



California State Lands Commission

April 29, 2020 Executive Officer's Report

The Commission's April 29th, 2020 meeting represents the first completely virtual State Lands Commission meeting. This Report includes updates on various issues, activities and projects involving the Commission, its staff, and the lands and resources within its jurisdiction.

Since the middle of March, Commission staff have been continually adapting to the situation presented by the COVID-19 pandemic. The changes made are based on evolving guidance from the Governor and his administration, including California Natural Resources Agency Secretary Wade Crowfoot and CalHR. Fortunately, the line of communication has been exceptional. At this time approximately 74 percent of our staff are teleworking. While all our offices are operational, we have closed our offices to visitors. We have posted contact information (telephone and email) so that the public can always get a hold of us. We continue to work closely with the California Natural Resources Agency on specific directives for managing staff and implementing physical distancing measures and sanitation practices pursuant to guidance from CalHR. We have instituted modified inspection practices and procedures for our inspectors and engineers who are still inspecting marine oil terminals and oil and gas production facilities, monitoring transfers, and boarding vessels as part of the Commission's oil spill prevention and marine invasive species programs. These modified practices and procedures center around physical distancing and digital paperwork while maintaining core inspection and monitoring activities.

Tribal consultation and Environmental Justice

Many environmental justice organizations already face barriers to participating in government processes or otherwise have limited capacity and resources to respond to calls for public comment. The public health and economic crisis due to COVID-19 is exacerbating this issue. Commission staff is working diligently to ensure equitable public participation during this challenging time. Staff has

incorporated recommendations from [the Leadership Counsel for Justice and Accountability](#) for equitable participation in the planning and design of this Commission Meeting, including making this report available online and preparing multiple options for public comment.

Similarly, tribal engagement and government to government consultation have been greatly affected by the COVID-19 crisis, as tribes' full attention must be on protecting their vulnerable members and elders, and avoiding outbreaks in their communities. At this time, the Commission has five active Consultations that are impacted or could be impacted, including one that is in the post-Commission approval stage where project monitoring could be impacted. On April 23, 2020, Governor Newsom issued Executive Order N-54-20, which suspends the timeframes set forth in CEQA within which a California Native American tribe must request consultation and the lead agency must begin the consultation process for a period of 60 days, effective April 22, 2020, in consideration that tribal capacity to engage in or request consultation may be limited at this time. Staff also recently participated in a meeting with the Governor's Tribal Advisor; the Tribal Advisor encouraged all agencies to be as flexible as possible with all consultations, whether subject to the Executive Order or not, to ensure meaningful input is not forfeited in the name of project expediency. Staff is working with project applicants, consultants, and tribes to ensure the integrity of the consultation process so that cultural considerations are fully integrated, and sensitive resources are protected.

Legislative Process and the State Budget

When the COVID-19 pandemic broke out, it changed the trajectory of legislation and altered the State's budget outlook. On March 4th, the Governor declared a state of emergency to prepare and respond to the pandemic. On March 16th, the Legislature approved two bills in response to the pandemic. The first, SB 89 (Ting), appropriates up to \$1 billion to disaster response. The second, SB 117 (Senate Committee on Budget and Fiscal Year), ensures that local educational agencies receive funding and continue providing educational options during this emergency. The Legislature then went into recess. On April 3rd, Senate President Pro Tem Toni Atkins and Assembly Speaker Anthony Rendon announced that the Legislature would not return until May 4th. The recess marks the first time in 158 years that the California Legislature has unexpectedly stopped its work.

There are a lot of uncertainties about what the COVID-19 pandemic means for the state budget. The constitutional mandate to pass a budget by June 15th remains, even though the Internal Revenue Service postponed state and

federal tax deadlines until July 2020. This means that the State will not have a clear picture of its revenues until after the June 15th deadline to pass a budget. As a result, the Legislature will likely revisit the budget after June 15th, with a second round of budget deliberations in August or later this year.

On March 24th, the Department of Finance notified the Joint Legislative Budget Committee that in light of a potentially severe drop in economic activity as a result of the COVID-19 pandemic, the Department would reevaluate all budget changes within the context of a workload budget. This includes all potential adjustments that the Governor would have included in a May Revise as well as previously approved adjustments incorporated in the proposed budget released in January. The eventual budget will look much different than the budget the Governor proposed earlier this year. It will be what is known as a baseline budget, a budget with no major changes for the next fiscal year except for proposals or adjustments necessary to support the emergency response to COVID-19. And perhaps for wildfire prevention and homelessness funding.

Recently, the Assembly Budget Committee released a [memo](#) explaining what the budget process might look like going forward. As stated in the memo: "When we reconvene, we will have less money and less time to adopt a balanced budget. We know that as a result of the crisis, the State will see our revenues decline, even as we must increase spending to protect Californians. We will not be able to assess the full damage to our State's economy and revenues until August at the earliest. In addition, we must find a way to include the public in our deliberations—which, depending on when we return, may be condensed into a few short weeks."

Although it is still too early to know exactly how the Commission's budget will be affected, we expect the following changes to revenues, which will, in turn, impact the State's ability to fund currently proposed augmentations, especially out of impacted special funds.

First, with oil and gas production down, royalty revenues to both the General Fund and the State Teachers' Retirement Fund will likely drop in the last quarter of the fiscal year 2019-20. In addition, the Oil Spill Prevention and Administration Fund depends on fees that directly correlate to oil prices, meaning that the fund will likely see significant cuts to revenue for the duration of this economic slowdown; this special fund was already in decline, so the Commission and other fund users may need to contemplate deep expenditure reductions to protect the balance. Finally, with normal shipping disrupted, the Marine Invasive Species Control Fund is also likely to see declining fee revenues. Program staff estimates

a six percent reduction to fees because of reduced vessel visits to California ports, which will contribute to an already declining fund balance.

Rincon Well Abandonment Project

Since the State has listed oilfield operations as essential critical infrastructure workforce activities, abandonment operations are still progressing. Driltek, the well abandonment contractor, has established a COVID-19 response plan that follows industry preventive practices by maintaining low headcounts onsite, practicing personal distancing, conducting daily cleaning of facilities, encouraging frequent handwashing, and conducting onsite wellness screening of all personnel and contractors before entering the job site. Technical and administrative support is provided remotely and by telework to the extent practicable. The rig and lease operation crews and a rig engineering manager continue to work onsite. Commission staff engineers also monitor daily operations on site. Plans are in place for shutdown, isolation, and security and surveillance of the facilities, should it become necessary.

Driltek continues to progress in abandoning the offshore and onshore wells at the former Rincon leases. On the island, 33 of the 50 offshore wells have been cemented back to mudline. Onshore, 24 of the 25 wells have been abandoned and the removal of the wellheads and concrete well cellars is 95 percent complete. The onshore rig has been demobilized because the remaining onshore well is a water injector and will be used to inject water transferred from the island operations. This well will not be abandoned until the offshore well abandonment work is completed. In total, 57 of the 75 well abandonments have been completed.

Difficulties caused by deteriorated wellheads and downhole production equipment, damaged casing, and excessive fill that has invaded the wellbore have slowed progress, and the well abandonment count is now two wells behind schedule. Driltek's engineers and rig crews have overcome significant difficulties and remain under budget. Project costs are approximately \$3.8 million under the planned budget of \$32.8 million. Driltek anticipates project completion before June 2021.

Platform Holly Abandonment Project

Plug and abandonment operations on Platform Holly are suspended pursuant to Platform Holly's pandemic response plan. In addition to our operations and maintenance contractor's two to three person crew, two small four-person crews (one daylight and one evening shift) from the drilling company are stationed on the platform to maintain and service critical equipment that will be

used for the plug and abandonment work when the pandemic response plan is lifted.

Personnel have received instructions about response and operating protocols and a paramedic is on board to monitor crews and observe implementation of the protocols. The Ellwood Onshore Facility has a two to three person crew servicing the equipment and treating minor amounts of "annulus gas" from the platform.

Commission staff is brainstorming ideas with its contractors on ways to continue to move well abandonment activities forward on Platform Holly while practicing safe physical distancing. The goal is to find creative solutions to continue the essential plug and abandonment work on Platform Holly while protecting all of the people engaged in the work.

Hollister Ranch Public Access Program

Activities over the past five months have focused on community engagement. In December 2019, the consultant team conducted approximately 18 interviews with stakeholders, including ranch landowners, public access advocates, environmental organizations, equity and environmental justice advocates, surfers, local government staff, and elected officials. These interviews provided the project facilitator with an overview of many of the positions, interests, and concerns that the planning process will need to address

In January 2020, following the initial interviews, a survey link was sent to the stakeholder email list (approximately 1,700 email addresses) and to the State Coastal Conservancy and California Coastal Commission agency email lists. The survey, which was provided in English and Spanish, gathered information on activities of interest for future public access to the ranch coastline and priorities for the planning team to consider as the planning process unfolds.

On February 20, 2020, the planning team held its first public workshop to help guide the planning effort. Over 170 people attended the workshop. Assembly Member Monique Limón provided opening remarks, followed by small group discussions that covered potential interests and concerns associated with a comprehensive public access program for Hollister Ranch.

Staff anticipates issuing a solicitation for a Hollister Ranch Coastal Access Program Working Group later this month. The Working Group will assist the state agency team in the process of evaluating stakeholder input and creatively developing solutions to develop a comprehensive public access program at Hollister Ranch. Staff expects that the Working Group will meet 4-6 times over the next year. A third-party facilitator will attend all Working Group meetings.

Staff anticipates releasing a summary of the public survey later this month, and issuing a second public survey around this same time. This second survey will follow the same protocol used in the first survey. The four-agency planning team and the consultants are evaluating different forums, given the COVID-19 pandemic, for a second next public workshop. A meeting date has not yet been determined.

California Ports, COVID-19 and Air Quality

California is working hard to address the public health and economic challenges brought on by the COVID-19 pandemic, and California's ports play an essential role in supporting the State and Nation's supply chain of medical equipment, food, and other essential goods.

As the spread of COVID-19 strains our medical health services and infrastructure, California's ports remain open and operational – working diligently to expedite the importation of critical health equipment, including medical gowns, gloves, and personal protective equipment. At the same time, ports are experiencing decreases in cargo volumes and disruptions to the supply chain. Some organizations have expressed concerns about being able to maintain a healthy supply chain while complying with air quality regulations and have asked certain regulators to pause fines and penalties for noncompliance during this time.

Air quality is a high concern for environmental justice organizations. Poor air quality is associated with various health problems, including increased rates of asthma. People with respiratory illnesses are at a higher risk of becoming critically ill with COVID-19. On March 31st, 20 environmental justice organizations [sent a letter](#) to the Governor and legislative leadership asking that air quality standards remain intact. In a separate letter to the California Air Resources Board from more than 50 organizations, noted that communities of color and low-income communities are disproportionately impacted by poor air quality and thus, more vulnerable to COVID-19.

AB 691 Sea Level Rise Assessments

Commission staff continues to collaborate with Revell Coastal and local trustees on the [AB 691](#) (Muratsuchi, 2013) project. AB 691 required local trustees of legislatively granted state lands and resources, including many of the State's ports and harbors, to prepare and submit sea-level rise vulnerability and adaptation assessments. Commission staff presented an [update](#) at the Commission's February meeting about the assessment review process. Earlier this month, local trustees completed a survey to fill in information gaps identified in

the assessments and to provide more details about local needs and challenges associated with sea-level rise planning. The survey results will be integrated into the AB 691 summary report due out later this year.

Tijuana River Pollution Crisis

Efforts are ongoing to resolve the pollution issues in the Tijuana River Valley and protect the impacted Public Trust lands, resources, assets, and values within the region, including public access, water quality, and recreation. In February, reports of pump failures, highly contaminated transboundary flows, and insufficient communications prompted Commission staff to request immediate action and leadership from the U.S. EPA. In March, John Busterud, the new U.S. EPA Region 9 Administrator, responded to our letter and detailed the steps the agency was taking to try to address this crisis. Commission staff and other agencies recently reviewed the [Tijuana River Valley Needs and Opportunities Assessment](#), prepared by the County of San Diego pursuant to SB 507 (Hueso, 2017). This report summarizes the proposed projects and alternatives to address the pollution that can be implemented on the U.S. side of the border. Next steps will include developing environmental analyses of preferred alternatives, feasibility studies, extensive stakeholder outreach, and identifying project funding sources.

Last year's State budget included a \$15 million allocation from Proposition 68 bond funds to the State Coastal Conservancy for Tijuana River pollution control and restoration projects. Now that the Tijuana River Valley Needs and Opportunities Assessment is complete, a number of projects have been identified on the U.S. side of the border that could qualify for funding opportunities, including grants from the State Coastal Conservancy. These bond funds can be used for planning, research, feasibility studies, restoration projects, monitoring, and certain capital construction costs. The deadline to encumber the \$15 million is June 2020; however, the Legislature could extend this deadline to give applicants more time to develop proposals and to give the State Coastal Conservancy more time to allocate the funds. Commission staff hopes this will occur. Now more than ever it is critical that the Tijuana River's water quality be restored so that it no longer endangers the public health of the residents of Imperial Beach, San Ysidro, Chula Vista, and Coronado, border protection agents, U.S. Navy servicemen and women, State Park Rangers, scientists, volunteers, and many more.

San Diego Ocean Planning Partnership

Commission staff recently updated its [Web Mapping Application](#) for the San Diego Ocean Planning Partnership. The Application is a free, public tool that displays a wide variety of datasets related to Public Trust uses in the ocean waters off San Diego County. New or updated datasets include Coastal Audubon Important Bird Areas, Historical Ecology of San Diego Lagoons, Sample Sites for the Beach Watch Database, and CalEnviroScreen 3.0. This tool can be used to inform decisions and to better understand the ocean space.

Sea-Level Rise Viewer

Commission staff is updating its public and free [Sea-Level Rise Viewer](#), a GIS-based tool for understanding and visualizing impacts to Public Trust lands, resources, assets, and values vulnerable to sea-level rise and other coastal climate change impacts. The tool links to city and county sea-level rise vulnerability assessment and planning documents, such as updated or new Local Coastal Programs, which are planning tools used by local governments to guide development in the coastal zone.

Marine Invasive Species Program

The Commission's Marine Invasive Species Program continues to be recognized internationally, most recently by the International Maritime Organization's GloFouling Partnerships program. Senior Environmental Scientists Lina Ceballos and Chris Scianni recently gave webinars through the GloFouling webinar series to aid developing nations in creating national biofouling management strategies. Lina and Chris presented and addressed questions in both Spanish and English to a combined audience of 300 participants from approximately 42 different countries. Their presentation focused on the lessons learned through implementing California's biofouling management regulations.

San Onofre Nuclear Generating Station (SONGS) – Units 2 & 3 Decommissioning Project

Unit 1 Reactor Pressure Vessel Loading and Transport Activities

On April 15th, staff received an agency notification from Southern California Edison (SCE) advising of upcoming loading and transport activities of the Unit 1 Reactor Pressure Vessel (RPV) at the railroad spur located at the north end of SONGS. The RPV is the large component that housed SONGS Unit 1's nuclear fuel when the reactor was operating. The Commission approved this activity as part of the SONGS Units 2 & 3 Decommissioning Project.

Agency Notification was required by the Applicant's Proposed Measure (APM) 19: Emergency Services Access, which was included in the Transportation and Traffic section of the Final Environmental Impact Report that the Commission certified on March 21, 2019. The APM requires SCE to notify U.S. Marine Corps Camp Pendleton, San Diego County, and the City of San Clemente in the event of a temporary road or lane closures. SCE also provided Commission staff a Traffic Control Plan that was approved by the California Department of Parks and Recreation.

SONGS Unit 1 RPV loading and transport activities are expected to begin on April 27th, and continue through May 19th. The RPV will be transported from the railroad spur to Clive, Utah.

The RPV will be loaded onto a rail transport vehicle called a Schnabel car, using jacks and a crane. Once the RPV is loaded, it will be transported up the north plant access road to the railroad spur. The loaded car will remain at the railroad spur, which is connected to the main rail line until BNSF Railway Company schedules the transport to Utah. A fence will be installed along the rail spur and around work areas for public safety until the RPV is transported.

To maintain public safety during the loading activities, and because the shipment is an oversized and heavy load, temporary lane closures on the eastern portion of Beach Club Road and Old Pacific Highway will be instituted during the loading activities, including the use of the access road. The bike lane along the northbound lane of Pacific Highway and the shoulder of the road will be closed during the loading activities. Bicycle traffic will be directed to share the lane with vehicles. Warning signs, barricades, and other traffic control devices will be installed 24 hours before implementation. Flaggers will be present during the loading activities for traffic control safety measures. The loading and transport activities will not encroach on San Diego County property or the California Department of Transportation's right-of-way, and therefore, encroachment permits were not required.

Dismantlement Work Curtailed

SCE's electric utility operations, including nuclear power plant decommissioning activities, are excluded from Governor Newsom's "Safer at Home" [Executive Order](#) restrictions. However, SCE decided to take additional steps to limit what work will continue at SONGS. SCE implemented the SONGS Pandemic Protocol on March 19, 2020, to ensure worker safety while maintaining regulatory compliance. This decision was made in partnership with co-owners and lead contractors, who have committed to adhere to the Pandemic Protocol.

On March 23, 2020, SCE paused work at SONGS to ensure compliance with the Governor's Order. The dismantlement work led by SONGS Decommissioning Solutions, the decommissioning general contractor at SONGS, remains curtailed with the exception of the work on the containment domes, which must be left in a safe condition until decommissioning can restart. Crews are currently finishing that process.

Essential Fuel Transfer Operations Continue

It has been determined that the safe transfer of spent nuclear fuel from wet to dry storage is essential work that will continue during the COVID-19 pandemic. Additional measures to protect workers, particularly those in operations and security, have been put into place. Strict travel restrictions were also established.

Spent Fuel Storage Monitoring Data Now Online

In compliance with APM-23, a gamma radiation monitoring system has been installed around the perimeter of the SONGS dry spent fuel storage area (Independent Spent Fuel Storage Installation or ISFSI). This system supplies a real-time data stream to State and local authorities, and monthly reports of the daily data readings are posted online by the California Department of Health Radiologic Health Branch. The only other U.S. nuclear plant to employ such a system is Prairie Island in Minnesota.

Sewage Release

On March 25th, SCE reported that the SONGS Sewage Treatment Plant released between 6,000 to 7,000 gallons of non-radiological, partially treated domestic wastewater into and through the SONGS Unit 2 outfall to the Pacific Ocean. SCE's initial report to the San Diego Regional Water Quality Control Board indicated that prior to the release, the partially treated domestic wastewater was diluted with seawater at the minimum 10:1 ratio required by the Commission's lease and the facility's National Pollutant Discharge Elimination System (NPDES) permit. SCE later stated the discharge was even more diluted, at a ratio of approximately 200:1. In addition to reporting to the Regional Water Board, SCE reported the spill to the federal Nuclear Regulatory Commission, the State Office of Emergency Services, and local environmental health agencies. The sewage was discharged from a point more than a mile from the beach. The San Diego Department of Health determined the release did not require a beach disclosure. The spill flowed through the Unit 2 conduit (the Unit 3 conduit is not in service). Since the flow was into the conduit and not a surface spill, the spill did not result in sewage flowing into the near-shore area. This is because the conduit diffusers begin at approximately 1.1 miles offshore and extend to 1.3 miles offshore, at water depths of 30-50 feet. Commission staff have been in communication and coordination with enforcement staff at the Regional Water

Board, which issued a Notice of Violation and Investigative Order regarding the discharge on April 16, 2020. The Order requires a complete explanation of the source and cause of the incident by June 15th, among other requirements, and potential penalties. SCE states at the SONGS decommissioning website that it views the release as unacceptable and it is reviewing procedure and equipment modifications to prevent recurrence.¹

¹ <https://www.songscommunity.com/need-to-know/overview/update-on-wastewater-release-from-san-onofre-sewage-treatment-plant>