

Open Session Minutes

California State Lands Commission
Hybrid Meeting of June 23, 2022
City of Long Beach Civic Chambers
411 West Ocean Boulevard
Long Beach, California 90802

COMMISSIONERS AND STAFF PRESENT:

COMMISSIONERS:

Betty T. Yee, State Controller

Eleni Kounalakis, Lieutenant Governor

Gayle Miller, Chief Deputy Director and Alternate for Director of the Department of Finance, Keely Bosler

STAFF MEMBERS:

Jennifer Lucchesi, Executive Officer

Seth Blackmon, Chief Counsel

REPRESENTING THE OFFICE OF THE ATTORNEY GENERAL:

Andrew Vogel, Supervising Deputy Attorney General

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

RECORD OF ACTION TAKEN BY THE CALIFORNIA STATE LANDS COMMISSION:

Chair Betty Yee called the meeting of the California State Lands Commission to order at 1:02 P.M. at the City of Long Beach Civic Chambers, 411 West Ocean Boulevard, Long Beach, California 90802, via in person and Zoom webcast; also present were Commissioner Eleni Kounalakis and Commissioner Alternate Gayle Miller.

Confirmation of the Minutes of the April 26, 2022, meeting was approved as presented by a vote of 3-0 (Yee–Yes; Kounalakis–Yes; Miller–Yes).

EXECUTIVE OFFICER’S REPORT:

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

- State Budget

The Legislature recently passed their version of the State budget, which includes several items specific to the Commission, including:

- \$2 million appropriation from the Environmental License Fund to operate, and maintain, and dredge the Bolsa Chica Wetlands;
- \$500,000 to hire a consultant to conduct a risk assessment to determine the State's liability associated with the Commission's leased premises, and to establish criteria for and develop a framework to support staff's efforts to calculate the appropriate levels of insurance and bonding for its leases;
- \$2.165 million one-time General Fund appropriation to remove deteriorated infrastructure at the Crockett Marina along the Carquinez Strait;
- \$1.625 million appropriation from the general fund and \$2.650 million reimbursement authority to accept cost-sharing contributions for the Selby Slag remediation, also in the Carquinez Strait;
- A reappropriation of the \$12 million that the Commission received last year to remove abandoned and derelict vessels in the Delta. This reappropriation extends our ability to encumber and expend those funds until 2025.

All of those items were also included in the Governor's budget. The Legislature's version also includes \$1 million appropriation to the Commission to develop a study to assess the cost of buying out the State's interest in its remaining offshore oil and gas leases consistent with AB 2257 (Boerner Horvath), sponsored by the Controller and supported by the State Lands Commission.

The Commission also worked with the Energy Commission and the Administration to request a \$1.2 million appropriation for technical assistance to support a study of ports and other waterfront facilities as required by AB 525 that was authored by Assemblymember Chiu and sponsored by the Lieutenant Governor. AB 525 is intended to develop the strategic framework to facilitate offshore wind development in federal waters. Commission staff do not expect that the AB 525 funding to be part of a climate and energy package that the Legislature and Administration are currently negotiating.

- **Coordinated Offshore Wind Energy Planning in Federal Waters**

Staff has two applications for demonstration projects offshore Vandenberg Space Force Base. Last year the Commission authorized staff to pursue the Environmental Assessment under CEQA for both of those projects. Staff had originally envisioned that both those applications would be evaluated under one EIR, but the two applicants are at different stages of developing their project description so we are going to be moving forward with a separate EIR for each of those applications. Staff is looking forward to sending out the notice of preparation for the CADEMO application and hopefully followed by the Ideol application when they are able to finalize their project details.

Staff is also working very closely with our energy partners, both local, state, and federal on the offshore wind efforts. In June, the BOEM California Task Force held their fifth meeting and provided an overview of the proposed sale notice that was published on May 31, 2022. Essentially BOEM is proposing to hold a simultaneous lease auction for five lease areas within the Humboldt and Morro Bay wind energy areas. The Humboldt area will be divided into two lease areas while the Morro Bay will be divided into three areas. Each lease would allow lessees to perform geophysical, geotechnical, and biological surveys, as well as temporary placement of up to three buoys and oceanographic devices. BOEM is accepting public comments on this proposed sale notice through August 1st, and then the final sale notice will be released.

At their June meeting, the Coastal Commission did conditionally concur that BOEM's proposed lease activities outlined within the environmental assessment for the Morro Bay wind energy areas are consistent with the Coastal Management Program under the Coastal Act. This conditional concurrence follows a similar action the Coastal Commission took in April for the Humboldt areas.

On the AB 525 side of things, in addition to the funding aspect of those efforts, the Energy Commission recently published a draft report that outlines the maximum feasible capacity of offshore wind, which will establish megawatt

offshore wind planning goals for 2030 and 2045. And given the range of comments during the public workshop on the draft, the Energy Commission decided to revisit its initial planning goals and will hold a follow-up workshop on Monday, June 27th to discuss the proposed revisions and take additional public comment.

Staff is working very closely with the Energy Commission and BOEM to assess the California seaport readiness and determine necessary physical investments to facilitate offshore wind development. The Energy Commission is the lead for AB 525, and they have created four technical working groups for transmission infrastructure, environmental and sea space analysis, port infrastructure and workforce development, and tribal and cultural resources. While staff is a part of all of those working groups in monitoring their progress, our specific focus will be on the port infrastructure. On June 1st, staff solicited bids for our alternative port study that the Commission authorized staff to pursue, and we are working with the winning bidder to host a kick-off meeting in the near future on that effort.

Staff continues to work with our state agency and federal agency partners on continuing outreach on all the affected stakeholders and interested parties relating to offshore wind in California.

- **Poseidon Huntington Beach Desalination Project**

On May 12th, the Coastal Commission denied Poseidon's coastal development permit application for the proposed desalination plant. At the direction of Poseidon's Board, Poseidon has begun the process of shutting down planning and other work related to the proposed project, and that includes working with Commission staff to determine next steps as it relates to the lease that they have with us. When those next steps become final and we agree on what those next steps are, I'll update the Commission on the next action items relating to that particular lease.

- **Platform Holly/Piers 421 Decommissioning (South Ellwood) Project**

Platform Holly – Staff continues to maintain and monitor Platform Holly and the onshore facilities to ensure public health and safety. Staff continues to make good progress on the plugging and abandonment of the 30 wells. Four of the 30 wells have had their surface plugs installed and are now permanently sealed. Staff is proceeding in a phased approach with 16 of the remaining 26 wells and have had the lower oil producing formation sealed off.

Staff estimates the remaining work will be completed by the end of this year. Staff is also working on bringing, either at our August meeting or October meeting, a request that the Commission authorize staff to hire a consultant to

then start the preparation of an Environmental Impact Report for the ultimate decommission and disposition of Platform Holly, which is a significant milestone as we move into phase three of this decommissioning project after we finish plugging and abandoning the wells.

Piers 421 Decommissioning – In April, the Commission certified the Environmental Impact Report for their 421 Piers Removal Project. Staff is in the process of working with Exxon to select a contractor to perform the work and actual decommissioning work removal of those piers and those well caissons is scheduled to begin in August of this year. Staff is working with the Coastal Commission staff to get on their July agenda so that we can obtain a coastal development permit for this work. If we are successful at that, we will be able to start the project in August. Removing these piers, as we talked about in the last meeting, is a significant milestone not just for the Santa Barbara Channel and the communities there, but just symbolically as we transition away from offshore oil and gas development.

Rincon Decommissioning Project – Commission staff has finished all the plugging and abandonment of those 75 wells, so we are in the Phase 3 element of the decommissioning process. Staff conducted a feasibility study of the ultimate disposition of the island, the causeway, and the onshore facilities. Essentially, that feasibility study talks about full removal, reuse, and then reefing, which would include the removal of the causeway but keeping the island for reefing purposes.

That feasibility study, which also includes costs associated with the engineering and technical feasibility of those three broad categories, was out for a 60-day public review period. Staff has also held a public comment meeting on May 4th. We are finalizing our review of the public comments and finalizing the responses to those comments hopefully in time, so that we can bring that feasibility study to the Commission at your August meeting to get direction from the Commission on a specific proposed project that will then help us kick off the CEQA process

- **Site Visit to the Wishtoyo Chumash Village in Malibu**

The Executive Officer along with Jennifer Mattox, Tribal Liaison, and Yessica Ramirez, Environmental Justice Liaison, and Nicole Dobrosi, Chief of the Environmental Planning and Management Division, and Michael, Sea Grant Fellow, were honored and fortunate enough to go as guests of the Coastal Band of the Chumash Nation and Chairwoman Mia Lopez to visit the Wishtoyo Chumash Village in Malibu. This is a very unique and authentic re-creation of a working Native American village on about a four-acre historical site at Nicolas Canyon County Beach in Malibu. It's on a bluff overlooking the Pacific Ocean.

It's the only living Chumash cultural village of its kind in Southern California. Its goal is to really raise awareness of the Chumash people's historical relationship and dependence on the natural environment as maritime people.

- The Executive Officer expressed her appreciation to the City of Long Beach and California Resources Corporation for hosting the Lieutenant Governor and her team and Commission staff on a tour of Island White, one of the four offshore oil production islands.

CONSENT CALENDAR

- Consent Items 01 and 42 were removed from consideration
- Consent Items 02-41, 43, and 44 were approved as presented by a vote of 3-0 (Yee–Yes; Kounalakis–Yes; Miller–Yes)

INFORMATIONAL CALENDAR

No items for this section.

REGULAR CALENDAR

Item 45: A staff presentation was made to the Commission for discussion and possible action on state legislation relevant to the California State Lands Commission.

Item 45 – was informational – no vote required

Item 46: A presentation was made to the Commission by staff of the California Coastal Commission on their Draft Public Trust Guiding Principles and Action Plan, which describes how the public trust doctrine relates to the Coastal Commission's work on sea level rise planning and provides a series of guiding principles and next steps for the Coastal Commission.

Item 46 – was informational – no vote required

Item 47: A staff presentation was made to the Commission to consider delegation of authority for the Executive Officer to solicit Requests for Qualifications for consultant services, negotiate fair and reasonable prices, and award and execute agreements for the preparation of environmental documentation and appraisals for the Hollister Ranch Coastal Access Program in southwestern Santa Barbara County and request delegation of authority to the Executive Officer to enter into an interagency agreement with the State Coastal Conservancy to allow transfer of funds to the Commission in furtherance of such activities.

Item 47 – was approved as presented by a vote of 3-0 (Yee–Yes; Kounalakis–Yes; Miller–Yes)

CLOSED SESSION

There was no Closed Session for this meeting.

The Commission meeting public session was adjourned at 2:45 P.M.

STAFF AND PUBLIC ADDRESSING THE FOLLOWING STAFF REPORTS:

PUBLIC COMMENT

- Eileen Boken, Coalition for San Francisco Neighborhoods
- Jan Brisco, Executive Director, Tahoe Lakefront Owners' Association
- Conner Everts, Executive Director, Southern California Watershed Alliance
- Jeanette Vosburg

ITEM 45

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

- No public speakers for this item

ITEM 46

Awbrey Yost, Statewide Planning Unit, California Coastal Commission

- Laura Lane, California Association of Port Authorities
- David Yow, Port of San Diego

ITEM 47

Nicole Dobroski, Chief, Environmental Planning and Management Division, CSLC

- Susan Jordan, Director, California Coastal Protection Network
- Mandy Sackett, Surfrider Foundation