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# Staff Report 41

Update on the Final Year of the Commission's 2016-2020 Strategic Plan and Consider Adoption of the California State Lands Commission 2021-2025 Strategic Plan

## INTRODUCTION:

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The purpose of this staff report is to present the Commission with the final proposed California State Lands Commission 2021-2025 Strategic Plan (Strategic Plan). This Strategic Plan addresses key issues including public access, climate change and sea-level rise, environmental justice, tribal relations, sustainable economic development, and environmental protection. To develop this plan, the Commission worked with a consultant starting in April 2020, completing an extensive series of stakeholder interviews, representing various areas of interest, and facilitating a series of tribal engagement roundtable sessions and individual consultations. Additionally, the consultant facilitated a workshop with senior Commission management to solicit their input on the trends, issues, and priorities that will affect the Commission's work over the next 5-10 years. Commission staff have worked with the consultant to incorporate the input and feedback from these engagement efforts and 38 comment letters/submissions from staff, stakeholders, and tribal partners into this final proposed 2021-2025 Strategic Plan (Exhibit A). The Commission also received four comments from tribal partners and stakeholders in support of the Draft during the comment period via email and an online form.

California has an abundance of rivers, lakes, streams, and a spectacularly scenic coastline. The Commission manages much of these public lands on behalf of the people of California. Established in 1938, the Commission manages 4 million acres of tide and submerged lands and the natural beds of navigable rivers, streams, lakes, bays, estuaries, inlets, and straits. These lands stretch from the Klamath River and Goose Lake in the north to the Tijuana Estuary in the south, and the Pacific Coast 3 miles offshore to world-famous Lake Tahoe and the Colorado River, and includes California's two longest rivers, the Sacramento and San Joaquin. The Commission also manages state-owned school lands in the desert and the forested areas of California to support public schools. And it oversees waterfront land and

coastal waters legislatively granted to cities and counties, including land underlying California's major ports and harbors. The Commission regulates large oceangoing vessels to protect state waters from marine invasive species introductions and minimizes the risk of oil spills by providing the best achievable environmental protection at marine oil terminals, offshore oil platforms and production facilities. The Commission applies the best available science and embraces public participation and intergovernmental coordination in its decision making.

## **2016-2020 STRATEGIC PLAN: FINAL YEAR UPDATE AND LOOKING FORWARD**

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The Commission adopted its current [Strategic Plan](#) at its December 18, 2015 public meeting ([Item 117](#)). The Plan was the culmination of robust stakeholder input and collaboration to guide the Commission's stewardship of public lands and resources and promoting public access.

The 2016- 2020 Strategic Plan contains the following Strategic Goals:

- Lead Innovative and Responsible Land and Resource Management
- Meet the Challenges of Our Future
- Engage Californians to Help Safeguard Their Trust Lands and Resources
- Cultivate Operational Excellence by Integrating Technology

The Strategic Plan enables the Commission to adapt to emerging challenges, while creating a meaningful and rich framework to effectuate state policy goals, promote public access, generate revenue for the state's General Fund and for benefit of California's State Teachers' Retirement System, and enforce the protections of the Public Trust Doctrine.

- In response to the COVID-19 pandemic, the Commission began hosting virtual public meetings in April 2020. These meetings have enabled greater active participation from a broader swath of the public.
- Also, in response to the pandemic, the Commission's Information Services Division was quickly able to provide the technological resources needed to increase staff's teleworking capability. The number of staff teleworking either part or full time went from approximately 40% at the start of the pandemic to over 90%. This shift has resulted in several benefits, including protecting the health and safety of our employees and the reduced emissions from fewer commuter vehicles.
- Approved the first solar energy project on school lands, a 128-megawatt facility in Kern County. The facility will contribute to achieving the State's

greenhouse gas emission reduction targets and will generate revenue for the California State Teachers Retirement System (CalSTRS).

- Historic transfer of a 40-acre school land parcel to the Lone Pine Paiute Shoshone Reservation to preserve and protect tribal cultural resources.
- Rincon Decommissioning Project – Completed the plugging and abandonment of all the 50 offshore (island) wells and 24 of the 25 onshore wells—all ahead of schedule and under budget. A caretaker plan has been prepared pending CEQA determinations and the final decommissioning and disposition of the site.
- Finalized an addendum to the EIR for the Becker and Legacy Well Abandonment and Remediation Project and then successfully plugged and abandoned the Treadwell #10 and NorthStar #805 legacy wells located off Summerland Beach in Santa Barbara County. This work has improved the marine environment in the area and the recreational enjoyment of the nearby beaches for all Californians.
- Continued the successful trend of monitoring oil transfers at marine oil terminals in pandemic-challenged work environment. From January 1 through December 31, 2020, staff monitored 22 percent of oil transfers (1,078 of 4,959 transfers) conducted at marine oil terminals (MOTs) in California. While this represents a decrease from 2019, during which 27 percent of every oil transfer was monitored, the decline is due to a shortage of personnel in both field offices as well as impacts resulting from dealing with COVID-19 precautions during inspections. During this same period, 589,664,874 barrels of product were transferred at MOTs in California. Each barrel is 42 gallons. Spills directly resulting from oil transfers during this time were just 0.19 barrel, or 8 gallons. This is approximately 0.00000003 percent of all barrels transferred, or 3 parts per billion.
- Received 224 lease applications and 149 general public inquiries through an online public portal launched in 2019. The system allows the public to access, submit, and track lease and permit applications. The total number of applications received in 2020 was 396, so the number received via the portal represents 57% of the total applications submitted in the first full year of operation. This percentage is expected to go up as the public becomes more aware of the convenience that the Commission is providing. With this new tool, the Commission is also able to preserve and make available to the public digital copies of historical records that provide insight into the lands and resources managed by the Commission and the history of California.

Despite having to navigate the challenges of a global pandemic and one of California's worst wildfire seasons on record, the Commission quickly adapted and made major strides in implementing the final year of the 2016-2020 Strategic Plan. Overall, the Commission accomplished 90 percent of the targeted outcomes laid out in the 2016-2020 Strategic Plan, with many of the unmet targeted outcomes carrying over into the next Strategic Plan cycle. The Commission's perseverance through these challenges and responsiveness to change lays the groundwork for the next five-year update. The final proposed 2021-2025 Strategic Plan affirms the Commission's commitment to respond to emerging challenges through meaningful action and inclusive engagement.

## **OUTREACH AND ENGAGEMENT**

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The Commission has worked to facilitate a comprehensive and inclusive engagement and outreach effort to inform the development of the 2021-2025 Strategic Plan. During this process, the Commission has held a special meeting that facilitated a comprehensive discussion of the Commission challenges and opportunities to be addressed in the Strategic Plan, provided updates at each Commission meeting with opportunities for public comment, worked with a consultant to interview stakeholders across varied interests, facilitated a series of tribal engagement sessions and government-to-government Consultations.

On February 4, 2020, the Commission held a special meeting for the 2021-2025 Strategic Plan to facilitate a public discussion and solicit input and engagement from various stakeholders. Thoughtful insights and suggestions, as well as robust panel discussions provided a wealth of information, perspectives, and priorities for the Commission's consideration. During the February 28, 2020 public meeting, the Commission received comments and recommendations for the Plan including reducing harmful air emissions at Ports through the use of zero emission technology; encouraging renewable energy, including offshore wind energy; coordinating with other agencies to map out the permitting process for renewable energy projects; promoting aquaculture; providing grant funding for public access; and providing increased public access to open space for environmental justice communities.

Following the April 2020 award of the Strategic Plan consultant contract to Stantec Consulting Services, Inc., Commission staff began working with the Stantec team immediately to identify stakeholders and develop questions and resources for stakeholder interviews. The stakeholders included individuals and entities interested in or associated with climate change/sea level rise, the blue economy, public access, California ports, renewable energy and utilities, the oil and gas industry, tribal governments, environmental justice, air quality and public health, land and



wildlife conservation, public land and resource management and protection, and state and local agencies.

These virtual interviews included individual and small focus group sessions. Stantec interviewed 79 of the 149 identified stakeholders. Many of the stakeholders were unable to participate and others were not responsive. Several cited the COVID-19 pandemic as reasons for their inability to participate.

The Stantec team reviewed and organized the input across the various fields of interest to identify key topics and intersecting themes. Stakeholders frequently referred to public access, renewable energy, and climate change and sea-level rise as important topics to address in the 2021-2025 Strategic Plan. Across these topics, Stantec identified key intersecting themes: Climate, Collaborate/Convene/Mediate (Building Alignment), Equity and Environmental Justice; Post-Petroleum Economy; and the Evolving Nature of the Public Trust Doctrine in land and resources management. Stakeholders also emphasized the role of collaboration and the value of innovation in addressing climate change and sea-level rise.

Commission staff facilitated a series of virtual tribal roundtable sessions and initiated several individual consultation efforts. The four roundtables were organized broadly according to region and potential topics of interest: North Coast; Inyo, Owens Lake and Mono Lake; South/Central Coast; and South Coast. Commission staff reached out to representatives from 39 Tribes throughout the state to schedule the roundtables and individual consultations. A total of 12 tribes participated in the four roundtable discussions, and four Tribes have requested formal consultation. During these roundtables, participants highlighted many of the same existing and emerging issues identified by the other stakeholder groups, including climate change, renewable energy, habitat and resource protection/restoration, social equity/Environmental Justice, and public land access. Additionally, several key intersecting themes and ideas were discussed, including access to lands, respecting traditional ecological knowledge, practicing reciprocity and respect for the land, resources, and people, and co-management and partnership opportunities.

Stantec also facilitated a workshop with senior Commission management. The goals of this internal workshop, which included breakout groups, were to foster staff engagement and investment in the Plan, elicit new ideas and themes that would strengthen the Plan, develop robust strategic goals, and increase staff collaboration. During the session, senior management were asked to list topics that are dramatically different between now and when the 2016 Strategic Plan was

developed and identify trends and issues that will affect the work of the Commission over the next 5-10 years.

## **DRAFT 2021-2025 STRATEGIC PLAN: COMMENTS**

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The Commission presented the Draft 2021-2025 Strategic Plan (Draft Plan) at the December 17, 2020 Commission Meeting. The deadline to submit comments on this Draft Plan was February 1, 2021. Comments could be submitted by email, phone, or through an online submission form. In all, the Commission received 38 thorough and thoughtful comments from staff, tribal partners, and stakeholders. These comments helped facilitate a careful review and revision of the Draft Plan by Commission staff and consultant.

Comments for the Draft 2021-2025 Strategic Plan were largely supportive of the emerging challenges the Commission identified in the Drivers of Change section and the proposed Strategic Plan Focus Areas:

1. Leading Climate Activism
2. Prioritizing Social, Economic, and Environmental Justice
3. Partnering with Sovereign Tribal Governments and Communities
4. Meeting Evolving Public Trust Needs
5. Leveraging Technology
6. Committing to Collaborative Leadership
7. Building a Reimagined Workforce

Commission staff worked with the consultant to review each comment and identify the specific recommendations. Most recommendations included requests to include specific examples, targets, or references; however, the Strategic Plan is an aspirational document, highlighting broad and comprehensive focus area to provide flexibility for the Commission to respond to emerging challenges. As such, its implementation will be driven by annual or biannual implementation plans that outline specific actions and targets within the context of the strategic focus areas and goals. Most of the revisions in the final proposed Strategic Plan are to address recommendations for additional context or areas in need of clarity.

## **FINAL PROPOSED 2021-2025 STRATEGIC PLAN**

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The 2021-2025 Strategic Plan is intended to be an aspirational document that is forward-looking and based on the input and comments we received through robust tribal, stakeholder, and public engagement. The Strategic Plan builds on the Commission's progress since the adoption of the previous Strategic Plan and

identifies the emerging challenges and opportunities the Commission is committed to addressing over the next five years.

The Strategic Plan presents an updated Mission Statement to provide “the people of California with effective stewardship of the lands, waterways, and resources entrusted to its care based on the principles of equity, sustainability, and resiliency, through preservation, restoration, enhancement, responsible economic development, and the promotion of public access.” The Strategic Plan also outlines the core values that serve as a lens through which the Commission will view all its activities: Inclusivity, Accessibility, Equity, Environmental Justice, Sustainability, Visionary, Responsible Economic Growth, and Integrate Native American Perspectives.

The 2016-2020 Strategic Plan outlined a set of guiding principles that shape the Commission’s culture and serve as a foundation to achieve its mission in accordance with its vision. The draft 2021-2025 Strategic Plan responds to stakeholder input by adding new guiding principles: Public Health and Safety, and Stewardship. The Public Health and Safety principle is rooted in the Commission’s responsibility to prioritize and embed public health and safety in every decision and action. The principle, Stewardship, emphasizes the Commission’s critical role of balancing competing uses with long-term protection of lands and resources.

Based on the robust tribal engagement, public comment, and stakeholder interviews, the 2021-2025 Strategic Plan update identifies emerging issues, drivers of change, stressors, and challenges that require urgent, far-reaching, and forward-focused action. These drivers of change are:

- Climate Change and Sea Level Rise
- Environmental, Economic, and Social Injustice
- Support of Tribal Self-Governance and Self-Determination
- Evolving Public Trust Principles and Values
- Post-Petroleum Era
- Renewable Economies and Sustainability
- Policy Configuration
- Technological Advancements
- Workforce Investment

The drivers of change present both challenges and opportunities. As is the case with many complex issues, the optimum response to one driver is often intersectional with responses to the other drivers. For example, strategic goals and actions addressing climate change and transitioning to a post-petroleum era will involve revisiting appropriate uses of public trust lands and protection of public trust resources.

The Commission responds to this call to action with seven 2021-2025 strategic focus areas and accompanying goals:

1. Leading Climate Activism
2. Prioritizing Social, Economic, and Environmental Justice
3. Partnering with Sovereign Tribal Governments and Communities
4. Meeting Evolving Public Trust Needs
5. Leveraging Technology
6. Committing to Collaborative Leadership
7. Building a Reimagined Workforce

Commission staff have worked with Stantec to incorporate the input, ideas, and comments from the stakeholder and tribal engagement, public meetings and comments, and recent comments submitted on the draft Strategic Plan into the final proposed 2021-2025 Strategic Plan presented today.

## **NEXT STEPS:**

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Upon adoption of the 2021-2025 Strategic Plan, staff will soon begin developing the implementation plan for 2021. Please visit the 2021-2025 Strategic Plan webpage for the latest updates linked [here](#).

## **OTHER PERTINENT INFORMATION:**

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1. Action to adopt the California State Lands Commission 2021-2025 Strategic Plan is not a project as defined by the California Environmental Quality Act (CEQA) because it is an organizational activity that will not result in direct or indirect physical changes in the environment.

Authority: Public Resources Code section 21065 and California Code of Regulations, title 14, section 15378, subdivision (b)(5).

## **EXHIBITS:**

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- A. Final Proposed 2021-2025 Strategic Plan Update
- B. 2016-2020 Strategic Plan 2020 Annual Update

## **RECOMMENDED ACTION:**

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Staff recommends that the Commission adopt the California State Lands Commission 2021-2025 Strategic Plan, substantially in the form as set forth in Exhibit A.



EXHIBIT A

# California State Lands Commission 2021 – 2025 Strategic Plan



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# MISSION



**The California State Lands Commission provides the people of California with effective stewardship of the lands, waterways, and resources entrusted to its care based on the principles of equity, sustainability, and resiliency, through preservation, restoration, enhancement, responsible economic development, and the promotion of public access.**



# EXECUTIVE HIGHLIGHTS

This document was developed in 2020—a year defined by change and challenge. Created in the midst of a global pandemic and a time when California was experiencing the emerging consequences of climate change, the 2021-2025 California State Lands Commission Strategic Plan Update (Update) reflects the need to rapidly adjust and evolve to meet the challenges of today and tomorrow. The Update reflects an array of insights garnered from the public, staff, sovereign tribal partners, and a range of stakeholders as they viewed the future from their altered way of life in an increasingly virtual world.

Change is inevitable, but how the Commission responds to the challenges that change brings, and how it adapts and embraces the opportunities that come from it, has a profound effect on the results. For the Commission, this means that strategic planning is not just an exercise completed once every five years. The Commission's strategic planning is dynamic and responsive, driving deliberative action every day in all that it does.

In many ways, this Update was well-timed. In 2020, the state and nation collectively began to review, analyze, plan, and look ahead to how we can do better, be more inclusive, and make decisions that protect our environment as climate change accelerates. *Inclusivity, accessibility, equity, sustainability, and environmental justice* serve as foundational values and intersectional lenses through which to view each application, process, issue, and decision. The Commission keeps these values top-of-mind as it approaches all activities and statewide responsibilities.

As an Update, the plan considers the Commission's historic roles, accomplishments, and results it has achieved during the five years of the previous Strategic Plan. The work completed over these years took many forms, including:

- Adopting an extensive Environmental Justice Policy and Implementation Plan
- Establishing annual operations plans that align with our overall Strategic Plan

- Providing, in partnership with the California Department of Justice, a legal guide detailing the public's rights to access and use California's navigable waterways
- Launching the 2019 OSCAR system (Online System for Customer Applications and Records) to streamline and automate application and permitting processes
- Implementing, through the Marine Invasive Species Program, the first of their kind in the U.S., and one of the first in the world, biofouling management regulations to better protect California waters from species introductions
- Offering full virtual access and on-demand replays for all Commission meetings
- Adopting a meaningful and mutually beneficial Tribal Consultation Policy
- Returning over 16,000 acres of land to the California Coastal Sanctuary to never be developed for offshore oil or gas production
- Generating revenue for the State of California general fund and California's State Teachers Retirement System through leasing activities
- Expanding oil spill prevention activities and staff-led monitoring programs

Just as important as those results were how they were achieved. By working together, collaborating, and strengthening partnerships, the Commission achieved more meaningful and effective outcomes.

This Update also attempts to address the challenges and opportunities of the unsettling time the Commission now encounters. These include the need to:

- Proactively address climate change and sea-level rise
- Justly transition to a post-petroleum economy

## EXECUTIVE HIGHLIGHTS

- Ensure environmental and social justice through our decisions, actions, and activities
- Exercise leadership as conveners and builders of consensus on vexing cross-sector issues and to establish policy alignment
- Explore the evolving Public Trust principles to reflect the values and needs of a changing society to ensure Public Trust lands and resources are protected and accessible for all people of California
- Embrace and safeguard multi-benefit School Lands and resource management stewardship that equitably balances responsible local and regional economic development, supports living wages, environmental protection, and revenue generation
- Redouble technological advancement and innovation efforts to better serve the people of California

As is the case with many complex issues, the necessary responses to each one often intersect with other drivers. For example, strategic goals and actions addressing climate change and transitioning to a post-petroleum economy will involve revisiting appropriate uses of Public Trust lands and protection of Public Trust resources.

The Commission's values and guiding principles provide the overarching foundation for every strategy and action. Working with the values and guiding principles in mind will support decision-making that provides sustainable, equitable

benefits. The plan sets forth actions to unify state agencies for environmental protections that provide coastal resiliency grounded in science, partnerships, communication, and local support. By working with partners; listening to the people of California; looking for new and innovative ways to manage lands, natural resources, and businesses in California; and prioritizing actions and activities that put all people at the center of the conversation, the Commission achieves better results. These results must be shared equitably and enjoyed by all people of California, both now and in the future.

In addition to affirming its ongoing commitments, the Update includes new strategic focus areas, goals, and actions. Many actions will yield near-term results, while others represent investments in a series of steps to be taken to achieve long-term outcomes. The featured strategies are:

1. Leading Climate Activism
2. Prioritizing Social, Economic, and Environmental Justice
3. Partnering with Sovereign Tribal Governments and Communities
4. Meeting Evolving Public Trust Needs
5. Leveraging Technology
6. Committing to Collaborative Leadership
7. Building a Reimagined Workforce

For more information on the strategies, we encourage you to explore this full Strategic Plan Update.



# ABOUT THE STATE LANDS COMMISSION

Strategic plans consider four basic things:

- Where an organization has been and where it is now
- The drivers of change the organization must navigate and leverage to be successful in the future
- The optimal responses to those drivers of change
- The strategies and actions needed to achieve the desired results

The Commission is committed to performing all the necessary duties required to achieve its mission. This plan focuses on the strategies required to successfully meet the demands of the future.

The following establishes the foundation for the strategies. It considers the rich history of the Commission, its vision for the future, the values and principles driving its culture and decisions, and its success in achieving goals outlined in the previous 2016-2020 California State Lands Commission Strategic Plan (Strategic Plan).

## History

Established in 1938 by the California Legislature, the Commission manages four million acres of tide and submerged lands and the beds of natural and navigable rivers, streams, lakes, bays, estuaries, inlets, and straits. These are often referred to as sovereign lands or Public Trust lands and stretch from the Klamath River and Goose Lake in the north to the Tijuana Estuary in the south and the Colorado River in the east, and from the Pacific Coast three miles offshore in the west to world-famous Lake Tahoe in the east; and includes California's two longest rivers, the Sacramento and San Joaquin. The Commission is also the trustee of approximately a half-million acres of land, known as School Lands, that were granted to the state by the U.S. Government in 1853, and which are managed for the benefit of the State Teachers Retirement System. The Commission's Public Trust lands and School

Lands are each subject to specific statutory and common law trust responsibilities that the Commission carries out on behalf of the state. For more detail on the types of lands managed by the Commission, please see the *Additional Resources* section and map at the end of this Update.

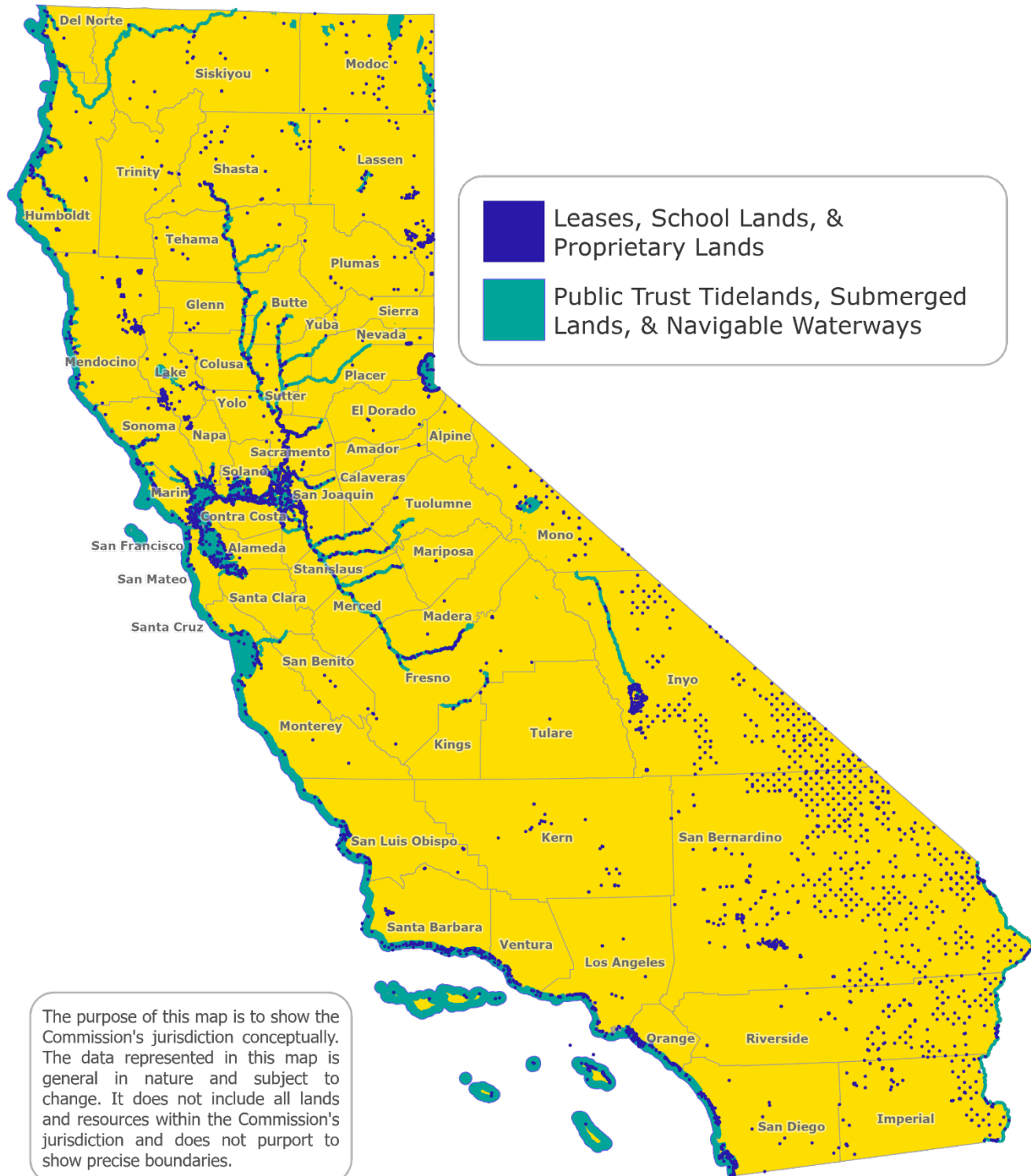
Since its creation, 20 Lieutenant Governors, 11 State Controllers, and 32 Finance Directors have led the Commission. Notably, 2019 marked the first year in its 81-year history that the Commission was led entirely by women: Lieutenant Governor Eleni Kounalakis, State Controller Betty Yee, and Department of Finance Director Keely Bosler, along with the Executive Officer of the Commission, Jennifer Lucchesi.

## Public Trust

The Commission is passionate about its role as a steward of the Public Trust. The public's right to use California's waterways for commerce, navigation, fishing, boating, natural habitat protection, and other water-oriented activities is protected by the Commission under the common law Public Trust Doctrine (Doctrine). Historically, the Public Trust has referred to the public's fundamental right to use its waterways to engage in "commerce, navigation, and fisheries." Public Trust principles have legal roots in the Justinian Code laws of Rome and the 1215 Magna Carta. Under this ancient Doctrine, monarchies (sovereigns) granted the right of use of the waterways. It is remarkable, as it established a right of common people that has endured throughout centuries, when many people had very few rights. More recently, the common law Doctrine has evolved to reflect the modern era and the values and needs of an evolving society.

The Commission also oversees the management of sovereign Public Trust lands and resources granted in trust by the California Legislature to approximately 70 local jurisdictions. The lands generally consist of prime waterfront lands and coastal waters, including the state's major ports and harbor districts.

## California State Lands Commission Jurisdictional Map







## Revenue

Over the nine decades it has been in service, the Commission has generated over \$11.8 billion for the State of California. In the last full calendar year of 2019, with 234 staff positions, the \$164 million revenue and net profits generated by the Commission equated to a \$638,461 return in revenue per position. The Commission actively continues to streamline processes; work across departments; collaborate with other agencies; coordinate with applicants and lessees; and inclusively engage communities, stakeholders, and tribal partners to operate more efficiently.

## Integrity

When forming the Commission, the Legislature sought to ensure fiscal integrity and accountability by selecting as Commissioners two constitutional officers of the state who answer directly to the statewide electorate, the Lieutenant Governor, and the State Controller, and the two principal financial officers of the state—the State Controller and the Governor’s Director of Finance. The Commission faithfully executes these responsibilities. Transparency through public engagement is assured by all Commission actions and decisions being made at properly noticed public meetings.

## Activities

The Commission is fully committed to its roles as land and resource trust managers. It is vigilant in the preservation and protection of its assets and dedicated to making sound policy, economic, and

environmentally responsible judgments in the best interest of the state’s beneficiaries—the people of California.

Through its actions, the Commission secures and safeguards the public’s access rights to natural navigable waterways and the coastline, and preserves irreplaceable natural habitats for wildlife, vegetation, and biological communities.

It also protects state waters from marine invasive species introductions and prevents oil spills by providing the best achievable protection of the marine environment at all marine oil terminals in California and at offshore oil platforms and production facilities.

## Vision

The California State Lands Commission is a recognized leader that champions equitable and sustainable public land management and balanced resource protection for the benefit and enjoyment of all current and future generations of the people of California.

## Values

The California State Lands Commission embraces the following core values that shape and define all our activities and outcomes.

- **Inclusivity** – We value diversity at all levels and are committed to fostering an inclusive environment where people with different backgrounds, cultures, and experiences are able to lend their strengths and unique insights to further the Commission’s mission and progress.

- **Accessibility** – We strive to provide access to our lands and resources, all Commission materials, staff, and public meetings by addressing physical barriers and continually considering technology, educational opportunities, and communication pathways to benefit people of California of all abilities.
- **Equity** – We commit to practices and activities that prioritize racial justice, visibility, and representation, ensuring that all voices are heard, all communities are treated fairly and equitably, and the burdens and benefits stemming from our actions are equitably distributed.
- **Environmental Justice** – We are committed to advancing environmental justice through more inclusive decision-making that addresses the disproportionate burdens of past decisions and practices on disadvantaged communities and Native Nations.
- **Sustainability** – We understand the multi-generational impacts of our decisions. We seek opportunities and commit to actions that responsibly grow our economy, facilitate a just transition to a carbon neutral economy, support living wages, protect the environment and biodiversity, and that prioritize sustainable practices and outcomes for current and future generations.
- **Visionary** – We are forward-thinking and continuously seek new and innovative ways to be more effective public land and resources stewards.
- **Responsible Economic Growth** – We support our grantees, lessees, stakeholders, and partners in their efforts to balance sustainability and equity with economic growth. We strive to seek out opportunities to help our grantees and lessees implement and execute

environmentally conscious practices that support inclusive job growth, living wages, healthy communities, and a resilient economy.

- **Integrate Native American Perspectives** – We are committed to respecting and recognizing the sovereign rights and heritage of tribal governments, learning from, and collaborating with them to integrate their unique and valuable knowledges and practices, including traditional ecological knowledges,<sup>1</sup> into land management decisions. We are committed to working cooperatively to protect tribal cultural resources and to identify opportunities for co-management of and access to natural lands that are within Tribes' ancestral territories and under the ownership or control of the Commission.

## Guiding Principles

The Commission protects the lands and resources entrusted to its care through balanced management, marine protection and pollution prevention, adaptation to climate change, and ensuring public access to these lands and waters. The principles serve as the foundation of this work and are the standards that inform decision-making and shape the culture. The Commission is committed to:

- **Public Health and Safety** – Prioritizing and embedding public health and safety in every decision and action, including reducing and mitigating adverse impacts on vulnerable communities, to the extent feasible.
- **Stewardship** – Seeking balance among competing uses and the long-term protection of lands and resources, consistent with constitutional, statutory, and common law provisions.

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<sup>1</sup> Traditional Ecological Knowledges (TEK), or Indigenous Knowledges (IK), refers to the "...evolving knowledge[s] acquired by indigenous and local peoples over hundreds or thousands of years through direct contact with the environment, is location-specific, and includes relationships between plants, animals, natural phenomena, landscapes and timing of events used for lifeways, including but not limited to hunting, fishing, trapping, agriculture, and forestry" (USFWS 2011).

## ABOUT THE STATE LANDS COMMISSION

- **Accountability** – Responsibly and meaningfully explaining decisions and actions and being responsive to public input.
- **Integrity** – Adhering to the highest ethical standards in all aspects of our work and service to the public.
- **Engagement** – Ensuring robust, transparent, and meaningful public outreach and engagement that is inclusive and accessible.
- **Quality** – Providing superior public service through our expansive and unique professional staff expertise.
- **Solution-Oriented** – Addressing complex, multifaceted problems through collaborative decision-making centered in science, inclusive public input, and informed by traditional ecological knowledges.

### Values

Inclusivity  
Accessibility  
Equity  
Environmental Justice  
Sustainability  
Visionary  
Responsible Economic  
Growth  
Integrate Native American  
Perspectives

### Guiding Principles

Public Health and Safety  
Stewardship  
Accountability  
Integrity  
Engagement  
Quality  
Solution-Oriented









# REFLECTING ON ACCOMPLISHMENTS

The 2016-2020 Commission Strategic Plan focused on performing responsible land and resource management of more than four million acres of sovereign lands, consistent with the Public Trust Doctrine, as well as almost a half million acres of School Lands, while addressing future challenges. The Commission actively engaged people in California and other government agencies by integrating technology for effective operations and transparent communications.

Despite unforeseen external events (including the bankruptcies of two oil and gas lessees and the subsequent plugging and abandonment activities of their operations, major wildfires, and the COVID-19 pandemic and ensuing economic crisis), the Commission met all major goals and high-level strategies. However, some of the detailed targeted outcomes in the implementation work plan had to be deferred or were not completed in order to address unplanned events. Notable Commission accomplishments during the past five years include:

- Use of inclusive processes, including convening an Environmental Justice Working Group that crafted a formal Environmental Justice Policy and Implementation Plan.
- Dedicated more than 16,000 acres to the California Coastal Sanctuary, protecting offshore lands and resources that can no longer be used for oil and gas production.
- Plugged and abandoned all 50 wells on Rincon Island and all 24 state onshore production wells as part of the Rincon Well Abandonment Project, plugged and abandoned the Piers 421 production well, and plugged and abandoned three legacy wells at Summerland Beach, all ahead of schedule and under budget.
- Sponsored Assembly Bill 585 (Limón, Ch. 123/19) that minimizes the state's future financial liability for decommissioning oil and gas infrastructure and ensures all lessees fulfill their decommissioning obligations.
- Approved the decommissioning of Units 2 and 3 of the San Onofre Nuclear Generating Station.
- Entered into a landmark collaboration agreement with the California Coastal Commission, California Department of Parks and Recreation, and the California Coastal Conservancy for public engagement and a planning process to inform the development of a contemporary coastal access program at Hollister Ranch in Santa Barbara County.
- Approved a landmark boundary line and easement agreement with more than 180 shoreline property owners at Donner Lake that clarifies public/private property ownership and secures public access rights to the lake.
- Approved a patent transferring an approximately 38.75-acre parcel of state-owned School Lands possessing significant cultural value and history to the Lone Pine Paiute-Shoshone Reservation in Inyo County.
- Investigated the Cemex coastal sand mining operation and reached a settlement, in partnership with the Coastal Commission and the city of Marina, with Cemex in 2017 to cease active sand mining by December 31, 2020. Cemex stopped its mining operations ahead of schedule.
- Launched a new online system that allows the public to access, submit, and track lease and permit applications. With this new tool, the Commission can preserve and make publicly available digital copies of historical records that provide insight into its lands and resources.
- Launched a new web-mapping application for state waters offshore in San Diego, designed to help users better understand the dynamic ocean space and ocean-related data offshore in San Diego County.

- Transitioned information technology tools and services to be more secure and to support remote work models.
- Automated several business and communications processes, including the Marine Invasive Species Program web entry, eDiscovery, website content, and digitization.
- Hosted Prevention First Symposiums in 2016 and 2018.
- Adopted a meaningful Tribal Consultation Policy in 2016.
- Approved a lease for the use of state lands for the Mavericks Surfing Challenge that ensured equal compensation for each category of the Women's Division and Men's Division competitions.

The next five-year strategic planning cycle and beyond will bring rapid advancements along with environmental and social changes that will offer new opportunities for innovation in the Commission's management of its lands and resources. The Drivers of Change section highlights issues and topics heard during stakeholder interviews, tribal roundtable discussions, and individual consultations conducted during 2020, from Commission staff, and from public input gathered during Commission meetings. You are also invited to share your thoughts over the coming years on ways to embrace change and more effectively and meaningfully manage the Commission's lands and resources. We welcome your feedback during Commission public meetings, via email or postal mail, or via a phone call—whatever way is easiest for you.



# DRIVERS OF CHANGE

This Strategic Plan Update responds to new imperatives to adjust and evolve. With a vast amount of land and resources under the Commission's charge, changes and challenges are an inevitable part of its work. While the responses to these challenges may at times be difficult, they are rooted in creating new opportunities.

Listening to California's tribal partners, stakeholders, leaders, businesses, community groups, members of the public and the Commission staff, afforded an opportunity to understand the drivers of change from varied points of view. Gathering this information helped identify emerging issues, drivers, stressors, and challenges that are urgent, far-reaching, and will require future-focused actions. They are a collection of what California is experiencing and likely to experience as we navigate the coming decade. The following drivers of change were frequently mentioned by stakeholders representing a range of sectors and tribal partners.

- Climate Change and Sea-Level Rise
- Environmental, Economic, and Social Injustice
- Support of Tribal Self-Governance and Self-Determination
- Evolving Public Trust Principles and Values
- Post-Petroleum Era
- Renewable Economies and Sustainability
- Policy Configuration
- Technological Advancements
- Workforce Investment

Following is more about each of the drivers of change.

## Climate Change and Sea-Level Rise

The over four million acres of lands and resources under the Commission's jurisdiction are experiencing and will experience disproportionate impacts from climate change. As a state with a historically variable climate, California is considered one of the most "climate-challenged" regions of North America, as climate change makes extreme conditions more frequent and severe. California is already experiencing among the most extreme series of natural events in its recorded history: warmest average temperatures, intense fire activity, rapid sea-level rise, and flood and drought events occurring in the same water year. California will continue to experience increasing temperatures, rising sea levels, declining snowpack, frequent droughts, severe wildfires, and heavy precipitation events—impacting the state's lands and resources.

As greenhouse gas emissions trap energy from the sun, the oceans absorb more heat and sea temperatures increase. From 1900 to 2016, California's coastal waters have warmed 1.26°F. Exceedingly warm ocean temperatures (as occurred off the Coast of California from 2013-2016) can produce unprecedented events, including the mass abandonment of sea lion pups and California's record-setting drought. Additionally, rising air temperatures and number of dry days associated with climate change increases California's risk for extreme fire activity. The risk of frequent and intense wildfires threatens the Commission's forested and School Lands.

California is one of 25 global biodiversity hotspots, largely due to the state's varying climatic conditions. Climate change is expected to result in habitat shifts and declines in biodiversity, on land and along the coast. Warming temperatures will also facilitate the spread of invasive species, pests, pathogens, and disease.





Along the coast, California's 2018 Fourth Climate Change Assessment<sup>2</sup> outlines a stark future. From that report, "The coastal region, which stretches over the Commission's 1,200 miles of shoreline, is an economic powerhouse that contributes nearly a half-billion dollars a year to the state's GDP,<sup>3</sup> 3 billions in wages and salaries, and pre-pandemic over a half million jobs in 2013. Rising sea levels, warming ocean waters, increasing acidity, and decreasing dissolved oxygen levels will have effects that ripple far beyond the three-quarters of Californians who live in coastal counties. Under mid to high sea-level rise scenarios, 31 to 67 percent of Southern California beaches may completely erode by 2100 without large-scale human interventions. Damages in the state's major population areas would total in the billions from inundation of residential and commercial buildings under 20 inches of sea-level rise, which is close to the 95th percentile of potential sea-level rise by the middle of this century. A 100-year coastal flood, on top of this level of sea-level rise, would almost double the costs."<sup>4</sup> Sea-level rise, and associated flooding and coastal erosion, also pose a risk to tribal cultural resources and heritage, as important plants may get inundated, fishing sites may be lost, coastal village sites would be submerged, and erosion could expose previously buried materials. Beach loss due to rising seas and erosion would also result in the loss of important coastal gathering areas that Native people have used for ceremony for millennia.

Inland waterways are also likely to experience variations of extreme flood events and impaired flows. Models developed by the United States Geological Survey, based on California's historic

continuous rainfall event from December 1861-January 1862, indicate an extreme storm would overwhelm and potentially alter historic river systems and devastate much of California, disproportionately impacting the Central Valley, and affecting a quarter of California's homes. Climate change and sea-level rise are and will continue to challenge how the Commission manages its lands and resources. The Commission must work with communities, tribal governments, and stakeholders to equitably respond, adapt, and mitigate the impacts of climate change.

## Environmental, Economic, and Social Injustice

Extreme climate change driven events coupled with a global pandemic have exacerbated the physical risks and financial insecurity of California workers and families. As the fifth-largest world economy, California was already home to the highest effective rate of poverty among the 50 states. Growing income inequality, inequities in public access to natural spaces, and a dramatic re-emergence of the worst of the nation's sometimes ugly past has created an urgent need to address structural racism and implicit bias.

In the year 2020, injustice became more visible and vocalized than ever before. Unequal vulnerabilities can no longer be ignored; as they threaten individual lives, our shared health, our public lands, and our collective prosperity. Both the climate and vulnerable communities have been harmed by fossil fuel and other forms of

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<sup>2</sup> [https://www.energy.ca.gov/sites/default/files/2019-11/20180827\\_Summary\\_Brochure\\_ADA.pdf](https://www.energy.ca.gov/sites/default/files/2019-11/20180827_Summary_Brochure_ADA.pdf), pgs. 13 and 15. Referenced October 15, 2020.

<sup>3</sup> Gross Domestic Product

<sup>4</sup> [https://www.energy.ca.gov/sites/default/files/2019-11/20180827\\_Summary\\_Brochure\\_ADA.pdf](https://www.energy.ca.gov/sites/default/files/2019-11/20180827_Summary_Brochure_ADA.pdf) pg. 15.

## DRIVERS OF CHANGE

resource extraction, which result in negative impacts on both the land and people.

The updates in this 2021-2025 Strategic Plan build on the framework established by the Commission's 2016 Tribal Consultation Policy, 2018 Environmental Justice Policy and Implementation Plan, and Government Alliance on Race and Equity work, and it makes justice central to all the Commission's efforts and decisions going forward. The Commission has a long-standing commitment to addressing injustices, particularly those faced by California's Native Americans and people unjustly burdened by pollution of all kinds. Collaborating and partnering with tribal governments and communities allows the Commission to make land and resource management decisions that are rooted in respect and reciprocity.

Conservation and ecosystem stewardship require holistic approaches that invite and incorporate traditional ecological knowledges, rely on best available science, and ensure multidisciplinary collaboration across the state with tribal governments and communities, agencies, and other entities. Looking at state lands management from these multiple perspectives allows for more informed, equitable, and meaningful outcomes.

More than equity is being demanded of government. Communities facing unjust burdens from historic and ongoing marginalization must be included in decision-making and provided the tools and resources needed to thrive on their own terms. Extractive harms to communities in the name of profit must be curtailed and where economic value is created by Commission actions, an opportunity to benefit from that value, by those impacted, should be evaluated. Opportunities may include a focus on local employment, investment in community economic development enterprises, and participation in the community's cultural and educational social infrastructure.

The Commission seeks to be a part of the needed transformation to build and support community capacity to respond to present and future challenges. It is important that all people and communities have an early and active voice in

decisions that will impact them, and where extractive harms to communities in the name of profit are curtailed.

**“The Commission seeks to be a part of the needed transformation to build and support community capacity to respond to present and future challenges. It is important that all people and communities have an early and active voice in decisions that will impact them, and where extractive harms to communities in the name of profit are curtailed.”**

## Support of Tribal Self-Governance and Self-Determination

On June 18, 2019, Governor Gavin Newsom issued Executive Order N-15-19, which acknowledges and apologizes on behalf of the state for historical “violence, exploitation, dispossession and the attempted destruction of tribal communities” which dislocated California Native Americans from their ancestral land and sacred practices. This Executive Order established the California Truth and Healing Council, which bears witness to, records, examines existing documentation of, and receives California Native American narratives regarding the historical relationship between the State of California and California Native Americans.



This Update builds on the framework of mutual respect and meaningful partnership established by the Commission’s 2016 Tribal Consultation Policy, and additionally draws on recent statewide initiatives to address and reverse the destructive impacts from the historical violence, exploitation, dispossession, and the attempted destruction of Native people and culture. Supporting tribal self-determination, among other things, means the Commission commits to a continuous relationship; incorporating a Native American perspective component throughout its programs and activities that is both comprehensive enough to address most Native concerns into planning activities, and flexible enough to consider

viewpoints that need to be incorporated into specific project decisions.

Since time immemorial, California Native American Tribes have stewarded and managed the lands and resources in the region. Prior to the western contact that resulted in their decimation, tribal people existed in sophisticated societies throughout the state, implementing complex land and resource management practices as diverse as California’s myriad landscapes and ecosystems. These knowledges, acquired through direct experience and contact with the environment, and passed down through generations of elders, are foundational to sustainable and equitable management of California’s lands and resources. These knowledges are often referred to as traditional ecological knowledge. When the Commission refers to incorporating traditional ecological knowledges in its land and resource management practices and decisions, it means that the Commission will learn from and collaborate formally with California Native American Tribes on ways to integrate traditional ecological knowledges. In making these commitments, the Commission recognizes that acknowledging the indigenous peoples of the land it now manages must be more than a token gesture; that there must be intention and meaningful practice that seeks to undo the erasure and trauma experienced by indigenous people throughout colonial history and into the current day.

Through the framework of the 2016 Tribal Consultation Policy and 2018 Environmental Justice Policy, the Commission supports tribal self-determination and self-governance through formal consultation and meaningful engagement while also seeking opportunities for co-stewardship. For example, at its June 23, 2020 meeting, the Commission authorized issuance of a patent to the Lone Pine Paiute-Shoshone Reservation of approximately 38.75 acres of state-owned School Lands located north of Cartago, Inyo County. This action was the culmination of a successful government-to-government consultation and returned to tribal ownership land possessing significant cultural value to the Lone Pine Paiute-Shoshone Reservation. Currently, the Lone Pine Paiute-Shoshone Reservation relies on this site, and



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many others in its ancestral territory, to remain connected to the Tribe's ancestral and cultural history. Governor Newsom's subsequently issued Statement of Administration Policy on Native American Ancestral Lands<sup>5</sup> provides further momentum to continue to pursue opportunities for: agreements or memoranda to allow for access and co-management of natural lands; grantmaking for protection and management of natural lands; purchase or transfer of land to tribal ownership; and development of policies and practices to ensure preferential tribal access and use of ancestral lands. Taking actions like these increase equity and result in enhanced stewardship of Commission lands by improving tribal access to sacred sites and cultural resources; facilitating protected access for sustenance gathering, hunting, and fishing; providing increased opportunities for education, community and economic development, and investment in public health and infrastructure; and increasing the use of traditional ecological knowledges for effective land and resource management.

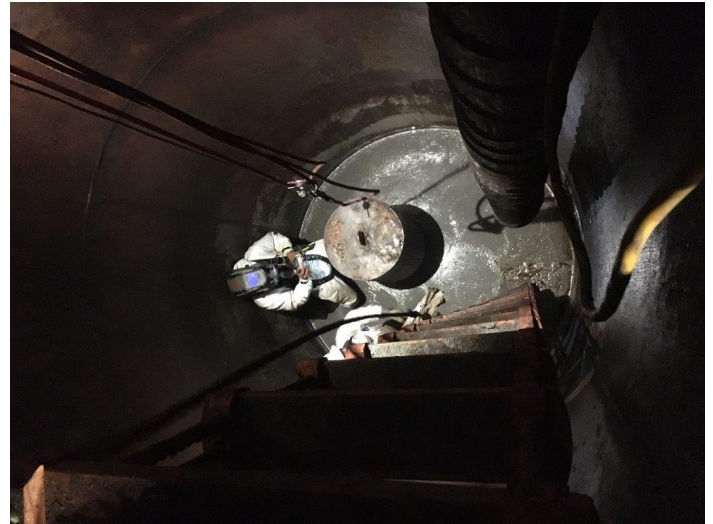
## Evolving Public Trust Principles and Values

The Commission provides stewardship of the state's sovereign lands in service to the people. This foundational responsibility includes requirements to protect Public Trust lands, access, the waters, and the integrity of the ecosystem for current and future generations. In practice, this means that before the Commission and its grantees make any decision to approve or deny any request for a lease, permit, or other action, this duty is preeminent and must satisfy the solemn and perpetual trust responsibility.

While it has always been the rule, climate change is likely to amplify demands to balance two or more competing Public Trust uses and mitigate cumulative impacts so that the Public Trust and public uses are not impaired or subordinated to private or non-trust public uses. Climate change and the attendant frequency of extreme events will amplify stressors on both coastal and inland

waterways and between competing Public Trust uses and private or non-trust consistent uses.

The Commission's stated values and principles inform all its decisions; however, the values to be considered in weighing competing demands on the trust are not prescribed. The Commission must be prepared to respond to explicit requests to articulate how these values will be exercised.



## Post-Petroleum Era

California is in the midst of a climate crisis due to the use of fossil fuels. The state has an abundant supply of crude oil and accounts for approximately 10 percent of the U.S. crude oil refining capacity. California's most valuable oil and gas resources are primarily located in and adjacent to some of the state's most spectacular waterways, beaches, and coastline. The Commission administers much of this land, and the controversy over how best to manage these lands has been ongoing since 1921, when the first oil and gas development was permitted.

To this day, non-tax revenues from oil and gas-related leases and trustee arrangements benefit the state's general fund by multi-millions of dollars annually. Commission staff have been successful in both managing production leases and regulating various oil and gas transportation and processing facilities to prevent oil from entering California's marine environment.

<sup>5</sup> Issued on California Native American Day, September 25, 2020; <https://www.gov.ca.gov/wp-content/uploads/2020/09/9.25.20-Native-Ancestral-Lands-Policy.pdf>

## DRIVERS OF CHANGE

Heightened concerns about potential environmental damage resulting from an oil spill, and the desire to avoid marring the coast with unsightly development, eventually outweighed the desire to generate revenue from new offshore development. In 1969, the Commission placed a moratorium on new oil and gas leases. Since that time, the Commission, over many administrations, has affirmed the need to discontinue oil and gas operations in California's offshore areas. More recently, it has taken strong stances on moving the state towards the just transition from fossil fuel dependence.

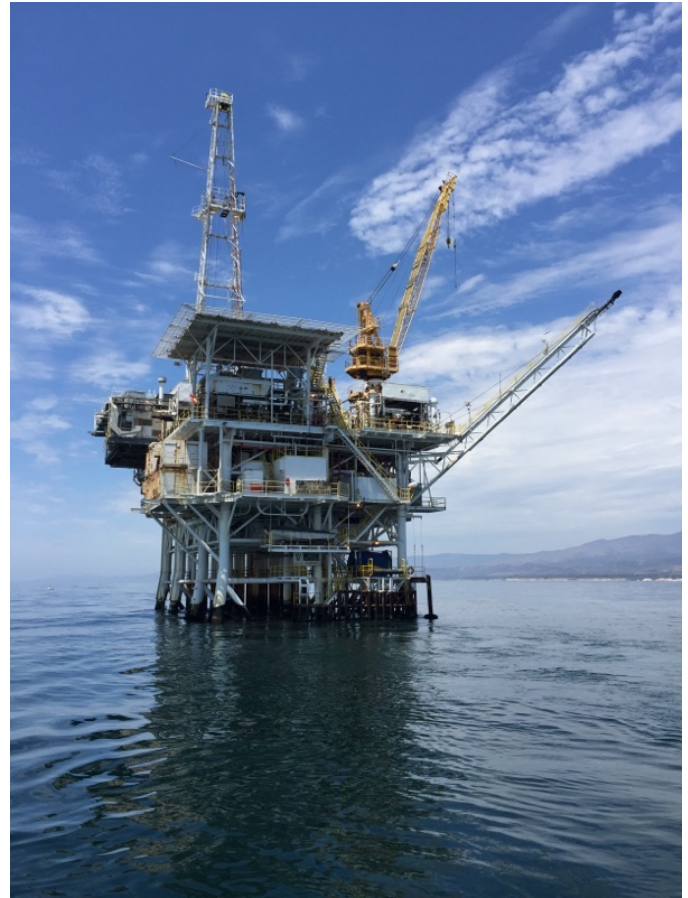
Meanwhile, leases issued prior to 1969, and ancillary leases related to operations on federally administered offshore lands, continue to generate significant revenue. Some of those revenues are specifically allocated to oil spill prevention and monitoring for the existing operations.

Annual income to the state from oil and gas revenues already swings widely—by more than \$50 million in just the last three years—as revenues mirror the rise and fall of oil and gas prices. Furthermore, as oil and gas wells diminish in number, the costs of extraction continue to rise. The industry itself has long-term plans to discontinue California operations as they become unprofitable.

The charge to the Commission in the coming decade is complex. Leveraging its vast land resources, it has the potential to repurpose existing infrastructure, advance green and blue sustainable energy opportunities, and to ensure environmental stewardship and fiscal integrity of any remaining oil and gas enterprises.

## Renewable Economies and Sustainability

The state actively seeks to reduce the world's dependency on fossil fuels. California has focused efforts to increase energy efficiency and implement alternative technologies. This combination has slowed the state's growth in energy demand. Remarkably, even as the world's fifth-largest economy and with many energy-intensive industries, California remains one of the lowest per capita energy consumers.



The state has aggressively sought opportunities to utilize alternative energy sources and leads the nation as a top producer of renewable energy. Advancements in wind- and wave-energy, solar power, and battery storage capabilities have made green economy and blue economy possibilities more viable and productive.

The Commission-managed lands are working lands that under the Public Trust and the School Lands Trust provide multiple benefits to the people of California. While the Commission's revenue generation historically constitutes just a small percentage of California's overall general fund, adequate funding is essential to its operations and the programs that it supports. Implementing equitable revenue replacement sources—transitioning from fossil fuels to renewable and sustainable options—will help fund the Commission's vital work well into the future.

## Policy Configuration

The Commission is among many government bodies that share authority over a significant



## DRIVERS OF CHANGE

portfolio of working lands in California. The fragmented and overlapping authority shared between federal, tribal, state, and local governments—not to mention multiple agencies within each of these governments—is often a barrier to more sustainable activities.

Businesses and organizations seeking authorization to use public lands must navigate a series of approval processes that can be unnecessarily complex, and in some cases, contradictory. These applicants seek better coordination among the agencies to improve efficiencies, reduce conflicting directives, and change practices to allow more effective and efficient use of resources. The Commission realizes that supporting and encouraging positive change is an underused regulatory approach that could drive remediation, justice, and climate resilience.

Many stakeholders see an opportunity for the Commission, with its vast landholdings and the extraordinary statewide stature of its members and its professional staff, to address conflicts. These stakeholders express a desire for the Commission to increase its policy influence on issues that are fragmented and are hopeful that the Commission has the reach and visibility to call for more effective outcomes. Stakeholders cite the need for collaboration across all levels of government and disciplines related to climate change, biodiversity, ocean health, forest management, green energy, water-dependent blue commerce, and other policy topics.

The Commission has long viewed collaboration and successful partnerships as a foundation for serving the people of California and achieving strategic goals. The Commission is a member of multiple state boards, commissions, and conservancies and a signatory to significant cooperative interagency agreements with state and federal agencies. The Commission is uniquely suited to serve as a convener and moderator of important alignment initiatives to improve the integration of policies and practices and how they are implemented.



## Technological Advancements

Technology has advanced rapidly in the last decade, exemplified by evolving smart devices and their widespread use and enhanced cloud services. Adopting information technology at the Commission has focused on reducing IT-related security risks, enabling mobile work models, creating and managing digital content, automating business processes, providing useful decision support tools, and facilitating collaboration. The adoption of technology has been good, but has been limited by funding, internal technical expertise, and user acceptance.

The Commission must continue to support the same fundamental areas as in the past. Because everything the Commission does associates to a point on the ground, continued Geographic Information System (GIS)-based maps are vital to communicating visual information internally and to the public. Another technological area of focus includes continuously deliver tools, processes, and training to reduce information security risk as threats become more sophisticated and costly. An emphasis is put on mobility and the need to continue the transition to more reusable “build-to-order” cloud services, and to accelerate solutions for staff and public consumption that are accessible anytime and anywhere.

Another focus includes digital content to enhance the creation, storage, and usefulness of digitized content. Storage costs need to be managed, useful metadata implemented, richer search capabilities enabled, and more content created.

## DRIVERS OF CHANGE

Sources of content will come from the digitization of paper, photo, and video content from drones and smart mobile devices. The Commission will continue to enhance automated processes to continuously identify, document, improve, and automate time-consuming and error-prone business processes. Both internal and public business processes need to be prioritized by value and costs. And technological focus will include decision support systems to continue implementing new business intelligence capabilities and GIS visual/modeling tools while emphasizing collaboration to continue implementing new tools, processes, and the adoption of collaboration tools.

## Workforce Investment

Few expect the workplace of the last decade to be the same in 2021-2025. Traditional interactions and relationship building among staff and with partners, lessees, and stakeholders have been reconfigured in a time when affiliations and partnering may be more critical than ever. Staff will be called upon to create new forms of interactions and trust-building.

The skills and expertise of Commission staff are widely acknowledged. As one stakeholder put it, the Commission and its relatively small staff have always “punched above their weight.” As the Commission’s work and priorities change, its workforce will also be required to adapt and acquire new skills. Furthermore, longtime Commission staff are expected to retire during the next five years. Succession planning and transfer of knowledge for these personnel will be

essential. These two factors together, while organizationally challenging, will also create new opportunities, including an opportunity to help existing, valued staff professionally grow and acquire new skills and diversify the workforce to better reflect California’s population.

The Commission will be called upon to reimagine the workplace and organizational structures will need to be adjusted to respond to new realities.



# CALL TO ACTION

There has never been a time when the path forward has been so challenging. Climate change, the necessity for social and environmental justice, navigating an economy adjusting to a pandemic and evolving industries, and the unyielding need for stewardship and conservation of public lands are among the challenges to be addressed.

This time also offers technology able to swiftly change the way we communicate, evaluate, and respond to every level of experience. New developments have opened opportunities in green and blue industries that allow for continued economic growth that is both sustainable and thoughtful in regard to the communities where they take place. It is possible to manage resources and make changes that protect the environment, grow the economy, and uplift and empower communities, providing more equitable realities and brighter futures for all Californians.

Our collective vocabulary has grown.

*Inclusivity. Equitability. Diversity. Accessibility. Sustainability. Collaboration. Innovation. Reciprocity.*

These are words heard clearly—from our Commissioners, Governor Newsom, state leaders, Native Nations, stakeholders, lessees, grantees, Commission staff, and the people of California in every region and community statewide. These empowering words echo as constant reminders of what the Commission has the responsibility to do, what it has the opportunity to change, and the role it has as a governmental leader and visionary change maker in California.

The drivers of change present both challenges and opportunities. As is the case with many complex issues, the optimum response to one driver is often intersectional with responses to the other drivers. For example, strategic goals and actions addressing climate change and transitioning to a post-petroleum era will involve revisiting appropriate uses of Public Trust and School Lands and resources as well as balancing competing priorities, benefits, and impacts.

The Commission responds to this call to action with seven 2021-2025 strategic focus areas and accompanying goals:

1. Leading Climate Activism
2. Prioritizing Social, Economic, and Environmental Justice
3. Partnering with Sovereign Tribal Governments and Communities
4. Meeting Evolving Public Trust Needs
5. Leveraging Technology
6. Committing to Collaborative Leadership
7. Building a Reimagined Workforce

While Meeting Evolving Public Trust Needs pertains specifically to Public Trust Lands, each of the other focus areas apply to both the Commission's School Lands and Public Trust Lands. The following section outlines the Commission's intentions in these focus areas for the next five years.





# STRATEGIC FOCUS AREAS AND GOALS

## Leading Climate Activism

Climate change threatens the people, environment, communities, and economy of California. California leads the nation and the world with bold climate policies, and the Commission will do its part to contribute to tackling this global challenge. The Commission will work to advance California's climate and clean energy legal and policy framework to:

1. Proactively address climate change by leveraging the lands and resources under its jurisdiction to:
  - a. Justly transition activities responsible for carbon emissions.
  - b. Seek and facilitate carbon neutral, renewable energy revenue-generation activities.
  - c. Identify and evaluate the benefits and impacts around opportunities for carbon sequestration and participation in carbon markets.
  - d. Support innovative emission-reduction strategies on state lands, including evaluating the potential of mitigation strategies, such as coastal restoration and protection.
  - e. Identify opportunities to implement strategies on state lands that support climate adaptation and resilience, such as habitat protection and floodwater storage.
2. Partner, collaborate, and engage with sister agencies, tribal governments, lessees, grantees, communities, and stakeholders to:
  - a. Evaluate all proposals for land use in the context of climate resilience and, where feasible, identify the need to analyze and map climate change impacts through studies such as vulnerability assessments and to assess and select adaptation strategies through adaptation plan.

- b. Create unified and coordinated policies and actions that leverage the full force of the state's expertise and assets.
- c. Support land-use planning that considers options for climate migrants displaced from their homes and employment.
- d. Enhance climate-resilient green infrastructure.
- e. Identify opportunities for co-management of lands and invite and incorporate traditional ecological knowledges and cultural practices in the tool set for understanding and responding to climate change.



## Prioritizing Social, Economic, and Environmental Justice

The Commission affirms that incorporating environmental justice and equitable treatment into its current work is not sufficient to correct past practices and structural injustices. In addition to continuing implementation of the 2018 Environmental Justice Policy and Implementation Plan, the Commission will work to address injustice and remove institutional barriers by enhancing its existing environmental justice policies and to:

1. Evaluate all actions to proactively incorporate correction of historic actions that displaced populations and created structural inequities.

## STRATEGIC FOCUS AREAS AND GOALS

- a. Ensure engagement of affected communities in decision-making.
  - b. Prioritize projects contributing to community social and economic opportunity and lowered CalEnviroScreen scores.
  - c. Actively facilitate transactions resulting in co-management and repatriation of traditional lands.
2. Evolve relationships among projects, lands, and the communities in which they occur.
    - a. Honor and accommodate access to traditionally important lands for cultural uses, including ceremonies and gatherings.
    - b. Where feasible, incorporate lease requirements that ensure meaningful benefits to the regional community (i.e., Community Benefit Agreements) to:
      - i. Affirm benefits from private enterprise will benefit the communities in which they occur.
      - ii. Increase employment opportunities in disadvantaged communities.
      - iii. Protect Public Trust and School Land resources.



## Partnering with Sovereign Tribal Governments and Communities

The Commission respects and recognizes tribal self-determination and self-governance. Through the framework of the Commission's 2018 Tribal Consultation Policy, the Commission will:

1. Proactively seek opportunities to partner with tribal governments and communities to:
  - a. Uplift and incorporate traditional ecological knowledges into land and resource management practices and decisions.
  - b. Facilitate collaborative discussions among tribal governments, sister agencies, and stakeholders.
2. Routinely evaluate, refine, and update tribal consultation and engagement strategies.
  - a. Explore opportunities to educate Commission staff about the Commission's Tribal Consultation Policy and respectful tribal engagement practices.
  - b. Seek to institutionalize meaningful engagement and relationship-building with tribal governments and communities in the Commission's policies and planning.

## Meeting Evolving Public Trust Needs

The Commission embraces an evolving Public Trust Doctrine that is reflective of a modern era and changing societal values and needs while also respecting the traditional principles of the Trust, including navigation, fisheries, and commerce. The Commission commits to proactively contributing to its fulfillment. The Commission will:

1. Work towards creating an outreach, communications, and implementation plan to improve understanding of the Public Trust and options to access its benefits. The plan will:
  - a. Identify potential partnerships with institutions and organizations with shared

## STRATEGIC FOCUS AREAS AND GOALS

- interests to extend outreach and education opportunities.
- b. Include targeted communication strategies for:
  - i. Climate-vulnerable communities
  - ii. Traditionally underserved communities
  - iii. California Native American Tribes
  - iv. Ports, harbor districts and local governments
  - v. Water-dependent industries and businesses
- 2. Ensure informed decision-making for Commission actions by augmenting decision criteria to evaluate and address:
  - a. Balancing of competing demands for Public Trust lands and resources.
  - b. The essential role of the Public Trust in enriching the lives of the public and protecting the environment for future generations.
  - c. The need to implement and execute environmentally conscious practices that support inclusive job growth, living wages, healthy communities, and a resilient economy.
- 3. Maintain fiscal integrity through transparency, accountability, and:
  - a. Efficient and effective management of the revenue-generation portfolio.
    - i. Continue efforts to utilize technology to reduce costs and automate routine functions.
  - b. Identification of new, sustainable, and responsible revenue streams, including but not limited to:
    - i. Evaluate potential for Commission-driven project requests for proposals with desired revenue-generating activities such as solar, geothermal, wind, and wave energy.
    - ii. Investigate opportunities such as repurposing of lithium discharges from geothermal operations as an income stream.
- c. Improve methods for monitoring funding streams generated from the management of granted Public Trust lands and resources for which the Commission retains trust responsibilities.
- d. Address current and future risk and liabilities.
- 4. Convene collaborative dialogues to evaluate the need for policies that:
  - a. Carefully examine existing and proposed nonrenewable extractive practices on state lands, for pursuing a just transition to renewables.
  - b. Identify the appropriate response to significant land-use changes that may adversely affect public and private uplands as sea levels rise and the Commission's jurisdiction increases.
  - c. Enhance understanding of the Public Trust to increase advocacy for its appropriate use and protection.
  - d. Support our grantees, lessees, tribal partners, stakeholders, and partners in their efforts to build thriveability and balance sustainability and equity with economic growth.
- 5. Explore community stewardship agreements and policies to engage the public in the management of public lands and resources and provide additional oversight and protections for Commission lands.



## Leveraging Technology

The Commission recognizes that technology will be a key factor in responding to communication, analytical, and workforce requirements—particularly in an era where much of the work will be required to occur remotely. The Commission will align priorities and seek resources to continue technological advancement and innovation efforts that support and enhance the Commission’s mission by:

1. Expanding the use of virtual environments to extend communications and provide venues to inform and listen.
2. Expanding the creation and use of digital content to improve internal and public understanding of difficult issues with supporting data.
3. Capitalizing on new technologies and advancements to:
  - a. Improve decision support
  - b. Improve data security and risk reduction
  - c. Improve process efficiency and enhanced staff support

## Committing to Collaborative Leadership

The Commission, with its extraordinary trust assets and constitutional membership is uniquely positioned to provide statewide leadership in all the Strategic Focus areas. The Commission will exercise this leadership through the following actions:

1. Serve as a convenor and mediator of planning and policy dialogues to:
  - a. Support statewide initiatives to improve climate change resilience and address environmental threats.
  - b. Identify options and create joint, interagency, interdisciplinary actions to address the pressing concerns identified in the Commission’s strategic focus areas.
  - c. Address conflicts in policy and planning to address difficulties experienced by

resource managers and project proponents faced with state-imposed competing demands and requirements.

- a. Improve coordination and sharing of skills and assets among agencies and organizations engaged in managing shared geographies and resources.
2. Advance innovation and create clarity of direction by offering continual, robust opportunities for stakeholder and public engagement, and institutionalizing this relationship building so that the process and relationships live through the Commission and not just through individual staff members or leaders.

**“The Commission embraces an evolving Public Trust Doctrine that is reflective of a modern era and changing societal values and needs while also respecting the traditional principles of the Trust, including navigation, fisheries, and commerce. The Commission commits to proactively contributing to its fulfilment.”**



## Building a Reimagined Workforce

The coming decade will change the Commission's ways and types of work. The Commission will:

1. Identify required new skill sets and determine options for:
  - a. Classification adjustments
  - b. Retraining
  - c. Recruitment
2. Provide training and educational resources for staff related to evolving land and resource management best practices, renewable energy development, project management, the Environmental Justice Policy, the Tribal Consultation Policy, equity, and new or relevant issue areas to prepare and empower staff for emerging challenges.
3. Implement succession management and transfer-of-knowledge plans.
4. Evaluate the Commission organizational chart and reorganize as needed to reflect new work streams.
5. Implement increased use of multi-disciplinary approaches to existing and new work efforts to eliminate organizational silos and improve efficiency.
  - a. Leverage use of field staff to facilitate improved monitoring of Commission assets.
6. Prevent overdependence on a small number of highly skilled staff for time-critical tasks.
  - a. Create skills redundancy to increase the number of personnel available to support critical functions.
  - b. Identify opportunities for job enrichment through cross training.





# ADDITIONAL RESOURCES

After reading through the California State Lands Commission 2021-2025 Strategic Plan, you may have additional questions or want more information about the Commission’s land-management role and our programs. To make it easier for you to access material that is referenced in the 2021-2025 Strategic Plan, we’ve created a landing page on our website with links to additional resources and related documents.

<https://www.slc.ca.gov/strategic-plan/strategic-plan-2021-2025/>

This website link will provide you with quick access to our Tribal Consultation Policy, Environmental Justice Policy, various Commission programs, as well as more information about the Public Trust Doctrine and the School Lands Trust. The Commission is eager to share this information with you in an effort to educate, inform, and to encourage participation in our ongoing work on behalf of the people of California.



# PHOTO CREDITS

The following table is a compiled list of sources from which all photos in this Strategic Plan can be credited.

Page	Photo Description	Photo Source
Letter from the Commissioners	A photo portrait of Betty Yee, California State Controller and Chair of California State Lands Commission.	State Lands Commission
Letter from the Commissioners	A photo portrait of Eleni Kounalakis, California Lieutenant Governor and Member of California State Lands Commission.	State Lands Commission
Letter from the Commissioners	A photo portrait of Keely Bosler, California Director of Department of Finance and Member of California State Lands Commission.	State Lands Commission
Cover Page	A photo of large smooth boulders on the beach at low tide at Schooner Gulch State Beach on the California coast.	Chaun Wong, State Lands Commission
1	A photo of Highway 101 through Hollister Ranch, where the Pacific Ocean meets the California shore, along the Gaviota Coast.	State Lands Commission Drone
3	A landscape photo of California coastline at Hollister Ranch along the Gaviota Coast, with Highway 101 bordered on one side by green hills and the other side with beach cliffs.	State Lands Commission Drone
6	A landscape photo of a group of people whitewater rafting on the American River in California.	<a href="http://americanrivers.org">americanrivers.org</a>
8	A landscape photo of a group of kayakers boating on a waterway near Redwood City, California.	GalliBM, licensed under CC BY-SA 3.0.
9	A landscape photo of hills reflected in the water of Owens Lake, California.	Drew Simpkin, State Lands Commission
11	A landscape photo of the ship MV Cape Orlando docked in Alameda, California.	State Lands Commission Drone
13	A photo of the Pacific Ocean, as seen from a cliff near Fort Bragg, California.	Tatiana Shakulina, State Lands Commission
15	A photo of the desert scrub land with snow covered mountains in the background on lands returned to the Lone Pine Paiute-Shoshone Reservation.	Janice Gonzales, State Lands Commission

<b>Page</b>	<b>Photo Description</b>	<b>Photo Source</b>
16	A photo of a person welding a steel plate on a casing.	Steve Curran, State Lands Commission
17	A photo of platform Holly oil rig off the coast of California.	Steve Curran, State Lands Commission
18	Commissioner Betty Yee in Seaport Village during a tour of the Port of San Diego in November 2020.	Jennifer Lucchesi, State Lands Commission
19	A photo of a California State Lands Commission workshop with people listening to a presentation by Commissioner Kounalakis.	State Lands Commission
20	A landscape photo from Rincon Island looking back toward the California coast and Highway 101.	Sheri Pemberton, State Lands Commission
21	A photo of two piers jutting into the water of Lake Tahoe with snow-covered mountains in the distance.	Sheri Pemberton, State Lands Commission
22	A photo containing sky, grass, and field near Bancroft Mountains, on lands returned to the Lone Pine Paiute-Shoshone Reservation.	Janice Gonzales, State Lands Commission
23	A photo of desert land scattered with wildflowers and hills in the background, east of Death Valley Junction in California.	Ricky Lee, State Lands Commission
25	A photo of the California Delta with grass, trees, and Mount Diablo in the background.	State Lands Commission
26	Container ships in the busy Port of Los Angeles harbor.	U.S. Food and Drug Administration
29	A photo of the view from Bolsa Chica State Beach at sunset with cliffs and houses in the distance.	State Lands Commission Drone





## **EXHIBIT B**

### **INFORMATIONAL UPDATE ON THE IMPLEMENTATION OF THE COMMISSION'S 2016-2020 STRATEGIC PLAN**

#### **BACKGROUND:**

This informational staff report provides an update on staff's progress during 2020, the final year of the Commission's 5-year Strategic Plan. The Commission adopted its Strategic Plan at its December 18, 2015 public meeting ([Item 117](#)). The Plan was the culmination of robust stakeholder input and collaboration and guides the Commission's stewardship of public lands and resources and promotes public access.

The Strategic Plan contains the following Strategic Goals:

- Lead Innovative and Responsible Land and Resource Management
- Meet the Challenges of Our Future
- Engage Californians to Help Safeguard Their Trust Lands and Resources
- Cultivate Operational Excellence by Integrating Technology

The Commission manages millions of acres of State-owned lands and resources. Its primary responsibilities are to manage the use and protection of these lands and resources through leases and other agreements, prevent oil spills at offshore facilities and marine oil terminals, and protect State waters from marine invasive species introductions. The Strategic Plan enables the Commission to adapt to emerging challenges, while creating a meaningful and rich framework to effectuate State policy goals, promote public access, generate revenue for the State's General Fund and for the benefit of the California State Teachers' Retirement System, and enforce the protections of the Public Trust Doctrine.

The following is a look back at the Commission's Strategic Plan accomplishments in 2020, the last year of this Strategic Plan.

#### **NOTABLE ACCOMPLISHMENTS IN 2020:**

Since its creation in 1938, the Commission has been led by 20 Lieutenant Governors, 11 State Controllers, and 32 Finance Directors. Beginning in 2019, and for the first time in its long history, the Commission has been represented entirely



## EXHIBIT B (CONT'D)

by women: Lieutenant Governor Eleni Kounalakis (Chair), State Controller Betty Yee, and Department of Finance Director Keely Bosler.

The Commission again made major progress in its Strategic Plan implementation. Presented below are the Commission's more notable achievements in 2020.

- In response to the COVID-19 pandemic, the Commission began hosting virtual public meetings in April 2020. These meetings have enabled greater active participation from a broader swath of the public.
- Also, in response to the pandemic, the Commission's Information Services Division was quickly able to provide the technological resources needed to increase staff's teleworking capability. The number of staff teleworking either part or full time went from approximately 40% at the start of the pandemic to over 90%.
- Approved the first solar energy project on school lands, a 128-megawatt facility in Kern County. The facility will contribute to achieving the State's greenhouse gas emission reduction targets and will generate revenue for the California State Teachers Retirement System (CalSTRS).
- Historic transfer of a 40-acre school land parcel to the Lone Pine Paiute Shoshone Reservation to preserve and protect tribal cultural resources.
- Rincon Decommissioning Project – Completed the plugging and abandonment of all of the 50 *offshore* (island) wells and 24 of the 25 *onshore* wells—all ahead of schedule and under budget. A caretaker plan has been prepared pending CEQA determinations and the final decommissioning and disposition of the site.
- Finalized an addendum to the EIR for the Becker and Legacy Well Abandonment and Remediation Project and then successfully plugged and abandoned the Treadwell #10 and NorthStar #805 legacy wells located off Summerland Beach in Santa Barbara County. This work has improved the marine environment in the area and the recreational enjoyment of the nearby beaches for all Californians.

## EXHIBIT B (CONT'D)

- From January 1 through December 31, 2020, staff monitored 22 percent of oil transfers (1,078 of 4,959 transfers) conducted at marine oil terminals (MOTs) in California. This represents a decrease from 2019, during which 27 percent of every oil transfer was monitored. The decline is due to a shortage of personnel in both field offices as well as impacts resulting from dealing with COVID-19 precautions during inspections throughout a majority of the year. During this same period, 589,664,874 barrels of product were transferred at MOTs in California. Each barrel is 42 gallons. Spills directly resulting from oil transfers during this time were just 0.19 barrel, or 8 gallons. This is approximately 0.00000003 percent of all barrels transferred, or 3 parts per billion.
- Received 224 lease applications and 149 general public inquiries through an online public portal launched in 2019. The system allows the public to access, submit, and track lease and permit applications. The total number of applications received in 2020 was 396, so the number received via the portal represents 57% of the total applications submitted in the first full year of operation. This percentage is expected to go up as the public becomes more aware of the convenience that the Commission is providing. With this new tool, the Commission is also able to preserve and make available to the public digital copies of historical records that provide insight into the lands and resources managed by the Commission and the history of California.

### **By the Numbers:**

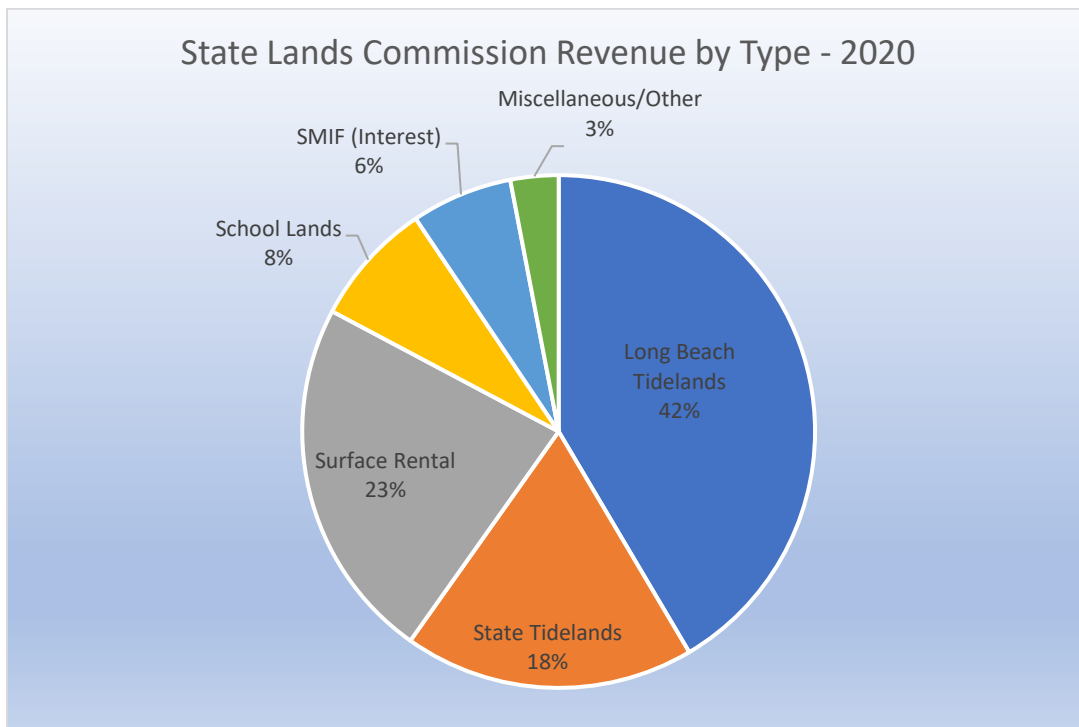
The Commission generated \$94.4 million in revenue and net profits in 2020, down almost 43 percent from the \$164.9 million generated in 2019. The steep drop was felt across almost all revenue-generating sectors and is believed to be due largely to the effects of the COVID-19 pandemic on the economy as a whole. Below is a table showing the decline in revenue by type.

### EXHIBIT B (CONT'D)

<b>Calendar Year</b>	<b>2020</b>	<b>2019</b>
Long Beach Tidelands	\$ 39,183,548.72	\$ 79,221,634.00
State Tidelands	\$ 17,299,201.75	\$ 32,840,782.00
Surface Rental	\$ 21,670,316.79	\$ 22,170,217.00
School Lands	\$ 7,387,942.52	\$ 6,493,175.00
SMIF*	\$ 6,027,606.67	\$ 9,189,643.00
Miscellaneous Other	\$ 2,857,983.88	\$ 15,016,629.00
<b>Totals</b>	<b>\$ 94,426,600.32</b>	<b>\$ 164,932,080.00</b>

\*Note: SMIF = Surplus Money Investment Fund

With 210 authorized positions per the 2020-21 budget, the total revenue generated by the Commission equates to over \$449,650 per position. Since its creation in 1938, the Commission has generated almost \$11.9 billion for the state of California.



The Commission's budget for the 2020-21 fiscal year is \$59,468,000. The budget includes the following limited term augmentations over the Commission's normal baseline budget: \$14,400,000 reappropriated from 2019-20 for continued plugging and abandonment activities associated with Phase 1 of the South

## EXHIBIT B (CONT'D)

Ellwood Project; \$2,500,000 for feasibility studies and the EIR in Phase 2 of the South Ellwood Project; \$10,460,000 for finishing the Rincon Island Decommissioning Project; \$2,000,000 from the Environmental License Plate Fund for maintenance dredging for the Bolsa Chica Lowlands Restoration Project; and up to \$2,000,000 through the 2027-28 fiscal year for the Coastal Hazards Removal program (SB 44, Ch. 645/17). The Commission also received ongoing annual funding of \$491,000 and 5 positions to facilitate its implementation of the State's Fi\$Cal reporting system, and \$358,000 for increased lease costs.

The Commission held seven public meetings in 2020, one of which was a special meeting. The first two public meetings were held in Sacramento and Long Beach, respectively. Because of the COVID-19 pandemic, the next five meetings were held virtually using the Zoom application. These virtual meetings have enabled greater active participation from a broader swath of the public because speakers do not need to be present at a physical meeting location.

As with previous years, most of the actions the Commission approved fell under Strategy 1.1: Deliver the highest levels of public health and safety in the protection, preservation and responsible economic use of the lands and resources under the Commission's jurisdiction. This strategy is intrinsically tied to the Commission's management and leasing of the lands under its jurisdiction. Many actions also included Strategy 1.3: Protect, expand, and enhance appropriate public use and access to and along the State's inland and coastal waterways. Other strategies frequently addressed in the Commission's actions were Strategies 2.2, ensure timely receipt of revenues and royalties from the use and development of State lands and minerals, and 2.1, optimize returns for the responsible development and use of State lands and resources, both onshore and offshore.

### **IMPLEMENTATION:**

The Plan has 147 specific Targeted Outcomes (TOs) under the four Strategic Goals. Completion of these TOs drives the implementation of the Plan's 63 Key Actions. Champions in each of the Commission's divisions manage the TOs by defining success criteria, dependencies, project plans, and then track progress. The Plan identifies the approximate time during the Strategic Plan period for implementation of each TO. Some TOs can be completed in a specific year, while others take multiple years, or will continue to be implemented over the entire Plan period and even beyond.



## EXHIBIT B (CONT'D)

The Commission achieved a 90 percent overall success rate in meeting its Targeted Outcomes over the course of the 2016-2020 Strategic Plan.

Targeted Outcomes	2016	2017	2018	2019	2020
Completed	7	30	45	65	81
In Progress	109	106	50	23	
Ongoing	---	---	41	48	51
Deferred / Not Completed	20	10	11	11	15
Total	136	146	147	147	147
Success	7	30	86	113	132
% Success	5%	21%	59%	77%	90%

*Note: There is no "In Progress" tally for 2020 because by the end of the year those Targeted Outcomes would either be "Complete" or "Deferred/Not Complete"*

The following is a more detailed breakdown by Strategic Goal of the Commission's accomplishments in implementing the Plan in 2020.

### **Strategic Goal Number 1: Lead Innovative and Responsible Land and Resource Management**

#### ***Surface Leasing and Land Management***

The Commission manages approximately 4,000 surface leases throughout the State. At its seven meetings in 2020 meetings, the Commission took action on 433 items, the majority of which involved general leases for recreational uses like piers, docks, and buoys in Lake Tahoe, the Sacramento River Delta, and Huntington Harbour in Southern California. The Commission also authorized 21 rent revisions, 18 rent continuations, 28 amendments, and 18 assignments.

At its April public meeting, the Commission authorized a Delegation of Authority for 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,

## EXHIBIT B (CONT'D)

waiver of penalty and interest, and deferral of application processing expenses. The delegation also authorized the Executive Officer to implement emergency rulemaking if determined necessary and to consider authorizing short-term extensions for certain public agency leases. Since then, the Commission has received 57 applications for deferrals. The Commission has approved 9 applications and declined 4 applications. Another 44 applications for deferral are incomplete. The total deferred annual rent is \$197,805.

During 2020, staff coordinated with federal staff from the Joshua Tree National Park Service to complete a cupola on an abandoned mine shaft located on a State school lands parcel site known as the historic Goat Hill Basin Mine. With the help of Joshua Tree staff, staff were able to carry all the necessary equipment required to weld a steel structure (cupola) over the mine shaft that will allow bats and owls to use as habitat, while simultaneously safeguarding the public from the accidental fall hazard that was present.

In January 2020, Commission staff finalized an addendum to the EIR for the Becker and Legacy Well Abandonment and Remediation Project, which paved the way for the successful abandonment of the Treadwell #10 and NorthStar #805 wells later in the year. During the year, and acting as the California Environmental Quality Act (CEQA) lead agency, the Commission adopted three mitigated negative declarations (MNDs). In October 2020, the Commission issued a Notice of Preparation and held public scoping meetings for the Stagecoach Solar Project that is proposed to be sited partially on State school lands. Looking into 2021, staff anticipates preparing several other CEQA documents, including three MNDs and an EIR for the Piers 421 Decommissioning Project.

### ***Oil Spill Prevention***

The Lempert-Keene-Seastrand Oil Spill Prevention and Response Act of 1990 covers all aspects of marine oil spill prevention and response and divides enforcement between the Commission and OSPR. The Commission is responsible for the prevention aspects of the program. Staff performs inspections and safety audits of oil production facilities, including offshore platforms and oil production islands. Staff also perform safety inspections of oil transfer facilities, including marine oil terminals. The Commission's prevention program has successfully limited the number and severity of oil spills in State waters.

## EXHIBIT B (CONT'D)

### Oil Production Facilities:

Staff continued to work with its contractors on two major oil and gas decommissioning projects: the Rincon Decommissioning Project and Phase 1 of the South Ellwood Decommissioning Project. These projects are located in the Santa Barbara Channel. The lessees of both of these oil and gas leases filed for bankruptcy in 2017 and the Commission subsequently assumed the responsibility for plugging and abandoning the wells and the decommissioning of the facilities.

Tremendous progress was made on the Rincon Decommissioning Project, with the plugging and abandonment of all of the 50 *offshore* (island) wells and 24 of the 25 *onshore* wells— completed in 2020, all ahead of schedule and under budget. A caretaker plan has been prepared and the final decommissioning and disposition of the site is pending studies and CEQA determinations.

The COVID-19 pandemic had a delaying effect on the South Ellwood Decommissioning Project. The plugging and abandonment activity on the 30 wells on Platform Holly had to be halted because worker health could not be assured in the cramped physical confines of the platform and the vessels that ferry the work crews to it. Work on Platform Holly will resume when the pandemic no longer poses a threat to the health of the work crews. Until then, the platform is being maintained to prevent oil spills and the release of dangerous H<sub>2</sub>S gas. ExxonMobil and Commission staff, in conjunction with the City of Goleta, are developing a project description to decommission the oil piers associated with Lease No. PRC 421 to begin the CEQA process. The Commission will be the CEQA Lead Agency and applicant for the project. The CEQA process will include robust stakeholder engagement and is anticipated to take 12 months to compete.

Staff perform safety and pollution prevention inspections and audits of offshore drilling and production facilities. Inspections of each facility are conducted every month and include the physical testing of an average of 300 alarm and control devices per facility. Each inspection requires two to three days to complete. Safety Audits involve a much more comprehensive evaluation of the compliance of the facility automatic shutdown system design with Commission regulations and applicable industry codes. The condition and code compliance of the facility production and processing vessels, equipment, piping, and electrical power distribution system are also evaluated, as well as corporate

## EXHIBIT B (CONT'D)

maintenance and safety management programs. Audits are conducted on a 5-year cycle and require an average of 6 months to complete for each facility.

In 2020, staff inspectors conducted 120 safety inspections at oil and gas drilling, production and processing facilities and 1,230 pollution surveillance activities, including beach surveillance at sites of frequent seep activity and subsea pipelines' rights-of-way. Staff engineers completed the audit of the four oil production islands in Long Beach and the associated onshore production and processing areas and began the safety audit of Platform Emmy and the associated onshore production facilities in Huntington Beach. This audit is currently in progress.

As part of our efforts to prevent oil spills at offshore facilities, staff was able to participate and successfully witness and complete seven offshore platform and tabletop spill drills and 11 offshore pipeline hydrotests remotely using Zoom or Teams. Nine offshore pipeline internal/external inspection reports were reviewed.

### Marine Oil Transfer Facilities:

From January 1 through December 31, 2020, staff monitored 22 percent of oil transfers (1,078 of 4,959 transfers) conducted at marine oil terminals (MOTs) in California. This represents a decrease from 2019, during which 27 percent of every oil transfer was monitored. The decline is due to a shortage of personnel in both field offices as well as COVID-19 related precautions during inspections throughout a majority of the year. During this same period, 589,664,874 barrels of product were transferred at MOTs in California. Each barrel is 42 gallons. Spills directly resulting from oil transfers during this time were just 0.19 barrel, or 8 gallons. This is approximately 0.00000003 percent of all barrels transferred, or 3 parts per billion. In the same time frame, staff conducted 63 spot and annual inspections and 16 training and certification program reviews at MOTs.

On January 15, 2019, the California Building Standards Commission approved the revised 2019 MOTEMS. These latest MOTEMS regulation updates went into effect on January 1, 2020. The Commission reviewed multiple MOTEMS audit reports, designs, drawings, and inspections-related submittals from all 34 MOTs in California. Within the Port of Los Angeles there are five major projects at marine oil terminals to bring them into full MOTEMS compliance.



## EXHIBIT B (CONT'D)

### ***Marine Invasive Species Prevention***

The Marine Invasive Species Program is a statewide multiagency program consisting of the Commission, California Department of Fish and Wildlife, State Water Resources Control Board, and the Department of Tax and Fee Administration. The Program is charged with moving the State expeditiously toward eliminating the discharge of nonindigenous species into State waters.

From January 1, 2020 to December 31, 2020, California ports received 9,753 arrivals from vessels that were subject to the Marine Invasive Species Act (i.e., vessels 300 gross registered tons or more and capable of carrying ballast water). Fifty-two percent of vessel arrivals occurred in Southern California ports (San Diego, Los Angeles, Long Beach, El Segundo, and Hueneme) and the remaining 48 percent arrived at Northern California ports, primarily in the San Francisco Bay Area including Sacramento and Stockton. Only 11 percent of vessels arriving at California ports discharged ballast water, a slight reduction from previous years. The remaining 89 percent of vessel arrivals retained all ballast water onboard, which is the most protective management strategy available, to prevent species introductions from ballast water.

During 2020, 8.9 million metric tons of ballast water were discharged into State waters; bulk cargo vessels and tank vessels were responsible for 87.3 percent of that discharge volume. Fourth quarter 2020 data are still being processed, but between January and September 2020, 99.7 percent of all ballast water discharged, by volume, was compliant with the Marine Invasive Species Act. The ballast water management compliance rate has been steadily increasing during recent years, from 95.3 percent compliance, by volume, in 2014, to 99.7 percent compliance, by volume, during 2020.

During 2020, staff inspected 2,197 vessel arrivals (22.5 percent of total arrivals) for compliance with the Marine Invasive Species Act and associated regulations. Staff also conducted GIS-based analysis of each reported ballast water management location (over 6,300 individual data points between January and September 2020) to assess vessel compliance.

Based on the vessel inspections and GIS-based analyses, nine vessels were found to be noncompliant with ballast water management requirements between January 2020 and September 2020. Of those vessels in violation, staff initiated enforcement actions on 5 vessels. To date, three of the five

## EXHIBIT B (CONT'D)

enforcement actions have reached settlement with a total of \$43,000 to be deposited into the Marine Invasive Species Control Fund.

After almost 3 years of implementation, the Commission is seeing a positive shift in the shipping industry reporting and recordkeeping of biofouling management practices. The Commission has engaged in extensive outreach to vessel owners, operators, and crew, and has seen a correlating decrease in violations of the reporting and recordkeeping requirements.

The federal Vessel Incidental Discharge Act (VIDA) was signed into law on December 4, 2018, as part of the Frank Lobiando Coast Guard Authorization Act of 2018. VIDA will eventually preempt state authority to establish and implement state-specific requirements for the regulation of discharges incidental to the normal operation of a vessel, including ballast water. The U.S. Environmental Protection Agency (U.S. EPA) released proposed regulations to implement VIDA on October 26, 2020, with the 30-day public comment period closing on November 25, 2020. Commission staff provided comments outlining the following specific concerns:

- Violation of VIDA's requirement to meaningfully consult with interested governors
- Unlawful regulation of biofouling. *This issue is critical to California as it has the only biofouling program in the nation.*
- Unlawful regulation of vessel in-water cleaning and capture operations
- Failure to adequately analyze Best Available Technology prior to setting discharge standards
- Weakening of current standards, making California more vulnerable to invasive species

In December 2020, Governor Newsom submitted an objection to the U.S. EPA, relaying the same concerns addressed in the Commission staff letter. In addition, the California Coastal Commission voted to object to the Coastal Zone Management Act federal consistency determination on January 14, 2021 over the same concerns. Commission staff is awaiting action from the U.S. EPA on either finalizing or revising the proposed regulations, processes that are likely to be delayed because of the change in Administrations. Existing state authorities remain in effect until U.S. EPA finalizes their regulations and the U.S. Coast Guard subsequently adopts implementing regulations.

## EXHIBIT B (CONT'D)

Provisions in VIDA set a cap on the amount of fees that a state may charge to support ballast water management programs. Upon implementation of VIDA, projected to occur in late 2022, revenues into the Marine Invasive Species Control Fund (MISCF) are expected to drop by \$300,000-\$500,000 annually due to the fee caps. This decline in revenue due to VIDA, combined with a loss of \$700,000 in revenue during the first half of 2020 due to the COVID-19 pandemic, will push the MISCF towards insolvency by FY 23-24. The Marine Invasive Species Program receives no state General Fund appropriation and relies exclusively on the MISCF.

Other recent notable accomplishments of the Marine Invasive Species Program include:

- Biennial Report: The 2021 Biennial Report on the California Marine Invasive Species Program was approved by the Commission in December 2020 and submitted to the California State Legislature in January 2021 pursuant to Public Resources Code sections 71210 and 71212. The report summarized program activities and the biofouling and ballast water management practices of vessels that arrived at California ports during the period January 1, 2018 through December 31, 2019.
- Revised Regulations: Amendments to Title 2, California Code of Regulations, section 2298.5 were adopted during 2020 to change the submission requirement for the Marine Invasive Species Annual Vessel Reporting Form (AVRF). As of January 1, 2021, the AVRF must be submitted via the web-based platform MISP.IO. Marine Invasive Species Program staff held a series of webinars in October and December of 2020 to provide outreach and to answer questions about the new requirement. As of January 20, 2021, implementation of this new requirement has been efficient, with approximately 400 vessels submitting AVRFS through the web-based portal.

### ***Climate Change/Sea-Level Rise***

The Strategic Plan directs staff to incorporate strategies to address climate change, adapt to sea-level rise, incentivize water conservation, and reduce greenhouse gas emissions and the generation of litter and marine debris into all the Commission's planning processes, project analyses, and decisions.

## EXHIBIT B (CONT'D)

In April 2020, the Commission adopted statewide Sea Level Rise Principles to guide, coordinate, and align our actions to build coastal resiliency and adapt to sea level rise.

The Commission continues to integrate climate change and sea-level rise analyses into its lease application processing and staff recommendations. Staff uses the best available science, resources, and tools to analyze present and future impacts to Public Trust lands and presents this information to the Commission, the public, and lessees through staff reports. The Commission relies on the 2018 State Sea-Level Rise Policy Guidance authored by the Ocean Protection Council, as well as other sources such as the California Fourth Climate Assessment, and consults a variety of climate and sea-level rise modeling and visualization aids, including its own custom-built sea-level rise map viewer, to better understand the dynamics and projections of climate change and sea-level rise. The staff reports describe climate vulnerabilities and risks, as well as options for lessees to increase resiliency and adaptation. Particularly in tidally influenced areas, shorter term leases have become the norm to provide the Commission with more frequent opportunities to evaluate the impacts of climate change on lease premises and to ensure adaptation measures are taken to protect vulnerable Public Trust lands and resources.

Commission staff made significant progress on AB 691 (Muratsuchi, Chapter 592, Statutes of 2013; Public Resources Code section 6311.5), the law that required certain local trustees of state lands to prepare sea level rise assessments for the Commission. Local grantees like ports, harbors, cities, and counties manage some of the State's most critical Public Trust lands and resources that support the robust blue economy, unique and vital coastal and marine habitats, and cherished recreation and cultural sites. The assessments contain information about the financial costs of vulnerability, local maps of sea-level rise projections and scenarios, and Public Trust lands, assets, uses, and values most at risk from sea-level rise and climate change impacts. Staff, working with the consultant, Revell Coastal, created two-page summaries of each assessment and began developing a synthesis report to present to the Commission and stakeholders in 2021. The Commission intends to use the information to recommend State actions that can best support local adaptation implementation efforts, identify data gaps, and inform future assessment efforts.



## EXHIBIT B (CONT'D)

The Commission continues to participate on interagency teams that collaborate and coordinate on climate change and sea-level rise policy. The Public Trust Coordination Project, a partnership with the California Coastal Commission funded through a grant from the National Oceanic and Atmospheric Administration, continues to make progress on its efforts to address issues surrounding sea-level rise, the ambulatory Public Trust boundary, and impacts to Public Trust resources. Staff assisted with the creation of case studies to understand how each agency has historically approached issues related to the Public Trust, sea level rise, and shoreline development and lessons that can be applied to future coastal management. Staff also began implementation of the communication and coordination Memorandum of Understanding, signed in 2019.

### ***Ocean Planning***

The San Diego Ocean Planning Partnership (SDOPP) is a collaborative pilot project centered on understanding and balancing Public Trust ocean uses including commerce, navigation, fisheries, recreation, and environmental stewardship. The first phase, called the Assessment Phase, was completed in 2018 and culminated in the Commission's acceptance of the [San Diego Ocean Planning Partnership Preliminary Assessment Report](#). The purpose of the Assessment Phase was to better understand this ocean space through public engagement and compiling and reviewing relevant coastal and marine-related data. Based on that input, the public web mapping application for the San Diego Ocean Planning Partnership was released in April 2019. In 2020, the Partnership updated the data layers and links to other web services on its Web Mapping Application.

The Commission, along with the Ocean Protection Council as co-lead, represents the state of California in the West Coast Ocean Alliance. Regional ocean partnerships are organizations that state governors voluntarily convene to address ocean and coastal issues of concern in a region. There are four existing partnerships, including the West Coast Ocean Alliance of California, Oregon, and Washington. In 2020, the West Coast Ocean Alliance realized several goals of its regional vision, including developing tribal engagement guidance, expanding its ocean data portal with an ocean health index, and enhancing coordination and communication on emerging ocean uses such as aquaculture and offshore renewable energy.

## EXHIBIT B (CONT'D)

### ***Strategic Partnerships***

The Commission continues to embrace and promote collaboration and partnership with federal, state, regional, local agencies, and academic institutions, as well as non-governmental organizations; private industry; and other stakeholders and interested parties. The Commission participates in collaborative partnerships with numerous state agencies including the California Natural Resources Agency, California Department of Fish and Wildlife, Office of Spill Prevention and Response, State Coastal Conservancy, Department of Parks and Recreation; and numerous federal agencies including the Bureau of Land Management, Bureau of Ocean Energy Management, National Oceanic and Atmospheric Administration, U.S. Fish and Wildlife Service, and U.S. Army Corps of Engineers. In addition, the Commission is a member of the California Coastal Commission, San Francisco Bay Conservation and Development Commission, Ocean Protection Council, Delta Protection Commission, Baldwin Hills Conservancy, San Joaquin River Conservancy, and Lower American River Conservancy Advisory Committee.

The Commission is also a signatory to cooperative interagency agreements with state and federal agencies, such as the agreement for implementation of the California network of marine protected areas, agreement for development of the Desert Renewable Energy Conservation Plan, and the San Francisco Bay Dredged Materials Management Office.

As noted previously, the Commission entered into a landmark collaboration agreement with the Coastal Commission, State Parks, and Coastal Conservancy for the development of a contemporary coastal access program at Hollister Ranch in Santa Barbara County, and an interagency coordination and collaboration agreement with the Coastal Commission to enhance greater coordination on issues related to sea-level rise.

Additionally, Commission staff continued to cultivate its partnerships within the Marine Renewable Energy Working Group to explore and facilitate responsible offshore renewable energy development. Staff also continued their collaboration with Department of Defense (DOD) representatives to address the progress on the two applications for floating offshore wind demonstration projects. Staff also will continue to review the work that DOD and their consultants have completed focusing on “near-shore resources” to explore

## EXHIBIT B (CONT'D)

future Marine Renewable Energy potential. The group will continue to evaluate the feasibility of energy storage within State waters.

The Commission is a partner in the Marine Protected Area Statewide Leadership Team (MPA SLT). In collaboration with partner agencies and tribes, a Memorandum of Understanding and a charter were finalized to outline the roles and responsibilities of each party and the goal of the MPA SLT as a whole, which is to increase collaboration and communication among the partners of SLT in order to effectively manage California's network of marine protected areas.

Commission staff participate in the Plastic Pollution Steering Committee. In 2020, a Committee Charter and Workplan were finalized highlighting the goals of this interagency working group and strategies to achieve those goals of reducing plastic pollution in California coastal waters, rivers, and streams.

The Commission participates in two aquaculture groups. Staff is participating in the development of a set of interim Statewide Aquaculture Principles in collaboration with the OPC and other state agency partners. Staff is also representing the Commission as a stakeholder in NOAA's process to identify Aquaculture Opportunity Areas in federal waters off Southern California.

### ***Coastal Hazard and Legacy Oil and Gas Well Removal and Remediation Program***

SB 44 (Jackson, Ch. 645/17) provides up to \$2 million annually until 2027-28 to administer a coastal hazard and legacy oil and gas well removal and remediation program. Last December, the Commission submitted its [SB 44 report](#) to the Legislature.

#### Legacy Well Inventory and Remediation:

In early 2020, staff finalized an addendum to the EIR for the Becker and Legacy Well Abandonment and Remediation Project (<https://www.slc.ca.gov/ceqa/becker/>). In addition, staff managed a competitive selection process that resulted in a contractor being selected to execute the re-abandonments of up to eight Legacy wells. Staff also oversaw the engineering design, field exploration, and the successful re-abandonment of two offshore Legacy wells. The re-abandonment of these wells – Treadwell #10 and NorthStar #805 – was accomplished in November 2020 and came in below budget. The work required coordination and permits from other agencies,

## EXHIBIT B (CONT'D)

including CalGem and the Coastal Commission. Post abandonment monitoring has shown a visible improvement in beach conditions. Summerland residents, along with other members of the public, have expressed their gratitude to the Commission for our continuing efforts to remediate this decades-old environmental problem. This work has improved the marine environment in the area and enhanced the recreational enjoyment of the nearby beaches. Staff plan to abandon two more wells next year and look forward to continued work with our partner agencies and the community.

### Coastal Hazards Removal Activities:

Coastal hazards are the remnants of artificial coastal structures that have been abandoned and orphaned (i.e., no known responsible party). These hazards are typically buried in the coastal surf zone and include wood or steel pilings, H-piles and H-beams, railroad irons, cables, angle bars, ties, pipes, pipelines, seep-tent related structural remnants of riprap structures, wood structures, groins, jetties, piers, and oil and gas related infrastructure located along the California coastline. Hazard exposure depends on tide and beach erosion. Many hazards are only exposed during the high tidal erosion that occurs during winter. In November, the Commission and its contractor removed hazards on behalf of the city of Goleta, including 15 pipeline segments, that were exposed because of eroding bluffs. The Commission's contractor remains on call to remove hazards as they appear during the winter exposure season.

### **Granted Lands**

The Legislature has enacted more than 300 statutes granting sovereign Public Trust lands to over 80 local municipalities to manage in trust for the people of California. While granted Public Trust lands and assets are managed locally, the Legislature delegated the State's residual and review authority to the Commission. The Commission represents the statewide public interest to ensure that trustees manage their grants in conformance with the California Constitution, applicable granting statutes, and the Public Trust Doctrine.

Trustees are required to submit their financial information to the Commission by December 31 each year. There are 70 individual grants reporting financial information to the Commission for their granted lands. Staff now has 10 years' worth of financial spreadsheets for each grant. This allows for easier tracking of:



## EXHIBIT B (CONT'D)

- Percentage of change from year to year for each line item the grantees track as well as the bottom-line numbers reported for revenues and expenditures of tideland funds.
- Percentage of gross payments made (or not) and the date.
- The 24 grants that require review of capital expenditures for varying amounts.

Eight of the grants require profit sharing to the Kapiloff Land Bank Fund. Of note:

- The City of Martinez has taken advantage of the waiver allowed under AB 1424 since FY 2014-15 but will be required to profit share beginning on July 1, 2021.
- The City of Sacramento began profit sharing from lease revenue in 2019 and has added over \$250,000 to the Kapiloff Fund.
- The City of Albany will be obligated to profit share beginning in 2021 but this should not impact the fund as they have always been non-revenue producing.
- The Kapiloff Land Bank Fund was receiving about \$500,000 annually up to 2018 but has averaged \$1.2 million the past two years. This average will likely increase with the addition of the Martinez profit sharing revenue beginning July 1, 2021.

In the weeks after the pandemic broke out, staff reached out to several trustees to learn how COVID-19 will affect them, their strategies for responding to the crisis, and to find out how staff can be a resource during this time. Staff briefed the Commission at the April 29, 2020 public meeting about what it has learned so far, including that trustees have reported that tenants are seeking rent deferments and late payment penalty waivers to allow them to keep their businesses operational and their workforce in place for when these shelter-in-place orders are lifted. Other tenants are seeking financial aid or loans from trustees. Many trustees are estimating significant revenue losses and longer-term effects that remain to be seen depending on the severity of the pandemic in the coming months and beyond. The San Diego Unified Port District sent a letter last month requesting that the Commission, as the Port's oversight body, assist the Port in efforts to secure \$30 million in financial assistance from the State of California to confront the threat of COVID-19 and to ameliorate associated impacts.

In April 2020, the Diego Unified Port District President and the Port of Oakland Executive Director spoke to the Commission about the impacts of the COVID-19

## EXHIBIT B (CONT'D)

crisis on their ports. They reported that while their ports have been answering the call on this crisis, every major revenue category is continuing to plummet, and the pandemic is affecting every aspect of their operations. They reported that their revenues are entirely self-generated and they do not receive any tax dollars. This dynamic means that their ports are ineligible for certain federal COVID-19 relief funds in the recently passed federal stimulus package. They urged the Commission to continue to work with ports and other trustees to find ways to stabilize revenues and help ports adapt amid the pandemic.

In February 2020, the Ports of Long Beach and Los Angeles updated the Commission on the San Pedro Bay Ports Clean Air Action Plan and their progress to date. The Ports spoke about their clean trucks program and partnerships to advance technology. Establishing a clean truck fund rate is a current key goal. Vessel speed reduction programs were also highlighted. Other incentive approaches focus on getting ships with the cleanest engines to call at the ports voluntarily. Low sulfur fuel and shore power are other approaches the ports are leveraging to reduce emissions. The metrics the ports will use to achieve its goals were another discussion point, as well as ways to demonstrate stakeholder engagement among affected communities concerning air pollution. The Commission encouraged the ports to use available pathways to elevate these issues for public awareness and to use the Commission as a resource to pursue appropriate state responses to address air quality concerns.

Staff continues to work with several ports on large and complex title settlement and land exchange agreements. In June, at its public meeting, the Commission approved a Public Trust Land Exchange Agreement with the City of San Francisco, terminating the trust on approximately 143,000 square feet of streets in the Transbay District in exchange for streets near the Fisherman's Wharf area along the City's waterfront. The Commission continues to implement several other agreements, including the Naval Air Station Alameda, Mare Island; Treasure Island; and Hunters Point and Candlestick Title Settlement and Exchange Agreements. The Agreements are phased, transferring lands as remediation is complete, facilitating the responsible redevelopment of Public Trust lands. Staff is also in the process of negotiating other title settlement and land exchange agreements with the Port of San Francisco and the Port of Oakland.

## EXHIBIT B (CONT'D)

### ***Bolsa Chica Lowlands Restoration Project***

In 2018, the Bolsa Chica Land Trust received funding to hire a consultant to conduct a study of the Bolsa Chica Lowlands Restoration Project in Huntington Beach. The consultant will study the Project's design, current site conditions and maintenance operations, and consider the effects of climate change and-sea level rise. The study will result in a report that will analyze alternatives and make recommendations on ways to sustain habitat while reducing long-term operational costs. Commission staff, along with the other state and federal Managing Agencies (U.S. Fish and Wildlife, U.S. Army Corps of Engineers, California Department of Fish and Wildlife, National Marine Fisheries Service, Environmental Protection Agency) and the on-site California Department of Fish and Wildlife staff, will coordinate with the Trust and their consultant to provide oversight, technical and historical data, and site access. The study began in the fall of 2019 and is anticipated to be completed in 2021. The results will inform future funding efforts and long-term management decisions for Bolsa Chica.

### ***Public Access***

In March 2019, the Commission entered into a Collaborative Agreement with the California Coastal Commission, the California State Coastal Conservancy, California Department of Parks and Recreation for the development of a Contemporary Hollister Ranch Coastal Access Program (HRCAP), to further the State of California's public policy of responsibly expanding and enhancing the public's access to and along the coast and the public's cultural, educational and recreational experiences at the Hollister Ranch. Hollister Ranch is a 14,500-acre subdivision that includes 8.5 miles of publicly owned shoreline along the Santa Barbara Channel, in Santa Barbara County, with no land-based coastal access for the public. The Gaviota Coast, of which Hollister Ranch is a significant part, is the least accessible stretch of coast in California, with less than 2 miles of publicly accessible shore in more than 60 miles of coastline. Staff are working with a consultant to develop and initiate a Public Engagement Strategy for a collaborative planning process informed by meaningful and comprehensive stakeholder engagement. To date, the public engagement process has included a public meeting in February 2020 (additional scheduled public meetings were postponed due to the COVID pandemic), three public surveys, establishing a Stakeholder Working Group to help develop the HRCAP, Focused Listening Sessions with underrepresented groups (tribal community; environmental justice and Spanish speaking communities; community and

## EXHIBIT B (CONT'D)

nonprofit organizations, educators and other organizations working with families and children; and teens/young adults). A second public meeting will be held virtually in February or March 2021. Historical data, work product and interactive forums for additional public input are posted on the California Coastal Commission website. Drafting of the HRCAP will begin in March 2021. AB1680 requires the completion of the HRCAP by April 1, 2021. As required, the state agency team will submit a joint letter informing the Legislature the HRCAP will not be approved by April 1, 2021. Key reasons for the delay are: 1) challenges of COVID-19 presented to agencies and stakeholders have caused work to take longer than expected; and 2) physical distancing requirements necessitate a revision of the intended public engagement program. Completion of the planning process and California Coastal Commission hearing to adopt the HRCAP is anticipated by October 2021.

### **Strategic Goal Number 2: Meet the Challenges of Our Future**

#### ***Workforce and Succession Planning***

The Commission's Workforce and Leadership Succession Plans, which were developed during 2018, include several short- and long-term talent management strategies that involve recruitment, onboarding, knowledge transfer, a mentor program, and a leadership development program. During 2019, staff began implementation activities that included developing and launching strategies to support these initiatives. These strategies include developing a mentor pilot program, offering leadership seminars, crafting an onboarding plan that supports employee engagement, expanding career growth opportunities, developing strategies to make the Commission's workforce more inclusive and diverse, and creating a resource library for skills and information to be shared among employees and divisions. Staff is also reviewing the classifications of its authorized positions to ensure that they meet the current and future needs of the Commission. The Workforce and Succession Plans provide a roadmap to build and sustain a workforce to support the Commission's operational and strategic objectives. Implementation activities will continue during 2021.

#### ***Justice, Equity, Diversity, and Inclusion (JEDI)***

In 2020, a new Justice, Equity, Diversity, and Inclusion team was created at the Commission. The team, a hybrid of our previous GARE and environmental justice teams, will build on our past work and be dedicated to promoting equity,



## EXHIBIT B (CONT'D)

inclusion, and diversity, and addressing environmental justice within the Commission and through its programs. The team will focus broadly on the Commission's Environmental Justice Policy implementation and its racial equity goals. The Team, launched in November 2020, has identified four preliminary subcommittees that will be instrumental in advancing the JEDI work. They are: Diversity, Inclusion, and Hiring; Environmental Justice Policy Implementation; Outreach and Engagement; and the Equity Matters Newsletter. Nearly 30 staff have committed to being part of the JEDI team or one of the four subcommittees. Input, contributions, and participation from staff at all levels is essential to the JEDI team's success because it ensures we can incorporate different perspectives into this work. As such, recruitment is ongoing.

A major focus of the JEDI Team is advancing the critical work that the previous GARE and environmental justice teams put forth. The JEDI team is a more comprehensive team, with the purpose of leading implementation of our Environmental Justice Policy, our Racial Equity Action Plan, and other initiatives to embed justice, equity, diversity, and inclusion into the Commission's programs, practices, and culture. The JEDI team aligns with similar efforts among other departments and commissions within the California Natural Resources Agency and is a platform by which staff can coordinate with sister agencies who are focused on similar themes, as well as with the Administration and its California For All initiative.

### ***Promoting Renewable Energy***

The Commission is dedicated to helping California transition away from a reliance on fossil fuels and meeting the State's renewable energy goals.

In August 2020, the Commission approved the first solar energy project on school lands, a 128-megawatt facility in Kern County. The facility will contribute to achieving the State's ambitious greenhouse gas emission reduction target of 40 percent below 1990 levels by 2030 (SB 32, 2016) and renewable energy procurement targets of 60 percent by 2030 and 100 percent by 2045 (SB 100, 2018). The lease will also generate a base annual rent of \$43,290 with a royalty provision that could increase the revenue going to the California State Teachers Retirement System (CalSTRS).

The Commission continues to process lease applications for two offshore wind demonstration projects located in State waters off the coast of Lompoc and Vandenberg Air Force Base in Santa Barbara County. Both applications are

## EXHIBIT B (CONT'D)

currently complete, and staff is conducting early public consultation to seek stakeholder feedback. Both applications will have to go through a comprehensive Environmental Impact Review pursuant to CEQA before staff brings either application to the Commission for consideration of a lease.

Staff continued to cultivate its partnerships within the Marine Renewable Energy Working Group and Intergovernmental Renewable Energy Task Force to explore and facilitate responsible offshore renewable energy development. Staff also continued their collaboration with Department of Defense (DOD) representatives and consultants focusing on “near-shore resources.” DOD consultants have developed visual simulation of offshore wind turbines in State waters. The group has also been focusing on studying the feasibility of energy storage within State waters. This study is ongoing and will continue during 2020. Other renewable energy accomplishments in 2020 include:

- In October, the Commission approved two, 5-year geothermal leases in the Truckhaven area of Imperial County. The proposed project involves drilling up to ten geothermal wells, four of which would be located on school lands. For safe and responsible devolvment, staff will continue to collaborate with four other agencies, the County, Parks and Recreation, Bureau of Land Management, and California Geologic Energy Management.
- A modification of right of surface entry was issued to a solar energy generation facility called Desert Quartzite LLC in September of 2020 for a period of 30 years. The purpose of this modification was to ensure that the surface upon which Desert Quartzite has constructed their solar facility will not be disturbed within a term of 30 years for the purpose of any possible mineral development.
- In April, the Commission approved a 1-year geophysical survey permit to conduct a three-dimensional seismic survey to evaluate geothermal resources in the Truckhaven area.

### ***Enforcement and Compliance***

The Commission continues to emphasize its enforcement and compliance responsibilities. The following are some of its accomplishments in 2020.

In October, Cemex announced that it had ceased its coastal sand mining operation in Marina, Monterey County, two months ahead of schedule. The

## EXHIBIT B (CONT'D)

Cemex facility had operated since the early 1960s and was responsible for some of the highest levels of beach erosion anywhere in California. The sand mining heavily impacted the shoreline and beach width of Marina State Beach and the beaches downcoast in southern Monterey Bay. The mining diminished Public Trust resources and values, such as beach recreation, conservation, and public access. After a coalition of scientists, environmental groups and residents raised significant concerns, the State Lands Commission and the Coastal Commission investigated the operation and reached a settlement with Cemex in 2017 to cease active sand mining by December 31, 2020. The Commission is pleased that Cemex honored the agreement and ceased operations earlier than expected. Under the settlement, next steps include processing stockpiled sand, initiation of a mine reclamation plan, and conveyance of the property to a nonprofit or governmental entity or consortium that commits to manage the property primarily for conservation purposes.

Staff continues working with its lessees to reduce State's future abandonment liability. In 2017, staff successfully negotiated a lease amendment with an oil and gas lessee that was focused on reducing the State's liability through abandonment of idle wells starting in 2019. Since then, the lessee has abandoned eight idle wells, and during 2020, successfully prepared 14 onshore wells for future full abandonment. Data requirements from CalGEM, changes in requirements from permitting agencies, and slower response time due to Covid-19 affected the lessee's obligation of spending \$3.278 million on well abandonments. Instead, during 2020, the lessee spent \$2.095 million toward abandoning idle wells. To meet its full obligation, the lessee will deposit \$1.183 million into a sinking fund, held in escrow to be used for future full abandonments.

Also during 2020, staff negotiated and successfully increased financial assurances in the form of additional bonding of six new gas and geothermal leases by a total of \$7.35 million. The additional bonding is expected to cover the State's future abandonment liabilities for three leases for three Northern California gas leases and three geothermal leases in the Geysers area.

In 2020, audit staff was able to identify and subsequently collect total of \$1,131,072 from monthly desk audits. One million dollars of this is related to a duplicate charge, which was corrected the following month. The balance is related to three other leases that had discrepancies and subsequently resolved.

## EXHIBIT B (CONT'D)

Staff also completed eight audits with total findings of \$1,128,850. In addition, staff independently performed an audit of the Long Beach Unit and West Wilmington for oil price verification without any material findings. Performing this task resulted in saving of \$185,000 annually paid to an outside CPA firm. Five more audits are underway and will be completed in 2021.

Other Enforcement and Compliance highlights include:

- Settlements totaling \$43,000 for violations of ballast water management requirements to be deposited into the Marine Invasive Species Control Fund.
- Enactment of regulations for the Offshore Geophysical Survey Permit Program to ensure environmental compliance during the conduct of offshore surveys.
- Improved lease compliance at Huntington Harbour in Orange County with 5 new leases for facilities that have never been under lease and 6 more that were long-term delinquencies.
- Coordinated with numerous State, federal, and local agencies for an emergency cleanup and removal of hazardous materials at the former Crockett Marine Service site in Crockett, Contra Costa County.
- Completed the cleanup, removal, and termination of the lease for the dilapidated Cemex dock in West Sacramento, Yolo County.

### **Strategic Goal Number 3: Engage Californians to Help Safeguard Their Trust Lands and Resources**

The Commission's continued stewardship of the State's lands and resources depends on public support and trust. The Commission and its staff worked hard in 2019 to build and sustain trust, and to facilitate an inclusive and transparent decision-making process.

#### ***Environmental Justice Policy***

In December 2018, the Commission adopted a new Environmental Justice Policy and Implementation Blueprint ([Item 75](#)). Consequently, 2020 was the second year of implementation. An information presentation at the December 2020 Commission meeting highlighted the accomplishments of the second year of implementation ([Item 62](#)).

The Commission partnered with the California Environmental Protection Agency, Department of Conservation, State Water Resources Control Board, California



## EXHIBIT B (CONT'D)

Public Utilities Commission, California Department of Public Health, and the Leadership Counsel for Justice and Accountability to develop an in-depth workshop on outreach and engagement from a state agency and community organization perspective. This team developed a model curriculum and held an all-day community outreach and engagement workshop in February 2020. The training attended by about 130 staff from multiple agencies, included modules, panels, interactive activities, and first-hand accounts of ways to effectively engage communities. This collaborative interagency initiative centered on educating state agency staff on how to conduct meaningful community outreach and engagement, primarily in the broader context on environmental justice. Staff continues to work with the interagency team to create a train-the-trainer guide and curriculum based on the workshop materials and presentations from the February workshop. This material will be hosted on the California Natural Resources Agency's webpage, alongside other online engagement resources.

Commission staff is implementing the Commission's Environmental Justice Policy in many ways. Staff is part of an environmental justice partnership that is facilitated by the National Oceanic and Atmospheric Administration and includes the California Coastal Commission, State Coastal Conservancy, Ocean Protection Council, San Francisco Bay Conservation and Development Commission and the California Natural Resources Agency. In this strategic partnership, staff participates in monthly coordination calls with these agencies to discuss equity and environmental justice goals, activities, and initiatives and to identify opportunities to collaborate.

Internally, staff developed a comprehensive worksheet that our Land Management and Mineral Resources Management Divisions use to determine when environmental justice outreach is necessary as part of the application process. This past year, staff sent a total of 590 letters related to 21 lease applications or proposed projects.

Among the key actions that involved environmental justice outreach this year were two geothermal leases issued at the October 2020 Commission meeting to help the State transition to a clean energy future ([Item 45](#)). Consistent with its Environmental Justice Policy, staff evaluated the location of the proposed lease areas to determine whether environmental burdens, should there be any, would disproportionately impact nearby communities. Based on the identified burdens, staff conducted outreach to environmental justice communities and sought

## EXHIBIT B (CONT'D)

input on the proposed geothermal lease. Staff contacted 45 individuals and representatives of environmental justice organizations and 28 tribal representatives to notify them about the applications and to solicit comments.

In October, the Commission hired a new Environmental Justice Liaison, Yessica Ramirez, who will lead implementation of our Environmental Justice Policy. Yessica will work closely with all Commission divisions and staff to move our environmental justice program and justice, equity, diversity, and inclusion work forward.

### ***Tijuana River***

The Commission and staff collaborated with other state, federal, and local partners to advance solutions to the Tijuana River Valley pollution crisis in 2020. The pollution significantly impacts Public Trust resources, lands, and values throughout the Tijuana River Valley, Estuary, and the coastal waters of southern San Diego County. Through its membership in the California Environmental Protection Agency's State Coordinators' Working Group, staff reviews and provides input on the federal and binational proposed projects that are under evaluation by the US Environmental Protection Agency. The projects range from smaller infrastructure upgrades and repairs to large-scale facility expansions. By the summer of 2021, select projects will be chosen for funding through an agreement in the United States-Mexico-Canada trade pact. The litigation between the Commission and the U.S. Section of the International Border and Water Commission is stayed while the process to evaluate projects to address the transboundary pollution is underway.

The Commission and its staff will continue to advocate for solutions to the transboundary pollution crisis.

### ***Tribal Engagement and Consultation***

Following are the highlights of the Commission's tribal engagement and consultation efforts in 2020.

#### ***Project Consultation:***

- Staff completed a transfer of 40 acres of land in Inyo county from the State to the Lone Pine Paiute Shoshone Reservation
- Staff facilitated the completion and approval of Cultural Resources Monitoring and treatment Plans for several lead agency projects including for the SONGS Decommissioning project in San Diego, the PG&E R-687

## EXHIBIT B (CONT'D)

L215 pipeline project in Stanislaus County, and the RTI Grover Beach fiber optic installation project in San Luis Obispo county.

- Staff continued to coordinate and make progress on several projects at Owens Lake including on the National Register of Historic places nomination, development of a comprehensive cultural resources management plan for the LADWP dust mitigation activities, and the development of a pilot watering project to enhance vegetation and suppress dust using indigenous knowledge and expertise.

### *Policy Initiatives:*

The Commission coordinated with Governor Newsom's Administration representatives related to a land transfer policy and potential actions to facilitate return of publicly owned lands to Tribal government ownership. The administration released a "Statement of Administration Policy on Native American Ancestral Lands" on September 25, 2020, which staff will be able to use to further the goals of our environmental justice and tribal consultation policies.

### *Other Major Accomplishments:*

- Facilitated a series of roundtable discussions and individual consultations with Tribal Partners throughout the state to inform the development of the Draft 2021-2025 Strategic Plan.
- Staff continue to participate in the Cultural Resources Climate Change Taskforce and contributed to a multi-agency inventory of projects and efforts with a cultural resources nexus to climate change impacts.

### **Public Service, Education, and Outreach**

The Commission recognizes that it is the continued strength of the democratic process that is vital to the sustainability and success of its mission and realization of its vision. The source of strength in the democratic process lies in public engagement. To increase the quality of public engagement, the public must be empowered to act. This empowerment can come in many forms that relate to the Commission's work, such as education, transparency, awareness, and communication. The Commission also strives to be responsive to all Californians.

As part of the development of its 2021-2025 Strategic Plan, Commission staff and its consultant-initiated outreach to over 140 stakeholders representing a cross section of interests that the Commission interacts with. The Commission's Tribal

## EXHIBIT B (CONT'D)

Liaison also contacted 39 tribes from across the State for discussions or consultations. Not all the parties contacted participated in the outreach, with many citing challenges created by the COVID-19 pandemic.

During the course of the year, Commission staff held several virtual public outreach and townhall meetings on a variety of issues of local importance. These included the progress of the Platform Holly decommissioning project in Goleta, Santa Barbara County; applications for two offshore floating wind demonstration projects located off the coast of Lompoc and Vandenberg Air Force Base in Santa Barbara County; disposition of the former Crockett Marine Services facility located on the waterfront in Crockett, Contra Costa County; and the Lake Tahoe Rent Methodology Study. These meetings serve to update the public on the status of certain projects or initiatives, but more importantly they provide a way for the public to provide their input and express their concerns, which then help inform staff's recommendations and lease terms. Attendees to these meetings typically included local elected officials, port representatives, staff of state and federal agencies, tribal representatives, environmental groups, industry, and interested members of the public.

In 2020, the Commission received 82 Public Records Act Requests and responded to 72. Responses to the other requests are being processed. Staff participated in numerous virtual speaking engagements at regional, statewide, national, and international conferences, symposiums, and public meetings, and authored various publications.

### **Strategic Goal Number 4: Cultivate Operational Excellence by Integrating Technology**

In 2020, the use of technology enabling the Commission to serve the public was significantly enhanced and expanded. The Commission greatly expanded its teleworking capability in response to the COVID-19 pandemic. Technology deliverables were focused in four areas to maximize the overall benefit. These focus areas included:

1. Improved systems reliability and protection of Commission data
2. Expanded use of mobility and collaboration tools
3. Automated business processes
4. Enabled digital content creation and transformation

## EXHIBIT B (CONT'D)

### ***Improved IT systems reliability and protection of Commission data***

Staff continued to focus on improving technology services and protecting the Commission data. As the shift to modern cloud services accelerated, IT infrastructure reliability improved, service unit costs were reduced, and IT customer application robustness increased. Several servers were consolidated and moved to the cloud and a long-term plan was developed to manage increasing data storage requirements and legacy content. Many new information security capabilities were implemented to deal with a complex evolving security landscape including enhanced firewall and vulnerability scanning, multi-factor authentication for remote and cloud access, new mobile device management enhancements, better asset management, centralized log management, cloud service monitoring and more comprehensive patching. Employees were provided enhanced login capabilities, including biometric and self-serve password reset.

### ***Expanded use of mobility and collaboration tools***

The multi-year plan to provide comprehensive mobile solutions for employees paid dividends in 2020 as the pandemic forced alternative remote work models. Many additional employee job roles received laptops and secure remote access. The transition for many employees to teleworking required new adapted business processes and simple, powerful collaboration tools. The broad deployment of capabilities included managed file sharing, chat, and video conferencing materialized quickly. Multiple training tools were provided for employees to ramp up on the new tools, accelerating adoption. Over one hundred shared workspaces were implemented, organizing over one million shared files (consuming over one terabyte of storage). Commission, Public, and Town Halls meetings shifted from in-person to virtual and webinars started. The Commission public website optimized the content business process and addressed accessibility requirements. Congruently, the internal employee web portal was enhanced.

### ***Automated business processes***

Several new software tools were deployed, and multiple business processes automated. The Commission's automated online system that enables the public to access, submit, and track lease and permit applications was fully utilized. In 2020, over 700 inquiries and nearly 400 applications were electronically processed via automated workflows. The old paper process is gone. The legacy "Job Tracker" (data, maps, and process) for boundary actions was integrated into the Lease process. The "Reimbursement Agreements Log" legacy database



## EXHIBIT B (CONT'D)

was migrated, and automated invoicing enabled. A "COVID Rent Deferral" system was integrated into the operational Leasing process. eDiscovery was enhanced with major functionality improvements and lower service costs. A new "Form 700" tool was deployed, reducing user time requirements and cost. A new secure document approval tool and process was implemented for financial, HR and contract approvals. The online Time Tracking system was enhanced to meet COVID requirements, better user interface was implemented and an integrated with a custom Personnel database was added. Internally, a new IT HelpDesk tool and process was implemented to better support remote employees and reduce operational costs.

### ***Enabled digital content creation and transformation***

Although the rate of digitization was slower in 2020 due to physical staff availability to prep records, important paper content was converted to support the remote workforce. "503 Litigation Case Files", "Acquisition and Disposition Files", and Legal and Attorney "General Opinion Records" were digitized. Ongoing digitization included "MOTEMS Audit", Maps and "Swamp and Overflowed" files. An "Enterprise Content Management" data architecture and multi-year roadmap was developed, and implementation started. This included GIS storage volumes, data lifecycle and media definition, and consolidation opportunities. Several GIS data sets were refreshed, and new maps were added to the internal GIS employee portal. Numerous enhancements were implemented on the Commission [Open Data Hub](#) informing the public and providing value decision-making support data. UAS missions provided high-resolution content to decision making and public understanding.

### **CONCLUSION:**

As indicated by the Targeted Outcomes presented earlier, the Commission made substantial progress in the last year of its 2016-2020 Strategic Plan. Staff looks forward to achieving its Mission through the Strategic Focus Areas and Goals outlined in the Commission's 2021-25 Strategic Plan.