

~ MINUTES ~
CALIFORNIA STATE LANDS COMMISSION
MEETING OF APRIL 29, 2020

VIRTUAL MEETING

APPEARANCES

COMMISSIONERS PRESENT

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

STAFF MEMBERS IN ATTENDANCE

- Jennifer Lucchesi, Executive Officer
- Seth Blackmon, Chief Counsel

REPRESENTING THE OFFICE OF THE ATTORNEY GENERAL

- Andrew Vogel, Deputy Attorney General

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

**RECORD OF ACTION TAKEN BY THE
CALIFORNIA STATE LANDS COMMISSION
MEETING OF APRIL 29, 2020**

Chair Betty Yee called the meeting of the California State Lands Commission to order at 1:03 P.M. via Zoom webcast; also present was Commissioner Eleni Kounalakis. Commissioner Alternate Gayle Miller joined the meeting at 1:17 P.M.

Confirmation of the Minutes of the February 28, 2020 meetings were approved as presented by a vote of 3-0 (Yee–Yes; Kounalakis–Yes; Miller–Yes).

EXECUTIVE OFFICER’S REPORT

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

- **COVID-19 Pandemic:**
 - Executive Officer acknowledged and thanked over 230 Commission staff members. Since the middle of March, staff have been continually adapting to the situation presented by the COVID-19 pandemic.
 - Approximately 74 percent of staff are teleworking. While all Commission offices are operational, the offices are closed to visitors. We have posted contact information so that the public can always get ahold of staff. We continue to work 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.
 - Executive Officer acknowledged the Commission’s inspectors, engineers, and other essential staff who are working in the field in furtherance of the Commission’s core mission.
 - Executive Officer thanked the Informational Services Division, under the leadership of Mike Farinha, Phil Schlatter, and Jeff Kwong. The ISD team not only mobilized incredibly quickly to equip and train the majority of Commission staff to telework, they have also worked overtime to answer and respond to a variety of questions and requests by staff to maintain their productivity and ensure that we were ready to host this meeting virtually.

RECORD OF ACTION CONTINUED

- Executive Officer thanked Lisa Lloyd and the Commission's Human Resources team for mobilizing just as quickly to help advise Commission managers and supervisors on the ever-changing personnel directives and guidance as the State workforce has converted to telework on such an unprecedented pace.
- Executive Officer thanked Katera Forbes and Conner Mulligan for working overtime to procure the necessary equipment and supplies to keep our field staff safe and protected.
- The Commission Management team has adapted their management, communication, and leadership approaches and strategies in such a creative and supportive way that have empowered staff to continue to maintain and even enhance their work productivity while also providing the emotional support and personal connection to their staff that has been absolutely essential during this crisis.
- Commission staff is working diligently to ensure equitable participation during this challenging time and have incorporated many of the recommendations from the Leadership Counsel for Justice and Accountability, including making this Executive Officer's report available online and preparing multiple options for public comment.
- Tribal engagement and government-to-government consultation have been greatly affected by COVID-19, as a tribe's 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 23rd, Governor Newsom issued Executive Order N-54-20, which suspends 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 in consideration that tribal capacity to engage in or request consultation may be limited at this time. 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.
- **State Budget:** There are a lot of uncertainties about what the pandemic means for the State budget. The constitutional mandate to pass a budget by June 15 remains, even though the IRS and the State postponed tax deadlines until July 2020. This means the State will not have a clear picture of its revenues until after the June 15th deadline to pass a budget. The eventual budget will look much different than the budget the Governor proposed earlier this year. It will be 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 the pandemic.

RECORD OF ACTION CONTINUED

- **SLC Budget:** It's too early to know exactly how the Commission's budget will be affected, but we expect the following changes to revenues:
 - With oil and gas production down, and the price of oil at a precarious state, royalty revenues to both the general fund and the State Teachers' Retirement Fund will likely drop in the last quarter of fiscal year 19-20.
 - 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 the revenue for the duration of this economic slowdown.
 - With normal shipping routes 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.

- **Decommissioning Projects Update:**
 - Rincon Leases: DrilTek continues to make steady progress in abandoning the offshore and onshore wells at the former Rincon leases in Ventura County. On the island, 33 of the 50 offshore wells have been cemented back to the mudline. Onshore, 24 of the 25 wells have been abandoned and a removal of the wellheads and concrete well cellars is 95 percent complete. In total, 57 of the 75 well abandonments have been completed. Project costs are approximately \$3.8 million under the planned budget of \$32.8 million. DrilTek anticipates project completion before June 2021.
 - Platform Holly: Plugging and abandonment operations on Platform Holly are suspended due to the pandemic response plan. Crews 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. Staff is brainstorming ideas with our contractors on ways to continue to move well abandonment activities forward on Platform Holly. The goal is to find creative solutions to continue the essential plugging and abandonment work, while protecting all the people engaged in the work.

- **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, and values within the region, including public access, water quality, and recreation. In February, reports of pump failure, highly contaminated transboundary flows, and insufficient communications prompted the Commission to request immediate action and leadership from the U.S. EPA. 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. 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 analyses of preferred alternatives, feasibility studies, extensive stakeholder outreach, and identifying project-funding sources.

RECORD OF ACTION CONTINUED

CONSENT CALENDAR

- Consent Items 3, 10, 33, 38, and 65 were removed from consideration
- Consent Items 42, 43, 47, 51, and 53 were moved to the Regular Calendar
- Consent Items 01, 02, 04-09, 11-32, 34-37, 39-41, 44-46, 48-50, 52, 54-64, and 66-71 were approved as presented by a vote of 3-0 (Yee–Yes; Kounalakis–Yes; Miller–Yes)

INFORMATIONAL CALENDAR

ITEM 72 – was informational, no vote required

REGULAR CALENDAR

(items appear in order heard)

ITEM 73: An informational presentation was made to the Commission on the status of efforts to develop the Commission’s 2021-2025 Strategic Plan and to solicit comments and suggestions from stakeholders.

Item 73 – was informational – no vote required

ITEM 74: An informational presentation was made to the Commission on the impact of the COVID-19 pandemic on the State’s local trustees of granted public trust lands and resources.

Item 74 – was informational – no vote required

ITEM 75: A staff presentation was made to the Commission to consider a limited Delegation of Authority authorizing the Executive Officer to enter into need-based negotiated settlements with lessees and applicants adversely impacted by COVID-19 pandemic and related shelter-in-place orders to provide limited-term relief including rent deferral, waiver of penalty and interest, and deferral of application processing expenses.

Item 75 – was approved as presented by a vote of 3-0 (Yee–Yes; Kounalakis–Yes; Miller–Yes)

ITEM 76: A staff presentation was made to the Commission to consider adoption of “Making California’s Coast Resilient to Sea Level Rise: Principals for Aligned State Action,” a set of principles to be implemented by a variety of state agencies that reflect unified, effective action toward sea-level rise resilience grounded in best available science, partnerships, alignment, communications and local support.

Item 76 – was approved as presented by a vote of 3-0 (Yee–Yes; Kounalakis–Yes; Miller–Yes)

RECORD OF ACTION CONTINUED

CONSENT ITEMS 42, 43, 47, 51, AND 53: A staff presentation was made to consider five applications for a General Lease – Protective Structure Use, of sovereign land located in the Pacific Ocean, adjacent to (219 Pacific Avenue, 225 Pacific Avenue, 231 Pacific Avenue, 211 Pacific Avenue, and 215 Pacific Avenue), Solana Beach, San Diego County; for a portion of an existing seawall and an existing seacave/notch fill.

Items 42, 43, 47, 51, and 53 – were approved as presented by a vote of 3-0 (Yee–Yes; Kounalakis–Yes; Miller–Yes)

The Commission meeting public session was adjourned at 4:16 P.M.

**STAFF AND PUBLIC ADDRESSING
THE FOLLOWING STAFF REPORTS
APRIL 29, 2020**

ITEMS 42, 43, 47, 51, & 53

Jennifer Lucchesi, Executive Officer, CSLC

- Jennifer Savage, California Policy Manager, Surfrider Foundation
- Robert Trettin, Principal, The Trettin Company
- Laura Walsh, Policy Coordinator, Surfrider

ITEMS 62 AND 70

- Anna Christensen, Member, Protect the Long Beach Los Cerritos Wetlands

ITEM 73

Jennifer Lucchesi, Executive Officer, CSLC
Lisa Beutler, Senior Principal-Water, Stantec

- Jennifer Savage, California Policy Manager, Surfrider Foundation
- Tom Rudolph, The Pew Charitable Trusts

ITEM 74

Jennifer Lucchesi, Executive Officer, CSLC

- Randa Coniglio, CEO, Port of San Diego
- Pam Kershaw, Director of Commercial Real Estate, Port of Oakland
- Danny Wan, Executive Director, Port of Oakland

ITEM 75

Jennifer Lucchesi, Executive Officer, CSLC

ITEM 76

Jennifer Lucchesi, Executive Officer, CSLC
Mark Gold, Deputy Secretary, California Natural Resources Agency;
Executive Director, Ocean Protection Council

- Sandy Aylesworth, Natural Resources Defense Council
- Anna Christensen, Member, Protect the Long Beach Los Cerritos Wetlands
- Susan Jordan, Executive Director, California Coastal Protection Network
- Jennifer Savage, California Policy Manager, Surfrider Foundation

PUBLIC COMMENT

- Susan Jordan, Executive Director, California Coastal Protection Network
- Anna Christensen, Member, Protect the Long Beach Los Cerritos Wetlands