'm 23-years old, and I really  
11 appreciate this job, and it means a lot to me because I  
12 really worked hard to get it. I was born and raised and  
13 Abu Dhabi UAE. I moved here by myself when I was 17 to  
14 pursue a career in the oil industry, and I started, like,  
15 my journey in San Francisco, East Bay, Cal State East  
16 Bay, and then had to relocate again to go to Cal State  
17 Bakersfield and had to relocate again to Santa Barbara to  
18 get a job, and I just started, like, in April and finally  
19 all of the years have paid off.

20 And, if I lose my job, I guess, it's going to be  
21 really hard to find another job and I'll have to relocate  
22 again, and I was hoping that all these years were, like,  
23 finally paying off, and it would, like, give me some time  
24 to, like, at least take a break and gain the fruits of  
25 all of these years. And I would really appreciate it if

1 you considered this in your -- in making your decision,  
2 and I thank you.

3 CHAIRPERSON KOUNALAKIS: Thank you.

4 (Applause.)

5 MR. CARONE: Hi. I'm Kevin Carone. I'm an  
6 assistant to Bruce, but I would like to say two or three  
7 things. A lot of these guys got their green card because  
8 of the company. They have six -- a lot of them have  
9 six-figure jobs.

10 I think there's some miscommunication about the  
11 intent to pay. There was an intent to pay. I don't know  
12 if, you know, maybe there's a miscommunication in our own  
13 office or something like that, but the more you make --  
14 more investigation should be done. We have a future.  
15 There's a big future for the company, if we continue to  
16 operate. You see we've been hiring people, a lot of  
17 people got raises recently, and we're going to be  
18 continuing to get more raises. There is a something  
19 about the abandonment.

20 We do have a separate abandonment that's in  
21 addition to the \$50,000 that you guys are asking for that  
22 is, I believe, \$900,000. But so there's money to  
23 abandon. And I'll leave the rest to Bruce.

24 (Applause.)

25 MR. COWEN: I just want to wrap it up for a

1 minute. You know, I know the responsibility of being on  
2 the Commission. I was Chairman of Connecticut's Gaming  
3 Special Revenue that generated \$2 billion to the State,  
4 and I've been in meetings like you have and overseen  
5 them.

6 And the thing I just ask is you have some  
7 compassion for the employees. I am not a shareholder of  
8 the company. I'm a lender to the company. And to make  
9 this issue go away with the payment of \$172,000 there's  
10 approximately \$130,000 outstanding; I will write a check  
11 for that, in lieu of termination. It will bring the  
12 payments current, and I've asked for 90 days to get the  
13 bond put in place, but then leases would be in  
14 compliance. So I'm offering that personally.

15 CHAIRPERSON KOUNALAKIS: I have some comments,  
16 but I want to ask my fellow Commissioners if they have  
17 any questions.

18 (Applause.)

19 CHAIRPERSON KOUNALAKIS: Actually, we have some  
20 more. Let's finish. We'll go ahead and get through now.  
21 Everyone so far has spoken in opposition to the staff  
22 recommendation. I believe the rest are speakers are in  
23 support of staff recommendation.

24 So the first three speakers I have coming up are  
25 Nolan Fargo, Gabriela Torres, and David Grubb.

1           MR. FARGO: Nolan Fargo with Surfrider  
2 Foundation. So, first of all, Surfrider would like to  
3 express our deep sympathy for the position that these  
4 workers have been put in by the leadership of the  
5 company. You know, sounds like they really do work  
6 really hard, and the company has up to this point has  
7 provided them with livelihood. So we express our  
8 sympathy to the workers for, you know, the position  
9 they've been put in.

10           Surfrider would also like to express that we  
11 strongly support the staff's recommendation to terminate  
12 the leases. And, as Ms. Lucchesi noted before, it's  
13 really quite simple. The conditions placed on Carone  
14 when the company became the lessee in 1996 have never  
15 been fulfilled. Carone is in clear violation of the  
16 conditions of the leases and, therefore, is not entitled  
17 to the leases. So we ask you to uphold the terms of the  
18 leases and vote to terminate them, as the staff suggests.  
19 Thank you.

20           CHAIRPERSON KOUNALAKIS: Thank you.

21           MS. TORRES: Good afternoon. Thank you for the  
22 opportunity to speak. My name is Gabriela Torres. I'm  
23 the policy coordinator at Surfrider Foundation. I'll be  
24 speaking later today on the Clean Border Water Now  
25 Campaign. In my previous background, I was an attorney



1 working in the litigation in complex environmental  
2 matters.

3 I am here to voice my support for the staff  
4 recommendation to terminate the lease because Carone has  
5 not met its obligation, nor has it maintained its bond.  
6 The only good-faith attempt to pay was made years after  
7 it was already in arrears. Given the sensitive nature of  
8 offshore drilling, I think we must expect more if we're  
9 going to truly protect our environment. Terminating the  
10 leases consistent with the Commission's commitment to  
11 protect the California coast from new offshore oil and  
12 gas development.

13 I do have to make it known that I did find the  
14 testimony of the employees to be moving and compelling.  
15 I do not agree with Carone putting its employees in this  
16 position and having to plead for their jobs, and I would  
17 like just to end my comment by saying shame on Carone.  
18 Thank you.

19 CHAIRPERSON KOUNALAKIS: Okay. Next, we have  
20 David Grubb, Molly Bruce and Pam Heatherington.

21 MR. GRUBB: Good afternoon, Commissioners.  
22 David Grubb speaking for the Sierra Club. The Sierra  
23 Club strongly supports the staff recommendation to  
24 terminate the leases. Having said that, we are getting a  
25 preview today of a very painful period in California's

1 history that is in front of us. We all understand that  
2 we must stop burning fossil fuels; that means the oil  
3 industry is going to die, and that means many thousands  
4 of people are going to be without jobs. We all have a  
5 responsibility to do something about that. So I support  
6 the staff recommendation, but I support anything that the  
7 State can do to make this less painful for the people  
8 that are involved. Thank you.

9 MS. BRUCE: Good afternoon, and thank you again.  
10 My name is Molly Bruce with Surfrider. First, I'd like  
11 to say that, likewise, I am empathize with these  
12 employees. I think you'd have to have a heart of stone  
13 not to be affected by their testimonies. However, it  
14 also seems obvious to me that, if Carone Petroleum's  
15 management valued these employees, they wouldn't have put  
16 their employees in the position the first place.

17 The States Lands Commission is charged with  
18 managing and protecting public lands for all  
19 Californians, and that charge leaves no room for  
20 indulging bad actors, as Carone Petroleum has clearly  
21 proven to be. From failing to pay rent, to not even  
22 attempting to seek project approval, the company has  
23 scoffed at the conditions the Commission set forth back  
24 in 1996. Carone's failure to pay rent on the leases  
25 enumerated, as well as the company's failure to maintain

1 the \$50,000 surety bond, requires that the lease -- that  
2 the State Lands Commission staff recommendation be  
3 upheld. Thank you.

4 MS. HEATHERINGTON: Good afternoon, Lieutenant  
5 Governor Kounalakis and Commissioners. I am Pam  
6 Heatherington from the Environmental Center of San Diego.  
7 We are here today in support of staff's recommendations  
8 and to also point out that we're really looking at a  
9 trickle down impact from a corporation not playing by the  
10 rules and it impacting everybody under their purview.

11 As stated in the staff report, these leases have  
12 been unproductive for over twenty-five years. The  
13 infrastructure necessary for production was  
14 decommissioned many years ago and rents have not been  
15 paid. If anyone of us failed to paid rent over this  
16 amount of times, we would have been evicted years ago.  
17 The central coast of California has had its share of oil  
18 disasters. A vote in support of staff's recommendations  
19 syncs with the Commission's strong commitment to protect  
20 our State's coast from new offshore oil and gas  
21 development.

22 In addition, termination of the leases furthers  
23 the goals of the California Coastal Sanctuary Act by  
24 permanently protecting this area. Please adopt the staff  
25 recommendations and terminate the leases and the

1 pipelines associated with them. Thank you.

2 CHAIRPERSON KOUNALAKIS: Okay. I have three  
3 more speakers, John Heatherington and Anastacia Pirello  
4 and Kaily Wakefield. And, if anyone else here would like  
5 to speak either in support or in opposition to staff  
6 recommendation, please submit a notice right away;  
7 otherwise, that is the last of the speakers. Thank you.

8 MR. HEATHERINGTON: Good afternoon, Madam Chair  
9 and honorable members of the Commission. I'm John  
10 Heatherington, and I'm speaking in support of staff's  
11 recommendation to terminate these leases. It is obvious  
12 that the lessee has not complied with the terms of the  
13 agreements, and, therefore, you have full discretion to  
14 terminate the leases.

15 California once led the world in oil production,  
16 but now we must lead the fight to end it because we will  
17 not survive the future by clinging desperately to the  
18 past. So, on behalf of all future generations of man  
19 kind, I am asking you to end these leases and keep the  
20 carbon in the ground. Thank you.

21 MS. PIRELLO: Good afternoon, Commissioners. My  
22 name is Anastacia Pirello, and I represent the Surfrider  
23 Foundation, and we strongly support the staff's  
24 recommendation to terminate these leases. Based on the  
25 staff report, the Commission must terminate these leases.

1 The absence of any production for more than twenty-five  
2 years, failure to undertake significant work toward  
3 production, and the refusal to pay rent for these leases  
4 allows the Commission to end these entitlements.

5 It's noted such action is not only required by  
6 the facts of the case, but is consistent with  
7 Commission's strong commitment to protect our State's  
8 coast from new offshore oil and gas development. Please  
9 support your staff and the people of California in  
10 terminating these leases. Thank you.

11 MS. WAKEFIELD: Good afternoon, Commissioners my  
12 name is Kaily Wakefield. I am with the San Diego Chapter  
13 of the Surfrider Foundation. I would like to echo  
14 everything that was said by my colleagues and some of the  
15 other environmentalists who stood up here today. Again,  
16 we express our sympathy for the employees, and we do feel  
17 that this is not a fair situation that they were put in.

18 The Surfrider Foundation is a grassroots  
19 nonprofit environmental organization, dedicated to the  
20 protection of the world's ocean waves and beaches. We've  
21 been actively campaigning against offshore drilling for  
22 quite some time now. I'm here today to support the staff  
23 recommendation as well. I don't have anything further to  
24 add for the other comments. I'll stand on that, but  
25 thank you for your consideration and your time today.

1 Thank you.

2 CHAIRPERSON KOUNALAKIS: Thank you. One more  
3 speaker, Clement Alberts.

4 MR. ALBERTS: Good afternoon, Commissioners.  
5 Clement Alberts, and I'm pushing -- am I supposed to give  
6 my age? I'll give my age. I'm pushing -- I'll be  
7 69 years old this year. I have worked for the company  
8 for 30 years. I have known the Carone's since I was a  
9 boy. I lived here, somebody else lived here, and the  
10 Carone's lived here (indicating.) Good people. Dear  
11 friends. Okay. Grew up together. And they hired me,  
12 and they said, "If you can't do it, we're going to fire  
13 you." Okay. Here I am 30 years later. Okay.

14 That said, it's my responsibility to keep them  
15 out of trouble environmentally. I have to see to it that  
16 things are done according to Hoyle. This goes to the  
17 EPA, to the air pollution control districts, to OSPR, the  
18 spill drills, and very briefly, they comply. They do  
19 what they're supposed to do. I see to that. And, if  
20 they don't, there's hell to pay.

21 I think your concern is well based; it's well  
22 founded that, you know, your charge is to see to it that  
23 nothing adverse happens to the coastline. I don't want  
24 to see that either, and that's my job and I take it  
25 seriously. Background in engineering, background in law

1 enforcement. I was a police officer. I teach concealed  
2 weapon trainings. I hold a general license. I take my  
3 job seriously. I have for 30 years, and I will continue  
4 to do so, if you allow me to do so. Thank you.

5 (Applause.)

6 CHAIRPERSON KOUNALAKIS: Okay. Do we have any  
7 questions or comments from Commissioners? Commissioner  
8 Yee?

9 COMMISSIONER YEE: Thank you, Madam Chair.  
10 First of all, I want to thank all of the workers for  
11 taking the time to come before the Commission. This is a  
12 difficult issue and just to say thank you for the  
13 diligence of the work that you have performed at the  
14 locations and certainly the emphasis placed on safety.  
15 We very much appreciate that.

16 As much as I'd like to think about the offer  
17 that Mr. Cowen had put forth before the Commission, we  
18 have some fundamental legal issues that are before us,  
19 with respect to the obligation of Carone, that have not  
20 been fulfilled. It's really -- comes down to a very  
21 simple arrangement of where the payment of rent is really  
22 the requirement of the State authorizing Carone to  
23 utilize our sovereign lands, and, you know, that payment  
24 is the obligation.

25 And the question I posed earlier, with respect

1 to the sustainability of the company to make this  
2 obligation going forward, is still a question in my mind.  
3 There has not been production that's been maintained. We  
4 are entering an era in California where we are moving to  
5 a more renewable energy environment. But even without  
6 regard to that larger vision, the commitment that is  
7 really embodied in these leases have not been fulfilled  
8 by the company.

9 And I'm really sorry that all the workers who  
10 are here today are kind of being placed in a position at  
11 the 11th hour of making a plea before this Commission.  
12 The company, essentially, failed on its obligation. And  
13 it's a legal obligation, and the question, I think, is  
14 very clear before this Commission about what needs to be  
15 decided.

16 What I want to say to Mr. Cowen, with respect to  
17 the \$130,000 that you put forth before the Commission, is  
18 while there's still an ability to hopefully have  
19 resources available, to help think about the future of  
20 these workers. I would hope that there would be some  
21 consideration made of that by the company. That this is  
22 a tough time for many workers in this industry, as we  
23 look at the energy transition, and I would hope that the  
24 company would honor any opportunity to fulfill -- I hope  
25 -- a responsibility that it feels to its workers for the



1 dedication that they've shown to their work, to look for  
2 how they will transition professionally, with respect to  
3 the opportunities beyond working for Carone.

4           So, Madam Chair, I do think the question before  
5 us is fairly clear. It is unfortunate that we are going  
6 to see some impacts on the workers, but I also would like  
7 to implore Carone to begin to pay some attention to the  
8 transition of the workforce as well while there's still  
9 an opportunity to do that. And I also would say that  
10 there's been a lot of concern for many years now. It's  
11 not just the financial obligation but certainly the  
12 underproduction, and there's been concerns all the way  
13 around at the State level and Federal level.

14           Again, I appreciate the workers being here, but  
15 I do believe that the question before us is quite clear.

16           CHAIRPERSON KOUNALAKIS: Commissioner Miller?

17           ACTING COMMISSIONER MILLER: Thank you, Madam  
18 Chair. I just wanted to briefly echo the Controller's  
19 comments and thank all of you for being here, and please  
20 note that the decision before us today isn't about the  
21 quality of your work or the integrity that you bring  
22 every day. I think the State is incredibly grateful for  
23 that.

24           Today is about a contractual obligation that the  
25 company has with the State of California, not only this

1 company, but all companies. In order to maintain not  
2 only the health and safety, but the ability of the State  
3 to ensure that all laws are followed. So normally I  
4 wouldn't speak on this, but I did want to make clear that  
5 the decision today is about the actions of the company in  
6 regards to its obligations and not about how much we  
7 value what you bring to work every day.

8 So I deeply appreciate you being here. Thank  
9 you very much. And when you're ready --

10 CHAIRPERSON KOUNALAKIS: Do we have a motion?

11 EXECUTIVE OFFICER LUCCHESI: Before a motion is  
12 taken, I would like just to remind the Commission that we  
13 will want to take each item up separately.

14 CHAIRPERSON KOUNALAKIS: Separately. Okay. Why  
15 don't -- I'll make some comments, and then we can call  
16 for a motion.

17 Just to echo what you've heard from my fellow  
18 Commissioners, this has been a four-year long process  
19 that has brought us to this point, and no one in  
20 government, whether elected to government or working in  
21 government, should ever be, ever be cavalier about  
22 actions that will result in the loss of jobs for  
23 hard-working Californians, and I don't think anyone up on  
24 this dais or anyone at the State Lands Commission who has  
25 worked on this for one minute has taken for granted the

1 hard work of the people at this company every day. And  
2 hearing from you directly has obviously been, you know,  
3 moving to all of us.

4 But the fact of the matter is that the State  
5 Lands Commission is very straightforward about the  
6 contractual obligations of the lessees. They deal with  
7 thousands of lessees at any given time, and I still can't  
8 quite understand how a company with 50 employees isn't  
9 meeting -- paying the rent on the fundamental -- the  
10 fundamental basis of the operation of the company. It  
11 really does not add up to me. And so I will say I intend  
12 to support the staff recommendation, unless anything  
13 Ms. Lucchesi, that you and your team have heard today  
14 reflect anything -- any new information that you didn't  
15 know or anything different about your experience over the  
16 last four years in working with this company to try to  
17 bring them to the place where they can be in compliance,  
18 which I know is your standard practice in these kinds of  
19 things.

20 EXECUTIVE OFFICER LUCCHESI: I also want to echo  
21 the sentiments of the Commissioners and many members of  
22 the public in expressing our empathy and sympathy to the  
23 workers, and I wholeheartedly agree that the actions  
24 before the Commission today are really a reflection of  
25 the companies lack of respect and compliance with the

1     lease obligations.

2             Nothing that I have heard today changes or  
3     alters the staffs recommendation; however, I do want to  
4     correct the record, with regards to the BSEE violation.  
5     From -- we were, during the course of the testimony, able  
6     to contact BSEE and get verification of what actually  
7     happened today. So, with that, Carone or the operator of  
8     the federal platforms were issued a shut-in order around  
9     9:59 this morning. BSEE received the required reports  
10    from the company about twenty minutes later; the order  
11    was then lifted around 11:00.

12            So I wanted to just correct the record in front  
13    of you today about the interactions with the federal  
14    regulatory agency regarding the shut-in order today.  
15    But, with that, as I mentioned, the staff stands by its  
16    recommendations for both Item 98 and 99.

17            CHAIRPERSON KOUNALAKIS: Do we have a motion?

18            EXECUTIVE OFFICER LUCCHESI: Just to remind --

19            COMMISSIONER YEE: -- separate motions.

20            EXECUTIVE OFFICER LUCCHESI: -- separate  
21    motions. For Item 98, we can take up first.

22            CHAIRPERSON KOUNALAKIS: Do we have a motion for  
23    Item 98?

24            COMMISSIONER YEE: I'll move to adopt the staff  
25    recommendation relating to the proposed termination of

1 the lease for Item 98.

2 ACTING COMMISSIONER MILLER: I second.

3 CHAIRPERSON KOUNALAKIS: Any objection to a  
4 unanimous vote? Seeing none. Motion passes unanimously.

5 Item 99. Do we have a motion?

6 COMMISSIONER YEE: Move to adopt the staff  
7 recommendation.

8 CHAIRPERSON KOUNALAKIS: Second?

9 ACTING COMMISSIONER MILLER: I second.

10 CHAIRPERSON KOUNALAKIS: No opposition, so  
11 motion carries.

12 EXECUTIVE OFFICER LUCCHESI: So we are ready to  
13 move onto the next item, unless the commission would like  
14 to take a break.

15 CHAIRPERSON KOUNALAKIS: Yeah. We'll take a  
16 five-minute break.

17 (Off record: 3:17 p.m.)

18 (Thereupon a recess was taken.)

19 (On record: 3:32 p.m.)

20 CHAIRPERSON KOUNALAKIS: All right. I'd like to  
21 call this meeting back into order. Item 100 is the  
22 consideration of the Commission's "Abandoned Commercial  
23 Vessel Removal Plan, Sacramento-San Joaquin River Delta  
24 Region," prepared pursuant to AB 2441 by Assembly Member  
25 Frazier. May we have the presentation?

1 EXECUTIVE OFFICER LUCCHESI: Actually, Chair  
2 Kounalakis, if it pleases the Commission, I would like to  
3 take items a little bit out of order to accommodate  
4 speakers. So I would like to take Item 102 up first.

5 CHAIRPERSON KOUNALAKIS: All right. Item 102  
6 is an informational update on the Tijuana River Valley  
7 pollution issues. May we have the presentation?

8 STAFF ENVIRONMENTAL SCIENTIST FARNUM: Good  
9 afternoon, Commissioners and Chair Kounalakis. I'm Maren  
10 Farnum from the State Lands Commission, and this is going  
11 to be an informational update and presentation on the  
12 Tijuana River Valley pollution issues, which is a real  
13 critical problem here in San Diego and across the border.  
14 I am actually going to just briefly provide an overview  
15 of the issue, and then I'm going to turn it over to some  
16 others here locally, who are going to give you more  
17 detailed information from their respective entities that  
18 are all actively engaged in this issue here in the San  
19 Diego region.

20 (Thereupon an overhead presentation was  
21 presented as follows.)

22 STAFF ENVIRONMENTAL SCIENTIST FARNUM: The  
23 Tijuana River Valley experiences repeated pollution  
24 events from untreated wastewater flows, contaminated  
25 sediments loads, and influxes of trash. The pollution is

1 largely caused by inadequate and under-maintained  
2 infrastructure and public utility services both within  
3 the City of Tijuana and the incorporated areas around the  
4 city that are home to growing unplanned communities, as  
5 well as there is infrastructure deficiencies here on this  
6 side of the border, too, that contribute to the problem  
7 of this interconnected water system.

8           They're going to give you a lot more info about  
9 this, but I'll just try to sort of synthesize what's  
10 going on here. During dry weather, there are untreated  
11 wastewater flows that get concentrated in the river  
12 valley. There's not enough fresh water to sort of flush  
13 them out, though, the majority of the wastewater through  
14 infrastructure improvements in the last few decades does  
15 divert a lot of untreated wastewater before it enters  
16 California and discharges it about five miles south of  
17 the border into the Pacific Ocean.

18           During wet water, however, the water diversion  
19 infrastructure in Mexico can frequently become  
20 overwhelmed and frequent overflows of untreated  
21 wastewater enter the Tijuana River Valley, the Tijuana  
22 River Estuary, and they exit through the mouth of the  
23 river into the Pacific Ocean, directly south of the City  
24 of Imperial Beach. Winter storms also carry sediment and  
25 debris, including plastic bottles and tires down the

1 steep canyon walls that line the upper river valley and  
2 watershed. The problem directly affects Public Trust  
3 lands and resources located within the watershed and  
4 concentrate in the lower Tijuana Estuary in the southern  
5 San Diego County coastline.

6 In November of 2017, staff updated the  
7 Commission on the pollution problems and impacts to the  
8 Public Trust, Public Trust lands, and resources.  
9 Commission has jurisdiction over sovereign land in and  
10 near the Tijuana Estuary and leases some of those lands  
11 to the U.S. Fish and Wildlife Service for the Tijuana  
12 River National Estuarine Research Reserve.

13 --o0o--

14 STAFF ENVIRONMENTAL SCIENTIST FARNUM: That's  
15 going to be sort of the orange block in the upper part of  
16 the map. We also have a lease to California State Parks  
17 for Border Field State Park; that's the big orange block  
18 just below that. And then we also have a lease with the  
19 International Border and Water Commission in the City of  
20 San Diego for the South Bay Ocean Outfall, which is  
21 associated with the South Bay International Wastewater  
22 Treatment Plant, and that is a lease area that goes out  
23 into the ocean about three nautical miles.

24 On September 4th, 2018, the Regional Water  
25 Quality Control Board, San Diego Section, filed a lawsuit



1 against the United State Section of the International  
2 Border and Water Commission, one of the lessees I just  
3 mentioned, for violation of the Clean Water Act related  
4 to pollution in the Tijuana River. The Commission joined  
5 Regional Water Board's lawsuit as a plaintiff on December  
6 13th, 2018. The City of San Diego also joined the  
7 lawsuit as a plaintiff.

8 There are two other lawsuits related to the  
9 Tijuana River pollution, one brought by the Surfrider  
10 Foundation, and another brought by the cities of Imperial  
11 Beach, and Chula Vista, and the San Diego Unified Port  
12 District.

13 --o0o--

14 STAFF ENVIRONMENTAL SCIENTIST FARNUM: There are  
15 many different ideas and proposals to advance solutions  
16 to the pollution problems in the Tijuana River Valley.  
17 Government agencies, nongovernmental organizations, and  
18 communities on both sides of the border are deeply  
19 engaged in these efforts. We now want to give an  
20 opportunity to some of those entities to share their  
21 perspectives with you and the public. There's additional  
22 information available through our staff report, which can  
23 be found on this meeting's agenda, on our website online,  
24 or I believe outside on the table.

25 We'd like to express our gratitude to the

1 following speakers for offering to come to our meeting  
2 today to make these presentations: First, I would like  
3 to introduce Assistant Vice President Job Nelson, from  
4 the Port of San Diego. After Mr. Nelson speaks, we will  
5 be joined by San Diego Regional Water Quality Control  
6 Board Executive Officer, David Gibson.

7 Following Mr. Gibson, we will hear from Policy  
8 Coordinator Gabriela Torres, from Surfrider Foundation.  
9 And oh, I'm sorry. Prior to Gabriela, we'll actually be  
10 hearing from Councilwoman Paloma Aguirre, from the City  
11 of Imperial Beach, and then we will hear from Gabriela  
12 Torres, from the Surfrider Foundation.

13 So thank you very much, and I'll welcome Job  
14 Nelson.

15 MR. NELSON: While they're pulling up the  
16 presentation, thank you, Maren. Chair Kounalakis,  
17 Controller Yee, Commissioner Miller, Jennifer, welcome to  
18 our wonderful bay. I feel bad that you're in here and  
19 not out there because it is gorgeous outside, and the  
20 water is glistening and you are in the wrong spot.

21 But you're actually in the right spot to talk  
22 about a very serious issue, and I want to take a moment,  
23 again, my name Job Nelson; I'm Assistant Vice President  
24 for the Port of San Diego. Thank you for inviting us  
25 here today to provide an update on the fight to stop the

1 flow of transboundary sewage into the Pacific Ocean. The  
2 Port is the state-designated trustee of public resources  
3 in and around Imperial Beach. And through our Public  
4 Trust lands, as well as agreements with the City, we  
5 oversee more than 400 acres of trust resources, both  
6 beachfront and water.

7 The resources held in trust by the district for  
8 the people of the State of California are severely  
9 impacted by these water discharges. For that reason, we  
10 are grateful to the State Lands Commission and appreciate  
11 your partnership on the litigation we are pursuing  
12 against the federal government. With me today is David  
13 Gibson, from the Regional Water Quality Control Board, to  
14 speak to this issue and describe where we go from here.

15 We are also appreciative of our partners who  
16 have been invited to speak today, the city of Imperial  
17 Beach and Surfrider Foundation. I have with me today  
18 Jason Giffen, who is an AVP at the Port of San Diego, as  
19 well as John Carter, from our General Counsel's office,  
20 should any questions arise.

21 (Thereupon an overhead presentation was  
22 Presented as follows.)

23 MR. NELSON: First, as of today, we've had a  
24 large number of closed beaches at Imperial Beach, and the  
25 Tijuana Slough Shorelines has been closed for all of

1 2019. These closures have been caused by nearly 100  
2 million gallons of sewage-contaminated water that has  
3 been pouring into our coastal waters.

4 According to U.S. Customs and Border Protection  
5 water quality tests, those contaminated flows deliver  
6 e-coli, coliform, and other bacteria to our shores, as  
7 well as uranium, arsenic, lead, cyanide and other  
8 pesticides, herbicides, metals, volatile organic  
9 compounds, and a host of other pollutants coming from  
10 uncontrolled industrial and agricultural discharges.

11 If you find that list a bit overwhelming, you  
12 are in very good company. Right now we are confronted by  
13 the largest water quality crisis in the United States and  
14 it's happening just miles from here. That's why we are  
15 demanding accountability through legal action and any  
16 other means at our disposal. As far as the Port is  
17 concerned, all options need to be on the table. This is  
18 about demanding environmental justice, and we believe  
19 that reaching 100 percent prevention should be our goal.  
20 The costs we pay in human life for not doing that are  
21 simply not acceptable.

22 --o0o--

23 MR. NELSON: The District requires everyone on  
24 tidelands property to comply with all applicable federal,  
25 state, and local environmental laws that includes the

1 Clean Water Act. The Federal Government is not exempt  
2 from this expectation, in fact, they should be leading by  
3 example. The Port takes the decision to file a lawsuit  
4 very seriously, but this one is necessary. This is one  
5 of the biggest ongoing water quality and environmental  
6 justice crisis in the United States, and it's happening  
7 right here in California.

8 --o0o--

9 MR. NELSON: We firmly believe that the Federal  
10 Government must comply with the Federal Clean Water Act  
11 and Federal Resource Conservation and Recovery Act. How?  
12 The International Boundary Water Commission, or IBWC for  
13 short, through its facilities, including the main flood  
14 channel control conveyance. The IBC intentionally  
15 created a system of diversion, capture, and treatment  
16 that does none of these thing nearly well enough to  
17 protect the very people and natural resources that the  
18 agency was designed to protect. I want you to notice on  
19 this image that highlights the proximity of the IBWC's  
20 flood control conveyance to the IBWC's International  
21 Sewage Treatment Plant.

22 As you can see, the flood control conveyance  
23 discharges sewage and other waste literally a stone's  
24 throw away from the sewage treatment facility without any  
25 treatment whatsoever. Discharging those wastes into the

1 Tijuana River Valley and ultimately the Pacific Ocean and  
2 the beaches in Imperial Beach. It closes beaches, makes  
3 people sick, and severely impacts the local economy.

4 That is a clear violation of the Federal Clean  
5 Water Act and the Resource Conservation and Recovery Act.  
6 It also seems contrary to the IBWC's stated mission,  
7 which is, I quote, "to provide binational solutions  
8 regarding water quality and flood control on the border  
9 region."

10 The flood control conveyance is the source of  
11 the vast majority of pollution plaguing our communities  
12 and natural resources. The solution is common sense.  
13 The IBWC must direct flows from the flood control channel  
14 to the plant for treatment. The lawsuit intends to cure  
15 those inadequacies by applying long-standing federal  
16 environmental laws and force IBWC to do its job, which is  
17 remarkably simple: Capture and treat contamination using  
18 readily available technology and resources. The trial is  
19 set to begin in October of 2020.

20 --o0o--

21 MR. NELSON: Turning to another front in this  
22 effort, three weeks ago EPA Region 9 held a major  
23 stakeholder meeting to discuss Tijuana River issues and  
24 project options. The federal agencies, the San Diego and  
25 Colorado River Regional Water Quality Control Boards and

1 San Diego County provided presentations followed by  
2 questions and answer sessions. There were a number of  
3 project priorities that were previewed for potential  
4 funding and implementation. So I would like to share a  
5 few of those with you.

6 --oOo--

7 MR. NELSON: One set of possible solutions is  
8 coming from the County of San Diego's SB 507 Needs and  
9 Opportunities Assessment. They include projects such as  
10 new lift stations to divert flows to South Bay and  
11 International Water Treatment Plant, and the City of San  
12 Diego's South Bay Water Reclamation Plant and expand  
13 primary treatment capacity of the City of San Diego South  
14 Bay Water Reclamation Plant.

15 Also new storm water treatment facility at IBWC  
16 South Bay International Wastewater Treatment Plant;  
17 gravity flow direct discharges to South Bay Ocean Outfall  
18 without treatment; Tijuana River In-Stream Water Quality  
19 Detention Basins; Retrofit Smuggler's Gulch Low Flow  
20 Diversion and In-Stream Water Quality Detention Basins;  
21 Low-Flow Diversion at Yogurt Canyon.

22 I'm not going to ask you to remember all of  
23 those solutions. I just mention them just to point out  
24 there are solutions that can be implemented. Ultimately,  
25 the most effective control options won't be determined by

1 one single entity but driven by stakeholder agreement.  
2 The story doesn't end there. In fact, we're keeping the  
3 pressure on because that's the only way anything will  
4 change.

5 --o0o--

6 MR. NELSON: So what are the next steps? In the  
7 coming weeks, the Port looks -- along with our numerous  
8 partners -- forward to finalizing project evaluation,  
9 design, and funding solutions that we can continue to  
10 drive support and Congress and the Executive Branch.  
11 When it comes to the challenge of funding these projects,  
12 the IBWC should disclose their federal budget request for  
13 funding solutions.

14 Let me say that again. It's a simple thing.  
15 They should disclose their funding request for funding  
16 solutions. So far we have seen nothing from them even as  
17 the problem continues to grow worse. The Port of San  
18 Diego has continued to engage our lawmakers in Washington  
19 DC and Sacramento and is prepared to jointly lobby with  
20 our member cities and other stakeholders for these and  
21 any other priority projects that will improve the lives  
22 of those who are impacted daily by this crisis.

23 Today, I invite the State Lands Commission to  
24 join us in that effort. We take seriously our shared  
25 responsibilities with you to protect the Tidelands Trust



1 and the public we serve. The State Lands Commission was  
2 an early partner in the litigation and is our closest  
3 ally in our mission to care for California's precious  
4 natural resources that have been entrusted to us, and we  
5 are proud to be your partner in protecting the public's  
6 interest. Now it's time to extend that partnership and  
7 join forces in lobbying for greater resources to get the  
8 job done.

9 The State has a major interest in defending the  
10 public from this egregious assault on the environment.  
11 The magnitude of what we are fighting here requires an  
12 equally forceful engagement by the State. This is no  
13 longer a local issue or regional problem but a state and  
14 national responsibility. That is why today we look to  
15 you, the State Lands Commission and ask you to join us in  
16 the most assertive, aggressive response possible.

17 Help us amplify the messages as only you can.  
18 Join the Port and our partners in IB, San Diego, and  
19 Coronado in advocating in Washington and Sacramento to  
20 the legislature, to Congress, and to this administration.  
21 Lend your voice and raise awareness. The saying goes,  
22 "go big or go home." And right now home is getting  
23 flooded with sewage.

24 As California's steward of state lands, your  
25 leadership can make a huge difference in calling for all

1 solutions to be on the table, nothing held back, in  
2 delivering the message to our fellow state and federal  
3 authorities that the public we serve is being endangered  
4 by a catastrophic failure of the government to act; and  
5 in ramping up the pressure on holding those responsible  
6 to account.

7           The State Lands Commission has always been our  
8 strongest state partner. We believe that working  
9 together the whole is greater than the sum of its parts.  
10 There's no better state champion for California state  
11 lands than the folks right here in front of me, and the  
12 challenge we face requires this kind of leadership.

13                               --o0o--

14           MR. NELSON: Thank you for focusing on the  
15 severity and urgency of this challenge and for inviting  
16 us here today to speak with you. I would like to turn it  
17 over now to another one of the members of the Tijuana  
18 River Valley Recovery Team Steering Committee, Dave  
19 Gibson, from the Regional Water Quality Control Board.  
20 And, at the end of the presentations, Jason, John, and  
21 myself will be available to answer any of your questions.  
22 Thank you again for your continued support.

23                               (Thereupon an overhead presentation was  
24                               Presented as follows.)

25           MR. GIBSON: Thank you very much. My name is

1 Dave Gibson; I'm the Executive Officer of the San Diego  
2 Regional Water Quality Control Board and the Chair of the  
3 Tijuana River Valley Recovery Team. Thank you very much,  
4 Chairwoman, members of the Commission, Executive  
5 Director, and staff for this opportunity.

6 I'm glad that we have a chance to spend a few  
7 hours talking about the Tijuana River. It often feels  
8 that way, but I'll keep this brief and to the point. You  
9 already probably know that the river and the watershed  
10 are shared by the United States and Mexico; about 70  
11 percent of is it in Mexico.

12 What you may not realize, however, is the good  
13 news is that the upper watershed, actually, it  
14 constitutes some of the highest quality waters in both of  
15 our countries. It is, in fact, source water supply for  
16 both the City of San Diego and for the City of Tijuana.  
17 That is the Rodriguez Reservoir in the lower picture and  
18 Long Canyon Creek a tributary of Morena Reservoir in the  
19 upper watershed.

20 --o0o--

21 MR. GIBSON: Unfortunately, though -- well,  
22 unfortunately, it provides many beneficial --

23 CHAIRPERSON KOUNALAKIS: Hold on. Can you go  
24 back to the map?

25 MR. GIBSON: Sure.

1                                   --o0o--

2                   CHAIRPERSON KOUNALAKIS:  Is that in California,  
3   that upper watershed?

4                   MR. GIBSON:  Yes, it is.  So the line goes  
5   approximately diagonally across that upper third, and  
6   that photograph is taken in that upper third in the  
7   Rodriguez Reservoir's in the lower part of the watershed.

8                                   --o0o--

9                   MR. GIBSON:  The watershed as a whole and the  
10   lower valley in particular support many beneficial uses  
11   and activities, including training for the United States  
12   Navy SEALs and U.S. Navy Helicopter Crews, but it's also  
13   a source of sustainable local agriculture and  
14   recreational values, wildlife and habitat values as well,  
15   and beneficial uses.

16                                  --o0o--

17                   MR. GIBSON:  Unfortunately, though, the lower  
18   watershed differs remarkably from the upper watershed, in  
19   terms of the gross impacts to those receiving waters and  
20   the beneficial uses.  This is one day rain event in  
21   Tijuana, not even one of the larger ones, and that is a  
22   mixture of both wastewater releases, as well as trash and  
23   sediment.  And that was taken at Hollister Avenue Bridge.

24                                  --o0o--

25                   MR. GIBSON:  When the flood waters recede, the

1 trash remains behind in many places and that includes  
2 tires, literally thousands of tires. They are  
3 transported south of the border legally. They are part  
4 of our tire recycling, which is to say Tire Resale  
5 Program, and they go through several more uses in Tijuana  
6 before they are discarded. But those tires, as they land  
7 in the river valley at places like this, they are also  
8 habitat for mosquitos. Two species of mosquitos, Aedes  
9 albopictus and Aedes aegypti, are competent vectors for  
10 Dengue, Chikungunya, Yellow Fever and Zika.

11 So we have now completed the equation. We have  
12 the tires, which are the breeding habitat. The mosquitos  
13 have also reappeared in our region, and we have a  
14 community nearby where immigrants are traveling from  
15 various parts of the world where those diseases are  
16 endemic. We can fix that potential risk by removing the  
17 tires, both from the sources and from where they land in  
18 the river valley.

19 --o0o--

20 MR. GIBSON: We are also, though, plagued by  
21 industrial releases in Tijuana, and this is an industrial  
22 release from Los Laureles Canyon as it enters the U.S.  
23 into Goat Canyon; and the result has been, among other  
24 things, we can play the game of what color is Goat Canyon  
25 today, because it frequently changes color based on the

1 releases there.

2 --o0o--

3 MR. GIBSON: But, unfortunately, this is no  
4 laughing matter because Customs and Border Protection  
5 Agents have reported over 86 cases of Workers'  
6 Compensation claims due to exposures that have caused  
7 burns and dermatitis and respiratory illnesses and  
8 reactions from the exposure to the waters in the channel  
9 and the persons that they have taken into custody that  
10 they have to handle. They also pick up a lot of the  
11 water and the materials in it.

12 --o0o--

13 MR. GIBSON: The river and the estuary are  
14 listed for over 26 constituents of concern. The two most  
15 important for our purposes today are bacterial indicators  
16 and trash. These are two of the issues that we most want  
17 to address, but all of them eventually have to be  
18 addressed.

19 --o0o--

20 MR. GIBSON: The Water Board has for the last  
21 ten years led the Tijuana River Valley Recovery Team in  
22 partnership with International Boundary and Water  
23 Commission and over 30 other organizations, state, local  
24 and federal, and the number one work area in that  
25 strategy was to partner with Mexico on effective source

1 control.

2 And I do want to make the point today before we  
3 go on that Mexico has, in some regards, tried to address  
4 some of the issues and concerns raised in the recovery  
5 strategy. In Los Laureles Canyon, they constructed a  
6 sediment and trash basin that removed substantial amount  
7 of those wastes. However, the overwhelming outcome of  
8 the last ten years is quite apparent in an environmental  
9 justice symposium that the Board conducted in 2017.

10 The number one concern that the public brought  
11 to the Board was the fact that the transboundary flows  
12 have not materially changed in ten years despite some of  
13 the measures taken in Tijuana. The problem is much  
14 larger than the fixes that have been attempted, and that  
15 the Water Board needs to begin using its regulatory  
16 authority, which we held in abeyance for a collaborative  
17 and cooperative binational approach.

18 --o0o--

19 MR. GIBSON: To that end, the Water Board  
20 resolved, even at that meeting, that we would begin  
21 developing what we call Total Maximum Daily Loads. It's  
22 a tool under the Clean Water Act to address long-standing  
23 impairments when all the other regulatory measures have  
24 failed.

25 --o0o--

1           MR. GIBSON: So the Water Board is now preparing  
2 two Total Maximum Daily Loads. One, for bacterial  
3 indicators, and these are the water quality standards.  
4 In short, you can look at the estimate of 100 colony  
5 forming units or 320 colony forming units per 100  
6 milliliters as the standard. But what do we see?

7                           --o0o--

8           MR. GIBSON: Well, this is what Customs and  
9 Border Patrol reported, and they are not a singular  
10 example, 1.7 million, 2.6 million colony forming units,  
11 that is essentially raw sewage and orders and orders of  
12 magnitude above the water quality objectives.

13                           --o0o--

14          MR. GIBSON: For trash, the Basin Plan, our  
15 regulatory document, basically asserts that trash should  
16 not be present in quantities and amounts that would  
17 adversely affect beneficial uses and causing nuisance.  
18 Well I think one good look at that photograph and the  
19 ones you've already seen would indicate that the measures  
20 we've taken over the last ten years and, indeed, going  
21 back over 60 years. This is a resolution from 1953. The  
22 Board adopted asking IBWC to address transboundary flows  
23 of sewage. These issues have not substantially changed.

24                           --o0o--

25          MR. GIBSON: The timeline for these regulatory



1 actions. We have conducted the CEQA Scoping Meeting;  
2 we're preparing the technical documents, which we expect  
3 to have out, peer reviewed next year, and by early 2021  
4 the Board will be able to consider and adopt those TMDLs.  
5 They would then have to be approved by State Board, the  
6 Office of Administrative Law, and US EPA.

7 In those Total Maximum Daily Loads, are a  
8 regulatory measure that, if approved, has the force of  
9 law. The Water Board proposes to assign the entire waste  
10 load allocation in all of the waste load reductions to  
11 the U.S. Federal Government in the agency of the  
12 International Boundary and Water Commission, and I'll  
13 explain why in just a moment.

14 --o0o--

15 MR. GIBSON: Here it is. This is a map of the  
16 Tijuana River Valley out of the recovery strategy, and  
17 you will note the dark areas in blue down at the bottom.  
18 There's Goat Canyon, there's the main channel of the  
19 Tijuana River where most of the waste are conveyed, and  
20 Smuggler's Gulch.

21 These were areas that the recovery strategy --  
22 again, IBWC was a partner in developing this -- submitted  
23 a commitment to letter to implement the priorities and  
24 the recommendations in the approach of the recovery  
25 strategy. We all agree that these areas should be

1 actively managed to intercept and divert waste crossing  
2 the border.

3 --oOo--

4 MR. GIBSON: And Goat -- Yogurt Canyon is also  
5 an issue. Here's an example of what that can look like.  
6 In Goat Canyon, the State of California has constructed  
7 two sediment basins and installed a trash interception  
8 net and manages and maintains that system every year to a  
9 cost of \$1 and \$2 million per year. No such structure  
10 exists on the main channel.

11 There is no interception or diversion of solid  
12 waste; no ability to intercept and divert the sewage  
13 flows; and no capture of sediment other than the  
14 semi-decadal effort to go out there and maintain the  
15 flood control channel. The other canyons, like Goat  
16 Canyon and Smuggler's Gulch, they actually have a canyon  
17 collector. An interceptor that captures dry-weather  
18 flows and keeps them from going downstream, but there's  
19 no such structure in the main channel. The result is  
20 that, after ten years, the Board itself has already  
21 answered its question on this.

22 --oOo--

23 MR. GIBSON: This is La Jolla a day or two after  
24 the rain event. The beach is open. So our point of view  
25 is that San Ysidro, Imperial Beach, and Playa de Tijuana

1     deserve to be as clean and safe as La Jolla a day after a  
2     rain.

3             On the right, is a photograph from the San Diego  
4     Union Tribune of Imperial Beach closed for over 300 days  
5     of the year, rain and shine.

6                     --o0o--

7             MR. GIBSON:   The result is that, unless we have  
8     a truly effective U.S. side approach to manage under  
9     reasonable conditions the transboundary flows of waste,  
10    this is what we're going to be seeing in the Tijuana  
11    River Valley for decades to come, just as it has been  
12    decades since.

13            This is an enormous issue.  It takes more than  
14    70 percent of my time this week and 30 percent of my time  
15    overall, but I want to extend my thanks and compliments  
16    to you and your staff for participating and partnering  
17    with us in the litigation and the hard work of your staff  
18    and counsel even this week as we met with the parties to  
19    discuss how to resolve these issues, both legally but  
20    also what to do to change the nature of the flows and the  
21    impacts.

22            So, with that, I thank you very much for your  
23    time and attention and would be glad to take any  
24    questions that you may have now or later.

25            CHAIRPERSON KOUNALAKIS:  So just to understand

1 the recommendations that you have, you talked about a  
2 trash-collector-type thing. What are the other specific  
3 recommendations that you believe if the -- on the U.S.  
4 side, that if the U.S. Government took would help to  
5 remediate the problem?

6 MR. GIBSON: I believe that Surfrider may very  
7 well speak to this point, but I will describe this on two  
8 scales. When I met with Commissioner Drusina and  
9 Commissioner Salmon in 2018 in March, we had frequent  
10 shut downs of a pump station in Tijuana, which takes  
11 river water out of the river during the dry season and  
12 pumps it over the hill to San Antonio de los Buenos to be  
13 discharged offshore there. That way the water doesn't  
14 flow down the Tijuana River into the U.S. The pump  
15 station was frequently being shut down or failing, due to  
16 electrical issues fouling of the intake system.

17 My suggestion to them at the time was that if  
18 they construct a small earthen to capture and hold the  
19 few thousand or few tens of thousands or a million  
20 gallons of water, until they can turn the pumps back on  
21 and then pump that back down. They did take that advice.  
22 I don't claim the credit for it. They built it, and that  
23 actually has worked.

24 Farther down stream, we need a duplicate to the  
25 PB-Cila Pump Station. That's within the United States

1 and where we can expect daily and regular operational and  
2 control. The types of issue at the PB-Cila Pump Station  
3 are such that we have two nations attempting to  
4 communicate with one another through Juarez and El Paso  
5 about the operation of a pump station. That's not a  
6 solution for success.

7 So a pump station like that in the U.S. should  
8 take wastewater and other polluted flows out of the  
9 channel during the dry season -- if no other time -- into  
10 the treatment plant at IBWC. They can mingle it as the  
11 do the canyon collector flows, which are already taking  
12 into the treatment plant; they can blend it with their  
13 influent or they can even mix it with their effluent and  
14 discharge it offshore.

15 All of those are examples of measures that are  
16 being considered right now by the US EPA in their  
17 diagnostic survey and that Surfrider has drawn up  
18 examples of how that would look schematically. You would  
19 couple that with a trash interceptor like you saw in Goat  
20 Canyon and active management of the channel for sediment  
21 and trash that those don't capture. So they have some  
22 very good drawings and schematics about how that can  
23 work, but what I would emphasize is this is not rocket  
24 science. We're not putting a Falcon Heavy into orbit.

25 This is actually simple, on the ground, last

1 century technology, and we have some good examples of how  
2 trash booms can work that are being proposed for  
3 Smuggler's Gulch and there may be also copies of that  
4 built in Monte De Oro; and, there, that project proponent  
5 Dr. Oscar Romo is actually collecting the plastic and  
6 recycling it as a building and perhaps marketable  
7 material.

8 So there's more than one way that this can work.  
9 But looking at a main channel weir with a diversion into  
10 the treatment plant and the ability to capture sediment,  
11 that is what that would look like.

12 CHAIRPERSON KOUNALAKIS: Commissioner Yee?

13 COMMISSIONER YEE: Thank you, Madam Chair.  
14 Thank you, Mr. Gibson. I just had a question with  
15 respect to any discrete initiatives related to the tires.  
16 I think there was some focus, at least during the budget  
17 process, the State budget process this year, about  
18 perhaps looking at the existing tire recycling program  
19 and looking at some of the proceeds out of that program  
20 to try to be directed in this regard. I guess overall  
21 given how vastly the issues are, has there been, I guess,  
22 an attempt to try to prioritize and at least identify  
23 where there might be some existing state and federal  
24 programs already addressing some of this that we can look  
25 to enhance or to repurpose?

1           MR. GIBSON: Thank you, Commissioner Yee.  
2       There's a lot to say there. First of all, we have  
3       successfully implemented two pilot projects in Mexicali  
4       and Tijuana using the tire recycling fund, as a way to  
5       buy back and recycle tires definitively. So that they  
6       aren't simply reused and then discharged. Both of those  
7       were limited term projects and CalEPA also updated their  
8       Solid Waste Management Plan, with regard to the tire  
9       funds.

10           Unfortunately, I have to also carry the bad news  
11       that almost all of the money in the tire funds has now  
12       been dedicated to other purposes, the Air Board and  
13       Natural Resources Agency have uses for those funds that  
14       the legislature has authorized. So we're looking at now  
15       literally only a few thousands of dollars that we might  
16       put towards projects in the border area either in the  
17       U.S. or in Tijuana to address tires.

18           We do, I think, as a state need to find a way to  
19       recycle tires. That is simply not a resale program where  
20       they simply come back into the environment later on at a  
21       very inconvenient and very inappropriate location. That  
22       is monumental challenge. There just isn't enough market  
23       for recycled tires; you have to deal with the steel, the  
24       copper, and the nickle, and other ingredients in there.

25           So those are some of the issues that we're

1 facing. With regard whether there are state and local  
2 programs that can be effective. I would also mention the  
3 City of San Diego spends over \$3 to \$8 million per year  
4 managing the waste in Smuggler's Gulch and the Pilot  
5 Channel. State Parks spends the money that I mentioned,  
6 County of San Diego and others. Most of those programs,  
7 though, have gone simply to treat the symptoms and most  
8 of those agencies are reluctant now to carry those  
9 burdens indefinitely without some federal leadership to  
10 make those investments permanent and durable.

11 If we do not interrupt these flows, then we will  
12 lose over \$60 million worth of investments in wildlife  
13 habitat in the estuary and the lower river. So we have  
14 to do this, and that's why the City and others have taken  
15 those steps. But we need a permanent solution, so our  
16 plead to the International Boundary and Water Commission  
17 has been, let us be your true partners and indeed convey  
18 the international dialogue. They had a very good  
19 approach to carry forward the recovery team projects,  
20 including, number one, working with Mexico. Minute 320  
21 was a very good forum. It addressed solid waste, sewage  
22 and sediment. You guessed them.

23 Unfortunately, I have to tell you that  
24 International Boundary and Water Commission has  
25 functionally abandoned that forum. They have ceased the



1 meetings. They have no projected timeframe to complete  
2 an engineers report, which would have identified the  
3 projects we could partner with, including tires, for  
4 example.

5 So that remains an ongoing issue, and I've asked  
6 the Commissioner twice now when we can expect to see  
7 Minute 320 resume. It is the way to truly deal with  
8 these issues, but in the absence of that kind of  
9 commitment, the Water Board has taken the actions that it  
10 has.

11 The TMDLs to regulate effectively, although,  
12 that horizon is much longer than we would like and the  
13 litigation to try to compel compliance with the Clean  
14 Water Act in a nearer term. I apologize if my answers  
15 are a little lengthy; there's so much to share.

16 CHAIRPERSON KOUNALAKIS: All right. Okay. I  
17 think the next speaker -- you had a few more who were  
18 part of the presentation.

19 (Thereupon an overhead presentation was  
20 Presented as follows.)

21 MS. AGUIRRE: Thank you so much, Madam Chair  
22 Kounalakis, Commissioner Yee, Commissioner Miller. Thank  
23 you so much for the opportunity to come give you an  
24 update on behalf of the City of Imperial Beach. My name  
25 is Paloma Aguirre. I'm here representing the City of

1 Imperial Beach, a community -- the coolest little beach  
2 town in California, from my point of view. We are a  
3 community of about 28,000 residents. We are working  
4 class, very diverse community that is bordered by the  
5 estuary to the south, the Pacific coast line to the west,  
6 and the South Bay Wildlife Refuge to the north.

7 I first moved to Imperial Beach back in 2003  
8 because I fell in love with its waves. The coast and the  
9 ocean is a central part of our life and our culture in  
10 Imperial Beach. Unfortunately, as you've heard before,  
11 we have a lot of challenges with cross-border pollution,  
12 you know, sewage, tires, plastics.

13 --o0o--

14 MS. AGUIRRE: I won't go that much back that  
15 into detail on that, but I will share with you that just  
16 yesterday the International Boundary and Water Commission  
17 reported a sewage spill of 3.5 million gallons that  
18 crossed the border and entered our shore lines,  
19 essentially closing the southern end of our beach. And  
20 so far this year we've had 50 beach closer days for  
21 Imperial Beach and the southern part of Imperial Beach,  
22 which is Border Field State Park shore line, has been  
23 closed since fall of 2018.

24 So it greatly affects -- I mean, I can't  
25 emphasize it enough. Just yesterday Giovanni Solis was

1 body boarding, you know, the southern part of IB when the  
2 lifeguards had to pull him out and tell him the beach is  
3 now closed. It affects our economy, our environment, our  
4 quality of life because for a lot of kids, especially  
5 right now, the summer, I mean, as I mentioned, we're  
6 working class communities. A lot of families can't  
7 afford to send their kids to summer camp or to other  
8 programs, and the beach is where they go. They go to  
9 have fun. They go to recreate, and this is our realty  
10 that they can't do that because of these cross-border  
11 flows.

12           The good news, the very good news, today, I was  
13 -- I had the honor to accompany Senator Hueso and  
14 Assembly Member Todd Gloria when they announced their \$15  
15 million budget approval; thanks to Governor Newsom as  
16 well. We are very, very grateful for that funding. It's  
17 unprecedented the amount that's going to river valley  
18 now, and I would say that all of us stakeholders were in  
19 agreement that whatever is constructed on the U.S. side  
20 to capture some of these low or to medium-size flows  
21 should have infrastructure that addresses sediment or  
22 captures sediment, trash, and sewage. So we're very  
23 excited about that new funding.

24                           --o0o--

25           MS. AGUIRRE: Now, federal funding. We -- and I

1 say myself and Surfrider and a number of many other  
2 organizations -- advocated for an increase in funding for  
3 the Border Wastewater Infrastructure Program, which is a  
4 program under EPA that provides funding for  
5 infrastructure -- wastewater infrastructure improvements  
6 along the border.

7           Those \$30 million are shared by the entire  
8 border from California to Texas, but it's a critical  
9 program because this type of funding could be used to  
10 improve some of the collectors throughout Tijuana that  
11 are always, you know, in danger of collapsing, like the  
12 one that caused the sewage spill yesterday was a  
13 collector in Tijuana that sent all the sewage flowing to  
14 our beaches.

15                               --o0o--

16           MS. AGUIRRE: Now, what's going on the Mexican  
17 side; right? There's a lot of new changes happening. We  
18 have a new administration at the federal level of  
19 government. We have a new administration at the state  
20 level, and we have a new administration at the local  
21 level. So back in March we were part of a delegation  
22 organized by the San Diego Regional Chamber of Commerce  
23 to Mexico City, where we met with the Minister of Foreign  
24 Relations and his team to brief him on the need to invest  
25 more resources in their infrastructure in Tijuana, the

1 wastewater infrastructure.

2 And because of that meeting, he sent some of his  
3 closest advisers down to our region just last Wednesday.  
4 Both Mayor Dedina and myself and a number of other  
5 stakeholders provided a tour, both of the U.S. side some  
6 of the infrastructure that Mr. Gibson referenced earlier  
7 and some of the infrastructure in Tijuana as well.

8 Now, just wanted to point out that there are two  
9 sources of pollution that affect Imperial Beach; it's the  
10 Tijuana River itself and all its major tributaries, but  
11 there's also a sewage treatment plant about three to five  
12 miles south of the border that Mr. Gibson also referenced  
13 called Punta Bandera. It's a sewage plant that's  
14 completely outdated. It has, quote, unquote, "lagoon  
15 treatment system" but it's not even treating anything,  
16 and it's discharging about 40 million gallons of sewage  
17 into the surf zone.

18 So every summer when we have south to north  
19 currents, we have impacts from the sewage treatment  
20 plant. So we've asked the foreign minister to really  
21 prioritize this issue in addition to some of the  
22 collectors throughout the City of Tijuana.

23 --o0o--

24 MS. AGUIRRE: Now, as far as our lawsuit, I  
25 mean, you've heard that we're making great strides, and

1 the bottom line is that we're all in agreement that, as I  
2 mentioned, that whatever happens we need to make sure  
3 that investments are made in sediment, trash, and  
4 wastewater capture.

5 --o0o--

6 MS. AGUIRRE: This is a picture right there of  
7 the point of entry of the Tijuana River into the U.S.,  
8 which could be one of the many options that some of my  
9 colleagues discussed earlier that could be explored and  
10 looked into for infrastructure.

11 --o0o--

12 MS. AGUIRRE: Now, some of the other efforts  
13 that have been going on, it's not without, you know, will  
14 from our partners to the south. I wanted to just share  
15 with you that they have been making some strides to  
16 address some of the plastics and Styrofoam. Last summer,  
17 one of the council members from Tijuana helped pass one  
18 of the first single-use plastic bag bans in the history  
19 of the state really.

20 So just this past month they passed a single-use  
21 plastics and Styrofoam ban. And I didn't mention but  
22 I've been working on this issue for over 12 years and  
23 have done several different trash assessments throughout  
24 the river valley, and we have found that one of the major  
25 polluters in the river valley, as far solid waste, are

1 single-use plastics and Styrofoam. So this is very  
2 exciting at least for us in Imperial Beach knowing that  
3 we're going to have a significant reduction in the input  
4 of marine debris affecting our beaches.

5 --o0o--

6 MS. AGUIRRE: And then I just wanted to update  
7 -- I don't have a slide, but on the waste tire issue as  
8 well. We have been in conversations engaging our  
9 legislators in Sacramento on, you know, sharing  
10 recommendations on what can be done to address some of  
11 these tires impacting our parks in the Tijuana River  
12 Valley, and we believe that Cal Recycle could use -- and  
13 you've heard before that some of those resources are  
14 being used for other purposes.

15 But there's no reason why we couldn't allocate a  
16 dollar of that dollar seventy-five that goes to that  
17 fund. A dollar per tire to go specifically to tires --  
18 to recycle tires before they come back into U.S.  
19 territory. And I would mention that I do believe that  
20 there is a market. I do believe that there is a demand,  
21 and I do believe that there's many efforts both at the  
22 state level and at the NGO level to repurpose those  
23 tires.

24 Those tires that originated in California that  
25 are being used in Mexico in Tijuana and repurpose them,

1 recycle them before they come back across the border and  
2 impact our region as Mr. Gibson mentioned causing, you  
3 know, accumulation of stagnant water, sewage infested  
4 water, and posing a public health threat for all of our  
5 local residents.

6 So, again, thank you so much for the  
7 opportunity. Thank you for continuing to be engaged on  
8 this issue and for coming down and visiting us, and I  
9 respectfully would like to extend an invitation, Madam  
10 Chair and Commissioner Miller, to come tour the area any  
11 time you would like. We would love to have you. We can  
12 take you throughout the region, both in Imperial Beach  
13 and across the border. Thank you so much, and I'm  
14 available for questions.

15 CHAIRPERSON KOUNALAKIS: Thank you. We were  
16 just actually recognizing that we may have a time issue  
17 today. So my apologizes for the fuss up here. Part of  
18 the reason that I am concerned about that is because I  
19 have a lot of questions. And what I'd like to do -- I  
20 know you have been down, Betty, to tour the area. I  
21 would very much would like to come and tour it.

22 The Governor several months ago designated me  
23 his representative for international affairs, and one of  
24 the very first meetings I actually had in my job was with  
25 Serge, with your mayor, and we started this discussion.



1 And really, it is an all-hands-on-deck challenge that we  
2 have in front of us.

3 As your colleagues said, these are 20th century  
4 solutions that we're looking at to fix it, and it's  
5 absolutely imperative because there is simply nothing  
6 less acceptable that I can think of than massive  
7 quantities of pollution and sewage being dumped onto our  
8 beaches in California without an ability to effectively  
9 stop it.

10 And so whatever it takes for us to work together  
11 and to work with our partners in Mexico to really  
12 effectively address it, you know, I think, you know,  
13 everybody agrees we have to do it. So what I'd like to  
14 do, I don't know if there are any more presenters on this  
15 topic.

16 EXECUTIVE OFFICER LUCCHESI: We do. We have  
17 Gabriela Torres with Surfrider Foundation who was next up  
18 to present, and we do have two public speakers on this.

19 CHAIRPERSON KOUNALAKIS: Okay. So we're going  
20 to continue with this, but I just want to say I'm going  
21 to hold some of my questions but do look forward to  
22 coming down to see the impacts very soon. Thanks.

23 MS. AGUIRRE: Okay. Thank you so much.

24 MS. TORRES: Good afternoon. Thank you for the  
25 opportunity to speak. I'll keep my comments short. My

1 name is Gabriela Torres, and I am the Policy Coordinator  
2 for Surfrider Foundation San Diego. I work exclusively  
3 on the transboundary pollution issue.

4 Given that my colleagues, Job Nelson, David  
5 Gibson, Paloma Aguirre have covered most of the points  
6 that I was intending on covering as well, I will only  
7 focus on a few slides. I'm still waiting for my  
8 presentation. That's it. That's me. Thank you so much.

9 (Thereupon an overhead presentation was

10 Presented as follows.)

11 MS. TORRES: So I was going to talk a little bit  
12 about what Surfrider does and all the campaigns that we  
13 have, but I'll just skip through that right now.

14 --o0o--

15 MS. TORRES: So at the Clean Border Water Now  
16 campaign my focus is to address sewage, the chemicals,  
17 and the plastics as best I can, using a network of robust  
18 volunteers, using policy, and engaging litigation when we  
19 have to.

20 --o0o--

21 MS. TORRES: Ms. Aguirre already covered the  
22 beach closures this year. They have been quite  
23 substantial and have been keeping our Surfrider  
24 membership and other community members from using the  
25 beach.

--o0o--

MS. TORRES: This is what we have to enjoy when we're walking through the Tijuana River Valley on a stroll with our children. That's my daughter in that photo, and she could not believe that in California this is what I have to offer her, and this isn't good enough and it hasn't been for a long time. And we need to do better. I have some of the similar photos that have already been shown.

--o0o--

MS. TORRES: But I'll just focus a little bit on what Surfrider is doing. We have had a robust involvement for the last ten years on this. One of the things that we are trying to push right now is TRV solution. We have gone through -- if I were add it up -- maybe 60 to 70 meetings in order to get input from the stakeholders, from the community, at beach clean ups, at letter writing events to see what the solutions that are needed are.

And we put that into a comprehensive conceptual plan that we're still forwarding to the stakeholders trying to get more consensus on it, trying to get other ideas, and we've pulled that together, and I've shared it with the State Lands Commission; I'm not sure I've shared it with you, but I will forward it to your office so that

1 you can have a chance to review it and maybe give us  
2 feedback if there's any.

3 We're supportive of Senator Hueso's bill, SB  
4 690. We've collected a thousand letters in support of  
5 that only in this week. We're continuing to lobby the  
6 Federal Government aggressively for investment into the  
7 Border Wastewater Infrastructure Program. We also  
8 believe that we need USMCA, which is the replacement to  
9 NAFTA, as a vehicle that can also be used in order to  
10 push this forward. So that's our second objective.

11 We're increasing our outreach in Mexico, raising  
12 awareness, engaging in beach clean ups down there, and  
13 policy letter writing events. We're going to reach out  
14 to children more this year so that they have an  
15 understanding of an issue that's incredibly local, and  
16 they can actually just go see the impacts that plastics  
17 have on our local beaches. That's something that we're  
18 rolling out in September, and, of course, we were the  
19 second party to file a litigation on this issue for  
20 violations to the Clean Water Act.

21 --oOo--

22 MS. TORRES: I did this because there's a lot of  
23 confusion over the lawsuits. There's three lawsuits.  
24 The first one was filed by the City of Imperial Beach,  
25 San Diego Unified Port District, and the City of Chula

1 Vista. Surfrider came second, and the third was a  
2 Regional Water Quality Board, where the State Lands  
3 Commission and the City of San Diego intervened.

4 And I just did that because we have lot of  
5 misinformation going out there. And so we have three  
6 lawsuits, seven plaintiffs, and it's a really strong time  
7 to get involved and we would welcome your partnership. I  
8 would like to also extend the invitation that Council  
9 Member Aguirre extended.

10 I had the privilege of hosting controller Yee,  
11 Deputy Controller Baker, and Jennifer Lucchesi at  
12 Surfrider did in March, and it was an amazing experience  
13 to get to show them the actual problem, the impact, and  
14 to meet with some of our stakeholders. So I really look  
15 forward to seeing you in the TRV, and thank you for the  
16 opportunity to speak.

17 CHAIRPERSON KOUNALAKIS: Thank you very much.  
18 We have two speakers from the public. The first is Leon  
19 Benham and Dylan Jaff.

20 MR. BENHAM: Hello. My name is Leon Benham, and  
21 I'm a local Imperial Beach resident. I have been a  
22 project manager on numerous environmental restoration  
23 projects, including projects in Imperial Valley,  
24 petroleum removal in aquifers, Camp Pendleton removal of  
25 petroleum in aquifers in that area, and I have worked

1 with ecologist throughout the state on numerous projects.  
2 I also happen to live in Imperial beach, and my house is  
3 on the estuary, so I live a charmed life.

4 Growing up in the valley in the '60s and '70s it  
5 was a beautiful place. Something happened in 1973, which  
6 a lot of people don't really get in the valley, is that  
7 the farmers used to actually go down and do flood  
8 control. The farmers had their fields, which were all  
9 dairies at the time, and so, if the water flooded out on  
10 to the plain, it would contaminate their grass. So they  
11 would actually go in as a point of self-preservation.

12 In 1973 a stop notice was given to them by the  
13 State of California. Since that time, that channel has  
14 basically flattened out. The water does not flow in the  
15 channel anymore. It goes over the flood plain, which is  
16 unlike anywhere else in any of the other watersheds in  
17 California. Basically -- basic flood control practices  
18 you clean the channel out so that when the water and the  
19 sand and the cobble travel down the river, it creates a  
20 scour.

21 And we used to have in Imperial beach very wide  
22 beaches. In fact, in the 1960s the founder of the Revel  
23 Scripps Institute of Oceanography, he founded the coastal  
24 studies and his research was largely based off Imperial  
25 Beach. He said the river used to supply an average of

1 650,000 cubic yards a year, an average. In the 1906  
2 flood, he said that basically it was about 21 million  
3 yards of cobbles and sands came to the beach and went  
4 through the valley.

5           There's been some changes and one of the biggest  
6 has been is that there's been invasive species; one of  
7 the biggest is arundo and castor bean. Those species,  
8 actually, as Tijuana has grown, the trash and sand now  
9 gets caught in the arundo, and it basically stop drops  
10 the sand. And interestingly enough, in the last rains,  
11 which we documented, is that the river actually runs back  
12 towards Tijuana because -- and there's now a pond of  
13 sewage and smell that goes from Hollister -- actually, it  
14 goes all the way over by Smuggler's, and it goes all the  
15 way to Hollister and to Darimont Road, and so the water  
16 can't move towards the beach anymore.

17           And so there's a lot of problems with the  
18 valley, but what the Surfrider plan and the plans that  
19 have been developed do not restore the valley to its  
20 natural state, and that's hugely important because until  
21 you can get the water to move under these storm events,  
22 which are more like flash floods. We don't live in an  
23 area where we have constant rain. We have 17 days, maybe  
24 13 days of rain. During that time, that water comes and  
25 flows. And even any kind of sewage capture system at

1 that time will fail, and even the EPA says that's not --  
2 and it can't work. So the other thing is in this report  
3 on Page 5, it's suggesting that we should put out 30  
4 million gallons a day of untreated overflow wastewater.

5 CHAIRPERSON KOUNALAKIS: I'm sorry. We just  
6 realized we don't have the clock.

7 MR. BENHAM: It's in your summary Page 5.

8 CHAIRPERSON KOUNALAKIS: Oh, the clock. Just so  
9 I can ask you, how long is your presentation?

10 MR. BENHAM: It's going to be another three  
11 minutes hopefully. So, basically, this proposal would  
12 discharge untreated wastewater off Imperial Beach at a  
13 rate of basically twice the amount that it is now, and  
14 this is not treated at Level 1 or Level 2 or Stage 1.  
15 When that outfall was developed and put in 1997, it was  
16 putting out and basically putting out about 25 million  
17 gallons a day of only Stage 1 and we experienced a big  
18 die off of our fish. We don't have kelp beds anymore,  
19 and the reason is because there's chemicals in there that  
20 basically the plankton and the fish and it depletes the  
21 oxygen level.

22 So it's a blighted condition, and, essentially,  
23 on our jetties and where you would normally find muscles  
24 and aquatic life, that's gone. So, in moving forward, to  
25 put this kind of flow off Imperial Beach, it's just



1     you're going back twenty years. There's much more I  
2     could say, and I guess what I'll do is just write it down  
3     and send you a letter.

4             CHAIRPERSON KOUNALAKIS: Thank you. Thank you  
5     very much for all that great information.

6             And our second speaker is Dylan Jaff, I believe.  
7     Jaff? Jaff?

8             MR. JAFF: Jaff.

9             CHAIRPERSON KOUNALAKIS: Jaff.

10            MR. JAFF: Hi. Good afternoon. Thank you,  
11     Chair and Members, for being here today. I wasn't  
12     planning on speaking today, but I'll keep my comments  
13     short. I'm a district representative for State Senator  
14     Ben Hueso, and I just wanted to thank you all for being  
15     here today, and more specifically I wanted to thank  
16     Council Member Aguirre and Surfrider, as well as Gabriela  
17     for their assistance on this issue.

18            This issue takes collaboration on all fronts,  
19     and our office is happy to take collaboration anywhere we  
20     can. We are happy to announce we did actually receive  
21     \$15 million, as was previously mentioned, in this year's  
22     State budget, thanks to this administration. And, as I  
23     said, we're happy to work on this issue further with all  
24     stakeholders.

25            CHAIRPERSON KOUNALAKIS: Thank you. Okay. Are

1    there any comments from Commissioners? Questions? All  
2    right. This was an informational item, so we'll go ahead  
3    and move on to the next one. Council Woman, thank you  
4    very much for coming. Thank you all for your time and  
5    helping to educate the staff and the Commission.

6            Again, I think whenever you're dealing with some  
7    -- a cross border issue and we work at the subnational  
8    level, it makes for a lot of complicated things. But I  
9    really don't think that there's anything that we're  
10   dealing with on a fundamental subnational level that is  
11   more important than addressing this and cleaning up the  
12   river beds. So thank you for all of your work and your  
13   commitment.

14           Okay. Matt Dumlao is going to be standing in  
15   for me, but I think I can just call for the next report.  
16   Item 100 is the consideration of the Commission's  
17   Abandoned Commercial Vehicle Vessel -- sorry. Commercial  
18   Vessel Removal Plan, the Sacramento-San Joaquin River  
19   Delta Region.

20           (Thereupon an overhead presentation was

21           Presented as follows.)

22           PUBLIC LAND MANAGER FOSTER: Good afternoon,  
23   Madam Chair and Commissioners. My name is Ken Foster.  
24   I'm a Public Land Manager with the Commission's Land  
25   Management division. I'm here today to present

1 information on Agenda Item 100, The Abandoned Commercial  
2 Vessel Removal Plan for the Sacramento-San Joaquin River  
3 Delta Region.

4 --o0o--

5 PUBLIC LAND MANAGER FOSTER: The Delta is an  
6 important piece of the state's economy and environment,  
7 but abandoned vessels, especially abandoned commercial  
8 vessels pose a significant risk. Abandoned commercial  
9 vessels are navigational, environmental, and public  
10 health and safety hazards. They're also very costly to  
11 process, remove, and dispose of. Single abandoned  
12 commercial vessel can cost anywhere from tens of  
13 thousands to several million dollars to remove.

14 --o0o--

15 PUBLIC LAND MANAGER FOSTER: Here are just a few  
16 examples of the problem.

17 --o0o--

18 PUBLIC LAND MANAGER FOSTER: Introduced by  
19 Assembly Member Frazier is AB 2441 Public Resources Code  
20 Section 6302.2 directs the Commission to develop a plan  
21 by July 1st, 2019, in consultation with other relevant  
22 state and local agencies directly involved in abandoned  
23 vessel removal, that prioritizes abandoned commercial  
24 vessel removal based on its risk to the delta environment  
25 and public health and safety. The plan covers a five

1 county area and will be implemented upon funding.

2 --o0o--

3 PUBLIC LAND MANAGER FOSTER: This graphic shows  
4 the plan's five county delta region.

5 --o0o--

6 PUBLIC LAND MANAGER FOSTER: The plan proposes  
7 to accomplish four objects. The first is to develop a  
8 systematic approach to identifying and prioritizing  
9 vessels for removal purposes. The second objective is to  
10 develop the necessary internal infrastructure for  
11 successful plan implementation. Since funding is the key  
12 to implementing the plan, the third objective is to  
13 develop a cost basis for budgeting purposes. The fourth  
14 objective is to provide recommendations for possible  
15 future actions to help prevent abandoned commercial  
16 vessels from continuing to be a problem.

17 --o0o--

18 PUBLIC LAND MANAGER FOSTER: California's funded  
19 program to abate abandoned recreational vessels, the  
20 Surrendered and Abandoned Vessel Exchange, SAVE Program,  
21 is administered by the Department of Boating and  
22 Waterways, but the SAVE Program does not include  
23 commercial vessels. The Commission has an Abandoned  
24 Vessel Program but has no funding for it. This plan  
25 would become part of that program upon funding.

--o0o--

PUBLIC LAND MANAGER FOSTER: For plan purposes, staff developed this definition of a commercial vessel to help minimize overlap with abandoned vessels that fall under the SAVE Program.

--o0o--

PUBLIC LAND MANAGER FOSTER: This graphic shows the distribution by county of currently known abandoned commercial vessels within the plan area.

--o0o--

PUBLIC LAND MANAGER FOSTER: The plan describes a number of essential components, including staffing; Ground Truthing Survey; a risk-based priority matrix for ranking vessels for removal once identified; a database and user interface; partner agency coordination; the program administrative process for owner and public noticing; and cost analysis and budgeting.

--o0o--

PUBLIC LAND MANAGER FOSTER: The plan would add new functions to the Commission's existing program, which would increase current workloads and require adding new positions. At minimum, staff recommends adding positions for a boat captain, support staff, and a supervisor.

--o0o--

PUBLIC LAND MANAGER FOSTER: The proposed Ground

1 Truthing Survey would verify information on known  
2 abandoned commercial vessels, acquire new information to  
3 help prioritize vessels, identify and gather information  
4 on previously unknown vessels, and develop a fiscally  
5 responsible, risk-based systematic approach to removal.

6 --o0o--

7 PUBLIC LAND MANAGER FOSTER: A risk-based  
8 priority matrix is the heart of the plan. Once all  
9 available information has been gathered about each vessel  
10 on the list, staff would use the matrix to rank each one  
11 from, priority one, emergency, immediate or high risk, to  
12 priority four, non-emergency no immediate risk. For  
13 example, a priority one vessel could be a navigation  
14 hazard or it could be leaking hazardous substances into  
15 the water; whereas a priority four vessel would be  
16 relatively stable with little chance of becoming a hazard  
17 in the immediate future.

18 --o0o--

19 PUBLIC LAND MANAGER FOSTER: The matrix includes  
20 a description of four criteria that would be applied to  
21 each vessel for ranking purposes; its seaworthiness  
22 state; mooring condition; hazard state; and public  
23 accessibility state.

24 --o0o--

25 PUBLIC LAND MANAGER FOSTER: Additional factors

1 may influence a vessels priority and other factors can be  
2 considered when developing ranking, such as a vessels  
3 size or proximity to populated areas in disadvantaged  
4 communities.

5 --o0o--

6 PUBLIC LAND MANAGER FOSTER: These next sides  
7 feature photos of vessels that generally illustrate the  
8 four priority levels. This is an example of what could  
9 be considered a priority one, high-risk vessel.

10 --o0o--

11 PUBLIC LAND MANAGER FOSTER: These are vessels  
12 that could be considered a priority two, moderate risk.

13 --o0o--

14 PUBLIC LAND MANAGER FOSTER: And these are  
15 vessels that could be considered a priority three or  
16 four, low or no immediate risk.

17 --o0o--

18 PUBLIC LAND MANAGER FOSTER: The plan proposes  
19 developing an interactive database for vessel information  
20 tracking and mapping. The database would be used by  
21 staff, partner agencies, and the public.

22 --o0o--

23 PUBLIC LAND MANAGER FOSTER: The plan lays out  
24 the Commission's Abandoned Vessel Program Administrative  
25 Process, which defines marine debris and vessels subject

1 to the program and specifies how ownership  
2 identification, noticing, and cost recovery is  
3 accomplished.

4 --o0o--

5 PUBLIC LAND MANAGER FOSTER: Plan cost analysis  
6 and budgeting describes each activity and process,  
7 including functions that would occur upon start up.

8 --o0o--

9 PUBLIC LAND MANAGER FOSTER: And those that will  
10 have ongoing costs.

11 --o0o--

12 PUBLIC LAND MANAGER FOSTER: No specific funding  
13 mechanism is in place, although funding could come from  
14 various sources.

15 --o0o--

16 PUBLIC LAND MANAGER FOSTER: The plan includes  
17 several recommendations for possible future actions,  
18 including expansion to a statewide program, requiring  
19 owners obtain insurance and have vessels inspected prior  
20 to transfer, and working with California's elected  
21 officials to effect change on a state and a national  
22 level.

23 --o0o--

24 PUBLIC LAND MANAGER FOSTER: Staff recommends  
25 the Commission approve the proposed plan, authorize staff



1 to make non-substantive changes, and submit the plan to  
2 the legislature on or before July 1st, 2019.

3 Are there any questions?

4 ACTING CHAIRPERSON DURLAO: Any questions from  
5 Commissioners? I do not see any public comment --

6 ACTING COMMISSIONER MILLER: No questions, but  
7 do you want us -- is this a plan that would be approved  
8 today?

9 EXECUTIVE OFFICER LUCCHESI: Yes.

10 ACTING COMMISSIONER MILLER: Okay. I move to  
11 approve the plan as proposed by staff.

12 COMMISSIONER YEE: Second.

13 ACTING CHAIRPERSON DURLAO: Great. Great. We  
14 have two -- we have a motion and a second. Any objection  
15 to a unanimous vote?

16 No objection.

17 The motion passes unanimously.

18 PUBLIC LAND MANAGER FOSTER: Thank you. That  
19 concludes my abbreviated presentation.

20 (Laughter.)

21 EXECUTIVE OFFICER LUCCHESI: Real quick. Before  
22 moving on to the next item, I do just want to acknowledge  
23 Ken Foster and a whole host of staff members who put this  
24 plan together in six months. The bill was passed and  
25 became effective January 1st and required us to prepare

1 that plan and submit it to the legislature by Monday.

2 So it was a real herculean effort, but we also  
3 had great support from the Office of Spill Prevention and  
4 Response, OSPR, as well as many other stakeholders, and I  
5 want to expressly thank Assembly Member Frazier for him  
6 and his staff's attention to this really important issue.  
7 So thank you.

8 ACTING CHAIRPERSON DUMLAO: Yet another  
9 wonderful example of staff's great work. Thank you.

10 All right. So moving on to Item 101, which is  
11 an informational update on two new public, GIS based  
12 interactive special tools. May we have the presentation?

13 (Thereupon an overhead presentation was  
14 presented as follows.)

15 STAFF ENVIRONMENTAL SCIENTIST FARNUM: Hi,  
16 again. I'm, for the record, Maren Farnum, and here with  
17 me today is Chris Packer, who is one of our geographic  
18 information system's analyst.

19 We are going to show you very briefly just a  
20 couple of new web-based GIS mapping applications that  
21 we've created for the public to use. We were going to  
22 show you a couple of videos today to really sort of dig  
23 into it and demonstrate what these things can do. We're  
24 going to shorten up here and not show those videos, but  
25 we're just going to walk you through a couple of the

1 highlights and features of these applications.

2           So the first one I'm going to talk about is the  
3 web mapping application that we built with our team  
4 members at the Port of San Diego as part of the San Diego  
5 Ocean Planning Partnership, and this web mapping  
6 application contains lots and lots of spatially  
7 referenced information about the waters offshore San  
8 Diego and all of the Public Trust uses within it.

9           The next one that we're going to show you is a  
10 new public sea level rise viewer that we've also made.  
11 Both of these are tools that can help with making more  
12 informed decisions with resource management and help us  
13 face the challenges of the future, as conditions change  
14 rapidly out in the ocean.

15                               --o0o--

16           STAFF ENVIRONMENTAL SCIENTIST FARNUM: So really  
17 quickly I'll just remind you of our partnership with the  
18 Port of San Diego on the San Diego Ocean Planning  
19 Partnership. We signed an MOA back in 2016 to look at  
20 Public Trust uses offshore San Diego, understand them  
21 better, and increase our sort of coordination and  
22 collaboration on Public Trust resource management, as  
23 well as offer a lot more information than has ever been  
24 offered before to the public about these Public Trust  
25 resources.

--o0o--

STAFF ENVIRONMENTAL SCIENTIST FARNUM: So I wont go too far into that, but just to remind you here we have shared Public Trust resource management responsibilities with the Port of San Diego. They manage many of the sovereign lands here within San Diego Bay, and then the State Lands Commission has jurisdiction offshore San Diego County, and this partnership helps us understand how those uses connect throughout these ocean spaces, and we both manage under the lens of the Public Trust Doctrine.

--o0o--

STAFF ENVIRONMENTAL SCIENTIST FARNUM: Some of those Public Trust uses that we manage are navigation, commerce, fisheries, recreation, and environmental stewardship. This pilot project has been based around understanding these uses better. It's been based on robust public engagement with stakeholders and ocean users throughout this area, and we really relied on that robust public engagement to, not only develop our assessment of the area, which was found in the Preliminary Assessment Report released in December of 2018, but also to develop in web mapping application.

So this is how the web mapping application is organized around these Public Trust uses, and, in the

1 mapping application, you can find a lot of information on  
2 a few of these things like navigational aids, wrecks and  
3 obstructions for the category of navigation. You can  
4 find things about resource potential, like different  
5 types of energy, sediment sources, and coastal energy  
6 facilities, under the heading of commerce.

7           You can find the location of fishing piers and  
8 jetties, which support a robust sport and commercial  
9 fishing industry here in San Diego, as well as  
10 recreational fisheries. You can also find information on  
11 commercial landings.

12           For recreation, we've got SCUBA dive sites, boat  
13 launch sites, also public access points, and the public  
14 and free regional transportation systems that connect to  
15 those public access points.

16           For environmental stewardship, we've got a lot  
17 of data and layers related to things like our marine  
18 protected areas, important habitats, like canopy forming  
19 kelp, and wetlands, and things like that.

20           So I'd just like to say as well that even though  
21 this web mapping application is organized by these  
22 different uses and the data associated with those uses is  
23 all, you know, connected spatially to a point on a map, a  
24 lot of these uses are very significant and very important  
25 throughout this ocean space, fisheries, tribal and

1 cultural resources, the Navy's use of this space. They  
2 really are significant throughout.

3 And so another feature of this web mapping  
4 application is that, in many instances, we do provide  
5 contact information for these uses where you can actually  
6 reach out directly to a representative from one of these  
7 important use categories and connect with them directly  
8 to understand more context than what the map alone can  
9 provide for you.

10 --o0o--

11 STAFF ENVIRONMENTAL SCIENTIST FARNUM: So we  
12 were going to have this video. We're going to skip  
13 passed it real quick, but I'm going to ask Chris if he  
14 would like to say a couple of words about some of the  
15 unique features in the map.

16 --o0o--

17 RESEARCH DATA SPECIALIST PACKER: Sure. So the  
18 web mapping was released in early April -- my name is  
19 Chris Packer. The web mapping application was released  
20 in early April. It's available at [sdoceanplanning.org](http://sdoceanplanning.org).

21 Just to highlight quickly some of the features.  
22 You'll be able to turn on and off layers from different  
23 Public Trust categories that will be available at the top  
24 left of the map. You can mix and match those. You'll be  
25 able to search for areas of interest; add your own data,

1 such as an area of interest, a project area. You'll be  
2 able to do analysis; identify specific leases of interest  
3 and get to those quickly, and get additional information  
4 by being directly linked to the calendar item.

5           There's a host of additional authoritative data  
6 sets, you can add through ArcGIS online, and, you know,  
7 we just released this recently, but we continue to look  
8 for new sources of data sets. We welcome feedback, and  
9 we encourage the public to visit the site and check it  
10 out.

11           STAFF ENVIRONMENTAL SCIENTIST FARNUM: Yeah.  
12 And last thing I'll mention on it is I think it's unique  
13 to this web mapping application. We have a lot of layers  
14 for the U.S. Navy, and they show extensive areas that the  
15 U.S. Navy uses for training and operations, and that's  
16 pretty unique. We worked with them for a long time to  
17 help raise the transparency and awareness of their  
18 activities throughout this area, which are so important.

19                           --o0o--

20           STAFF ENVIRONMENTAL SCIENTIST FARNUM: So next  
21 I'll just tell you about another new application that  
22 we've also just released. This one a little bit more  
23 recently, just this last week, but we actually, as staff,  
24 have been using this application to inform our own  
25 Sea-Level Rise Analysis process that we've undertaken

1 with our Lease Application Review.

2 So this can also be found through our  
3 Commission's website, and it contains lots of great,  
4 unique layers. One thing that's unique to it is the  
5 Commission's Lease-Point Layer, so we can actually really  
6 specifically hone in on the vulnerabilities and risk to  
7 the Public Trust assets and resources on Public Trust  
8 lands that we lease. It contains the ability to display  
9 different sea-level rise scenarios, as well as things  
10 like critical infrastructure, sensitive habitats, and a  
11 host of other things.

12 So, again, we won't take you through this video,  
13 but it is available for our own staff's use, as well as  
14 the public's use now as well.

15 --o0o--

16 STAFF ENVIRONMENTAL SCIENTIST FARNUM: And I  
17 think -- we're going to skip this one too.

18 --o0o--

19 STAFF ENVIRONMENTAL SCIENTIST FARNUM: Yeah. So  
20 Chris and I our contact information is up there, and, you  
21 know, we hope people will be in touch if they have any  
22 questions. We'll be happy to answer them thanks.

23 ACTING CHAIRPERSON DUMLAO: Thank you very much.  
24 Comments from Commissioners?

25 COMMISSIONER YEE: Thank you. First of all, I



1 always get excited about these presentations because  
2 these applications are -- I'm already seeing just a lot  
3 of different possibilities in terms of how they can be  
4 utilized, but I just want to thank you and the  
5 partnership, obviously, with the Port of San Diego, just  
6 the expansive thinking with respect to what's being  
7 developed here.

8 I think it's just really truly remarkable, and  
9 what I would like to suggest -- this is part of the focus  
10 in our strategic plan as well with respect to just  
11 general public education about the Public Trust and  
12 certainly other issues that are before the Commission.  
13 And, as well delve more into ocean-related issues, I hope  
14 we can actually put together some educational programs  
15 utilizing these applications, and I think it would have  
16 really broad base interest given the tools that I think  
17 will be well-received.

18 ACTING CHAIRPERSON DUMLAO: Yeah. I  
19 wholeheartedly agree. I spent some time using  
20 CalEnviroScreen and that was such a powerful tool, and I  
21 see this being just another example of a powerful way of  
22 integrating all these complicated interactions and  
23 visualizing it so we can better make decisions. Thank  
24 you very much.

25 STAFF ENVIRONMENTAL SCIENTIST FARNUM: Did you

1 want to mention that we have CalEnviroScreen in there?

2 RESEARCH DATA SPECIALIST PACKER: Yeah. I just  
3 wanted to make a quick plug. We have an open data portal  
4 through the Commission's website. So a lot of  
5 authoritative Commission data is available for the public  
6 to download there, as well as the Sea-Level Rise viewer  
7 and other applications as well.

8 ACTING CHAIRPERSON DUMLAO: Great. Thank you.  
9 Ms. Lucchesi?

10 EXECUTIVE OFFICER LUCCHESI: I just have a  
11 couple of closing comments. First, I wanted to  
12 acknowledge that Jason Giffen and Lily Tsukayama are from  
13 the Port of San Diego are in the audience, and they  
14 wanted to just express their continued support of our  
15 work, and I wanted to really emphasize the partnership  
16 that we have with the Port of San Diego and how much we  
17 value that, and I think the Commission shares that  
18 sentiment as well.

19 Both of these applications that were just  
20 presented to you, the one with relating to the San Diego  
21 Planning Partnership and the Sea-Level Rise Viewer.  
22 Those were done the Sea-Level Rise Viewer in house from  
23 our staff and then the San Diego Planning Partnership in  
24 partnership obviously with the Port of San Diego, and we  
25 are entering into a new phase of the work that the

1 Commission does in terms of really creating tools that  
2 will help the public and the Commissioners and staff do  
3 all of our jobs better and be better informed about the  
4 interactions between the different Public Trust lands and  
5 resources and all the other things that people are  
6 interested in out in the ocean space.

7           So this is an incredibly exciting time for us,  
8 and I can just not state enough how wonderful Chris and  
9 Maren and our whole GIS team are in putting these tools  
10 together, without extra additional consultants or extra  
11 resources, and we're doing this in-house and we couldn't  
12 do a lot of it without the partnership with the Port of  
13 San Diego. So thank you.

14           ACTING CHAIRPERSON DUMLAO: Thank you very much.  
15 We have two people who wanted to speak, Matt Everingham  
16 and then Lily Tsukayama.

17           Did she want to speak or --

18           EXECUTIVE OFFICER LUCCHESI: I think that Lily  
19 is fine. They just wanted to express their support.

20           MR. EVERINGHAM: Hello. My name is Matt  
21 Everingham. I'm here today on behalf of the San Diego  
22 Fishermen's Working Group. We represent commercial  
23 fishing in the San Diego area, and we just wanted to say  
24 that we appreciate that we've been included in this  
25 process, and that we standby to continue participating

1 and working with the Port of San Diego and the State  
2 Lands Commission to do that.

3 So, again, thank you. We can also help put the  
4 team into contact with other associations that represent  
5 fisheries as well. So thank you.

6 ACTING CHAIRPERSON DUMLAO: Thank you. All  
7 right. So that is an informational only item, so no  
8 vote. All right. Moving on to Item 103, which is an  
9 informational update on AB 691 from Muratsuchi, which is  
10 State Granted Trust Lands and Sea-Level Rise. May we  
11 have the presentation?

12 STAFF ENVIRONMENTAL SCIENTIST FARNUM: Yeah.  
13 It's me again.

14 ACTING CHAIRPERSON DUMLAO: Welcome back.

15 (Laughter.)

16 (Thereupon an overhead presentation was  
17 presented as follows.)

18 STAFF ENVIRONMENTAL SCIENTIST FARNUM: We'll  
19 also go through this efficiently here. For the record,  
20 I'm Maren Farnum and here to present on AB 691, which was  
21 passed in 2013, and this is about preparing certain  
22 granted Public Trust lands and resources for sea-level  
23 rise.

24 I would like to take the time to mention that  
25 this is actually the first time that the State of

1 California has ever comprehensively planned for the risks  
2 of sea-level rise to the public's lands and resources.  
3 And these are arguably some of the state's most valuable  
4 lands and assets.

5 So sea-level rise planning has gone on at a  
6 community and regional level, which is really important.  
7 But this is about the state's assets that are managed  
8 locally in trust by local grantees or trustees. And  
9 these lands represent major ports, countless beaches,  
10 trails, wharfs that support retail, recreation, our  
11 robust coastal tourism economy, as well as public health  
12 and access needs, and also really critical coastal  
13 habitats, like wetlands, kelp beds, inner tidal rocky  
14 areas. These are really important areas for the state.

15 --o0o--

16 STAFF ENVIRONMENTAL SCIENTIST FARNUM: AB 691,  
17 again, was passed in 2013. It requires local trustees of  
18 granted Public Trust lands with gross revenues that  
19 average over \$250,000 annually to inventory their trust  
20 assets, assess their vulnerability to sea-level rise, and  
21 begin to formulate feasible and effective adaptation and  
22 resiliency measures. The assessments are due to the  
23 Commission on July 1st, 2019, which is Monday. We've  
24 already received a number of submissions, but we still  
25 have a few more to go.

1           So we will make these assessments available to  
2     the public online. And just pointing out on here is the  
3     picture of the Port of Los Angeles, one of the trustees  
4     who has submitted their assessment to the Commission.

5                       --o0o--

6           STAFF ENVIRONMENTAL SCIENTIST FARNUM: I won't  
7     go over this too much, but just as a refresher the  
8     legislature has granted sovereign Public Trust lands to  
9     over 80 local public entities, and these are known as  
10    local trustees. They are meant to manage their trust  
11    lands the same as us in accordance with the Public Trust  
12    Doctrine, the specific granting statutes, the California  
13    Constitution, and other laws governing the trust and the  
14    trustee's fiduciary duties.

15           While they are Public Trust lands and assets  
16    managed locally, the Commission does have residual and  
17    review authority over these granted lands. And we  
18    represent the statewide public interest to ensure that  
19    trustee's manage their granted lands in conformance with  
20    applicable laws.

21           So this piece of legislation, AB 691, really  
22    supports the Commission's oversight role over granted  
23    Public Trust lands, by gathering information from  
24    trustees on a local and site specific vulnerabilities  
25    associated with sea-level rise, as well as preferred

1 strategies for safeguarding and adapting Public Trust  
2 land and resources.

3 Rapidly warming temperatures and rising waters  
4 will result in a wide range of impacts, and the  
5 Commission and trustees have a responsibility to the  
6 public to ensure that these Public Trust values and uses  
7 are carefully considered amid the challenges of planning  
8 for sea-level rise.

9 And quickly, this effort is also consistent, as  
10 Commissioner Yee mentioned earlier, with the Commission's  
11 strategic plan. We have a number of key elements in  
12 there related to proactively addressing climate change  
13 and sea-level rise in all of our decision making and  
14 planning processes, encouraging our trustees to do the  
15 exact same thing, fostering these important partnerships  
16 and collaborations, and adopting sort of flexible and  
17 adaptive approaches that meet the state's policy and  
18 guidance surrounding sea-level rise.

19 --o0o--

20 STAFF ENVIRONMENTAL SCIENTIST FARNUM: So this  
21 is a list of the 33 local trustees that are subject to AB  
22 691 based on the revenue threshold. We've been  
23 corresponding with these trustees since 2015 about AB 691  
24 and the requirements and criteria associated with it.  
25 We've developed a number of resources to assist these

1 trustees with the development of their assessments; those  
2 can be found on a web page through our website. There's  
3 a link down there at the bottom.

4 And the main point is to, you know, gather up  
5 all of this information and look at the commonalities and  
6 differences as part of our effort to understand sea-level  
7 rise vulnerability statewide to Public Trust lands and  
8 resources. But I'll just say that, you know, these  
9 grantees or trustees represent a wide range of different  
10 types of lands and uses, from major ports, small harbors,  
11 and cities and counties. So it's not a one-size-fits-all  
12 approach.

13 --o0o--

14 STAFF ENVIRONMENTAL SCIENTIST FARNUM: These are  
15 some of the Public Trust lands and resource types and  
16 uses that are all going to be impacted by sea-level rise  
17 that we're looking at. Again, we've got things like  
18 shipping channels and ports; critical infrastructure,  
19 like utility pipelines; marine oil terminals; facilities  
20 that support fisheries operations; again, recreational  
21 and tourism uses, and critical habitats.

22 --o0o--

23 STAFF ENVIRONMENTAL SCIENTIST FARNUM: Here are  
24 the criteria that must be satisfied for AB 691. Starts  
25 out that you need to assess your vulnerability to



1 sea-level rise, that includes inventorying your Public  
2 Trust assets that are most vulnerable. Moving on to  
3 creating maps of different sea-level rise scenarios for  
4 2030, 2050, and 2100. This gives us a handle on how to  
5 prioritize short, mid, and long-term solutions and  
6 adaptation strategies.

7 Then also unique to AB 691, they must include an  
8 estimation of financial costs posed by sea-level rise to  
9 these assets, and then develop or describe a number of  
10 proposals for adaptation strategies to protect and  
11 preserve these local trust assets and lands.

12 Up here is an example I decided to include from  
13 the Port of San Diego since they're here today of one  
14 area that they manage called Shelter Island. On here  
15 they've provided two different maps of two different  
16 scenarios for 2100. Sort of an optimistic, low sea-level  
17 rise scenario, if all goes well and we cut emissions  
18 drastically. And then a scenario that corresponds to a  
19 higher sea level that we might see, if we continue on  
20 sort of a business-as-usual path. So this is one of the  
21 ways that these trustees can visualize and prioritize  
22 what assets are most at risk and how to adapt for them.

23 --o0o--

24 STAFF ENVIRONMENTAL SCIENTIST FARNUM: So we  
25 aren't just going to collect all these things and let

1    them sit on a shelf. We are going to do something with  
2    them. Thanks to generous funds that were allocated to us  
3    in the budget last year, we've been able to -- we're  
4    about to bring on a consultant here; expand a bit on our  
5    staff resources and capacity to embark on a cumulative  
6    study to evaluate all of these submissions in total;  
7    figure out, again, what assets are most at risk, most  
8    vulnerable, and what are the most preferred strategies by  
9    local trustees for adaptation.

10           As part of that we'll also, again, do the full  
11    sort of financial evaluation and bring all these things  
12    together to develop a set of recommendations to the state  
13    on how best they can support local implementation  
14    efforts. As part of that, I do want to emphasize that we  
15    are also exploring collaborations and partnerships with  
16    other state agencies, our sister state agencies, as well  
17    as federal and local partners. It's really important to  
18    bring more sort of more people to the party here, more  
19    people to the table to raise awareness of what these  
20    risks and vulnerabilities are and figure out how we can  
21    address them together.

22           And we're also going to be looking to work more  
23    closely with the legislature and the local trustees  
24    themselves on how to move forward on this set of  
25    recommendations that we developed. And, with that, I'm

1 happy to take any questions that you may have.

2 ACTING CHAIRPERSON DUMLAO: Great. Thank you.  
3 Any comments from Commissioners?

4 Great. We do have one slip from a speaker,  
5 Jason Giffen with the Port of San Diego.

6 MR. GIFFEN: Great. Thank you very much. Good  
7 afternoon to the Commission and glad to have you in San  
8 Diego. Again, for the record, Jason Giffen for the Port  
9 of San Diego, and I just want to thank Maren and the  
10 whole team for their coordination.

11 The Port of San Diego submitted our sea-level  
12 rise vulnerability and coastal resilience report this  
13 week, as required by Assembly Bill 691. As a trustee of  
14 tidelands around San Diego Bay preparing for sea-level  
15 rise is an important priority for us, our region, and the  
16 state. The Port of San Diego contributed \$9.4 billion of  
17 combined direct and indirect economic impact to our  
18 region in 2017, and we provide coastal access to numerous  
19 visitors, and we are steadfast environmental stewards, as  
20 you've heard on some of these items today.

21 The Public Trust lands that we manage are  
22 diverse, and, through the processes of assessing our  
23 future vulnerabilities and developing a framework to  
24 prepare for the risk, we've learned a lot. We have a  
25 great opportunity today to be proactive and administer

1 the Public Trust resources with resiliency in mind, and  
2 that's what we're going to do. Our report sits at  
3 baseline for planning of sea-level rise. We realize the  
4 science is going to change, that strategies will change,  
5 but we now have an adaptive management process to follow,  
6 as outlined in our report, to make necessary changes  
7 along the way.

8           Throughout the development of the report, we  
9 sought out technical feedback from external stakeholders,  
10 which included our tenants, government agencies, interest  
11 groups stakeholders and Academia. We will continue this  
12 collaboration with external stakeholders, for example, we  
13 have a memorandum of agreement with Navy Region  
14 Southwest, which allows us to align our planning and  
15 share resources regarding sea-level rise in San Diego  
16 Bay.

17           We also are initiating research with Scripps  
18 Institution of Oceanography on how wave activity may  
19 influence coastal flooding in and around San Diego Bay,  
20 and that pilot is just about to begin. We're already  
21 starting to incorporate adaptive sea-level rise into our  
22 planning and design projects, whether that is restoration  
23 of natural resources infrastructure improvements or new  
24 development, and this including a cornerstone of our  
25 comprehensive update to our Port master plan that's

1     underway.

2             And this is going to be the new normal for us.  
3     Especially, as we have a task of protecting coastal  
4     dependent uses, and our work together will clearly become  
5     more challenging. We would like to, in conclusion, thank  
6     staff and the State Lands Commission for resources and  
7     guidance throughout this process, and we look forward to  
8     tackling these challenges issues together. Thank you.

9             ACTING CHAIRPERSON DUMLAO: Thank you. All  
10     right. I think that concludes Item 103.

11            Ms. Lucchesi, is there anything else? What's  
12     the next order?

13            EXECUTIVE OFFICER LUCCHESI: The next order of  
14     business is public comment, and I believe we have about  
15     four speaker slips for public comment.

16            ACTING CHAIRPERSON DUMLAO: All right. I'm just  
17     going to go ahead and read the four names, and you guys  
18     can line up. We have Leon Benham and then John  
19     Heatherington, Pam Heatherington, and Lily Tsukayama.

20            MR. BENHAM: Hello. My name is Leon Benham, and  
21     you have in your possession some photographs from the San  
22     Diego Bay. I am the Executive Director of a new  
23     501(c)(3) nonprofit called Citizens for Coastal  
24     Conservancy. We have established ourselves in March.  
25     We're very young, and we represent the public interests

1 of ranchers in the valley, people from National City,  
2 people from Chula Vista, and, of course, Imperial Beach  
3 directly related to our use and the shared use of our  
4 bay.

5 The first photo you see is a new project that  
6 was just completed by the Port district where they  
7 created a new beach up in Shelter Island. There's also  
8 been several beaches created in Coronado at the Ferry  
9 Landing over the years. Those beaches are gleaming, and  
10 they're just what we should do in the Bay. The next few  
11 photos show down in our neck of the woods, National City,  
12 and, you know, areas that need help.

13 Even though the Port is developing -- has just  
14 got approval for the Chula Vista Bay Front Development,  
15 right next to that are these pictures, here, of car  
16 engines and things that are right in the public area  
17 where we go to use the beach. And much of this debris  
18 here is from an old project called the Shangri-La Hotel,  
19 which was demoed and the asphalt concrete and steel is  
20 still there.

21 So, as a steward of our lands, we would ask that  
22 any future or even current considerations of these  
23 projects, is that we have, with mitigation, tangible  
24 benefits to the people that live there. These would be  
25 let's clean up this beach; let's bring in some new sand,

1     like they've done in Coronado and Point Loma.

2             One of the other things that on the last one in  
3     Coronado where you see the dike -- it's called, basically  
4     -- you'll see that this concrete these areas were vast  
5     rookeries back in the '60s and '70s where birds would  
6     congregate and they would stay there. But because of  
7     this rubble that's there -- I hate to say it -- there's  
8     animals that live in, rats and stuff, that basically eat  
9     the eggs of the nesting birds.

10            So most of the -- there's only one rookery left  
11     down there on all those miles of dikes, and so part of  
12     this clean up effort to remove this concrete and rubble  
13     and return it to clean sand, it would benefit the ecology  
14     obviously of the area. And so I know we've been here a  
15     long time, and I'm just going to leave it at that. And  
16     thank you for your work. Appreciate it.

17            ACTING CHAIRPERSON DURLAO: John Heatherington  
18     and Pam.

19            MR. HEATHERINGTON: I'd like to give my time to  
20     Pam Heatherington, if that's possible.

21            ACTING CHAIRPERSON DURLAO: Yes. That's fine.

22            MS. HEATHERINGTON: I promise I won't take it  
23     all. I know it's been a long day, and you guys are very  
24     patient.

25            (Thereupon an overhead presentation was

1           presented as follows.)

2           MS. HEATHERINGTON: Good afternoon, again. I  
3   hope you get some time to enjoy San Diego. I am Pam  
4   Heatherington speaking on behalf of the Environmental  
5   Center of San Diego. Last year, I presented a short  
6   power point on the De Anza cove area of Mission Bay.  
7   This is what it looked like in the 1800s; it was known as  
8   False Bay.

9                               --o0o--

10          MS. HEATHERINGTON: Here is a picture of the De  
11   Anza Point from I5 going, I think, north. In the 1940s,  
12   the State Lands Commission deeded the property to San  
13   Diego as part of Mission Bay Park.

14                               --o0o--

15          MS. HEATHERINGTON: And this is what happened.  
16   In the 1950s, the city leased the land allowing the area  
17   to be used by visitors for travel trailers purposes.  
18   Well, the city let them drop anchor and stake a claim.  
19   Looking at the slide on the left is the Kendall-Frost  
20   Marsh, next to that is Campland by the bay, and the boot  
21   area, which was supposed to be public lands, turned out  
22   to be mobile homes on the point and trailers up towards  
23   the top with a thin line of RV parks that are available  
24   right now, RV spaces.

25          By the late 1970s, the question was raised



1 whether it was legal to have permanent residence on  
2 Mission Bay. State lands officials responded by saying  
3 the city needed to phase them out. At the same time,  
4 state law was passed ensuring people could live there  
5 until the 50-year lease expired in 2003. I think it was  
6 referred to as the Kapiloff legislation.

7 At the same time as the lease of the state  
8 tidelands ran out, the city leaders professed that they  
9 wanted to turn the property into a public park. Many  
10 years later, all the residents are gone and many of the  
11 mobile homes and trailers are gone. Like any restoration  
12 project, it takes time, money and political will.

13 --o0o--

14 MS. HEATHERINGTON: In 1992, a survey was done  
15 prior to the Mission Bay Master Plan where people  
16 responded that water quality habitat restoration and  
17 public access were their priorities. The Environmental  
18 Center did outreach at the Bay this month, and the public  
19 sentiment has not changed. So we're on the right path to  
20 improve water quality, restore wetland habitat, and give  
21 the public back their land at De Anza Cove, or so we  
22 thought.

23 But earlier this week the City of San Diego took  
24 that thought and blew it away. By entering into a lease  
25 agreement that allows management of the city's existing

1 camping facility on De Anza Cove to enlarge for private  
2 use, lands us back to the 1970s when the trailer park  
3 parked and never left. The area in the light green on  
4 the boot area is where the city thinks that all of this  
5 RVs should be expanded.

6 This and the amendment to the existing Campland  
7 Lease crafted behind closed doors, a settlement to a  
8 15-year-old litigation -- and without much public notice  
9 -- has managed to once again privatize De Anza Cove,  
10 another gift of public funds.

11 --o0o--

12 MS. HEATHERINGTON: Sure we're told there's  
13 going to be a public beach, but this is how they deal  
14 with the public now at the existing Campland facility.  
15 I'm sorry you can't see the guard shack.

16 --o0o--

17 MS. HEATHERINGTON: You can see it in this one  
18 with the arms of gate down. Now the city has committed  
19 to blocking the public once again to only a path way  
20 around the newly-sanctioned developed.

21 --o0o--

22 MS. HEATHERINGTON: So, if you go back and look  
23 at this, there's not a lot of public beach space left.  
24 All of this is taking place before there is even a  
25 project for De Anza Cove. Eventually, whatever plan the

1 city puts forward, we cannot allow the public access to  
2 be located in the most vulnerable areas that will be the  
3 first to be swallowed as the sea levels rise.

4 --o0o--

5 MS. HEATHERINGTON: And, as you can see here,  
6 this was taken at king tides in December of 2018. There  
7 again, the public area that was left when the mobile  
8 homes were closed down is now falling into the bay. The  
9 wetland restoration that was to start 25 years ago has  
10 not materialized. We've been promised park dedication  
11 and protection for Rose Creek, the only source of fresh  
12 water into Mission Bay, with no action in sight. And the  
13 public is being denied fair access to these Public Trust  
14 lands.

15 For over 50 years, the public has been waiting  
16 for the mobile home park to be removed and for this land  
17 to be returned to coastal dependent and coastal-related  
18 uses that would serve all of the people. We hope that  
19 our presentations help you to understand the frustrations  
20 of the public, as they see the city resisting efforts to  
21 enhance wetland restoration and restore public access to  
22 the lands around De Anza Cove.

23 We ask for your help in making sure the city  
24 doesn't continue to violate the Public Trust lands in De  
25 Anza Cove and Mission Bay by holding them to a public

1 access plan, as they grant privileges before presenting a  
2 plan. And, on the issue of public access, the  
3 Environmental Center is working on a pathway in La Jolla  
4 that's been closed for thirty years. You know, that's  
5 not right, and so we ask your help in not letting this  
6 happen in the Bay. Thank you.

7 ACTING CHAIRPERSON DUMLAO: Thank you. All  
8 right. Do any of the Commissioners have any comments?  
9 Okay. All right. So we will now adjourn for closed  
10 session --

11 EXECUTIVE OFFICER LUCCHESI: We have one more  
12 public commenter.

13 ACTING CHAIRPERSON DUMLAO: Oh, my gosh. I'm  
14 sorry.

15 EXECUTIVE OFFICER LUCCHESI: It's okay.

16 ACTING CHAIRPERSON DUMLAO: Lily, please come on  
17 down.

18 MS. TSUKAYAMA: Good afternoon, Commissioners,  
19 Jennifer Lucchesi, State Lands staff. Thank you for the  
20 opportunity to provide public comment today. My name is  
21 Lily Tsukayama, and I'm a planner with the Port of San  
22 Diego, and I'm here to update you on the Port's  
23 integrating planning update, known as the Port Master  
24 Plan Update, which is first comprehensive update to our  
25 Port Master Plan since it was certified by the Coastal

1 Commission in 1981.

2           The Port has been engaged in this effort since  
3 2013, directed by our Board of Port Commissioners and led  
4 by Port staff, such as Jason, who've you already heard  
5 from today and the Director of Planning, Lesley  
6 Nishihira. In April, we released a full discussion draft  
7 of the updated Port Master Plan for a 90-day public  
8 review period, which closes on July 31, 2019.

9           Just last night we wrapped up our fourth  
10 community engagement event at the Tijuana River National  
11 Estuary and Research Reserve in Imperial Beach. All of  
12 these events were held throughout San Diego County to  
13 help spread the word about the document, answer  
14 questions, and receive written comments. We've had a  
15 great turnout during these events and are looking forward  
16 to receiving feedback from the public, stakeholders, and  
17 other agencies.

18           We encourage you and State Lands' staff to  
19 review this discussion draft during the 90-day window,  
20 and we brought informational forepages about the Port  
21 Master Plan update, as well as fliers that provide more  
22 information about how to provide written comment on the  
23 document.

24           Thank you for your time, and I look forward to  
25 continuing to develop meaningful collaboration between

1 the Port and the State Lands Commission.

2 ACTING CHAIRPERSON DUMLAO: Thank you very much.  
3 All right. So I believe we are done with everything  
4 else, so we will now adjourn for closed session. Will  
5 the public please clear the room.

6 (Off record: 5:14 p.m.)

7 (Thereupon the meeting recessed  
8 into closed session.)

9 (On record: 5:31 p.m.)

10 (Thereupon the meeting reconvened open session.)

11 ACTING CHAIRPERSON DUMLAO: Great. I call this  
12 meeting back to order. Ms. Lucchesi, is there anything  
13 to report from closed session?

14 EXECUTIVE OFFICER LUCCHESI: No. Not at this  
15 time.

16 ACTING CHAIRPERSON DUMLAO: Great. Thank you.  
17 That concludes the open meeting. We are adjourned.

18 (Thereupon the California State Lands  
19 Commission meeting adjourned at 5:31 p.m.)  
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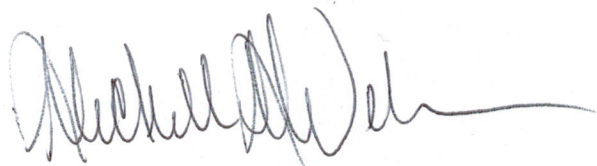
I, MICHELLE M. WILSON, a Certified Shorthand Reporter, do hereby certify:

That I am a disinterested person herein; that the foregoing California State Lands Commission meeting was reported in shorthand by me, Michelle M. Wilson, 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 10h day of July, 2019.



Michelle M. Wilson, CSR, RPR  
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