

Open Session Minutes

California State Lands Commission
Hybrid Meeting of February 28, 2023
Warren-Alquist State Energy Building
Rosenfeld Hearing Room, First Floor
1516 Ninth Street
Sacramento, California 95814

COMMISSIONERS AND STAFF PRESENT:

COMMISSIONERS:

Matt Dumlao, Chief of Staff and Alternate for Eleni Kounalakis, Lieutenant Governor
Kristina Kunkle, Deputy Controller and Alternate for Malia M. Cohen, State Controller
Gayle Miller, Chief Deputy Director and Alternate for Director of the Department of Finance
Joe Stephenshaw

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 Matt Dumlao called the meeting of the California State Lands Commission to order at 10:32 a.m. at the Warren-Alquist State Energy Building, Rosenfeld Hearing Room, First Floor, 1516 Ninth Street, Sacramento, California 95814, via in person and Zoom webcast; also present were Commissioner Alternate Kristina Kunkel and Commissioner Alternate Gayle Miller.

Confirmation of the Minutes of the December 9, 2022, meeting was approved as presented by a vote of 2-0 (Dumlao–Yes; Kunkel-Abstained, Miller–Yes).

EXECUTIVE OFFICER'S REPORT:

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

- **Budget and Legislative Update**

The Governor's proposed budget for the 2023-2024 fiscal year includes a total budget for the State Lands Commission of \$53,277,000. The Governor's Budget also includes a \$3.6 million appropriation for the Commission to secure a caretaker to monitor Platform Holly offshore the City of Goleta in Santa Barbara County. The caretaker will monitor, inspect, and promptly respond to conditions on and around Platform Holly during the caretaker period, which is the time between the final plug and abandonment of the platform's 30 wells and when platform decommissioning begins. This item and the Commission's larger budget will be considered at budget subcommittee hearings in early March.

- **Reorganization of the Commission's Science Programs**

The Executive Officer announced a reorganization of the Commission's science programs, which will be formally launched next week. This is intended to better serve the Commission and the people of California in making informed, science-based recommendations for the Commission's consideration. Three programs will merge into a new Division called the Division of Environmental Science, Planning, and Management. The three programs are the Marine Invasive Species Program, a climate change adaptation and special projects program, and the program that is responsible for California Environmental Quality Act analysis and compliance. The reorganization will better position the Commission's science team to effectively collaborate and integrate the best available scientific thought and analysis into the decision-making process.

The reorganization, which has been two years in the making, is intended to foster a strong, collaborative, multi-disciplinary approach to scientific analysis, program implementation, and leadership. The reorganization aligns with and supports the Commission's Strategic Plan, Workforce Development Plan, and succession planning efforts.

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

The Commission, in collaboration with the City of Goleta, has removed the last two oil pier and caisson structures in the state located at Haskell's Beach in the City of Goleta. This milestone decommissioning project marks the end of oil production in the Ellwood Oil Field, production that started in the late 1920s and continued into the 1990s. At one time, the shoreline was marked by 13 piers as well as a welter of oil storage and processing facilities immediately onshore. Now the final two piers and caissons are gone, restoring full coastal access and eliminating public safety and environmental threats.

Staff continues to maintain and monitor Platform Holly and the onshore facilities to ensure public health and safety.

- **Personnel Announcements**

Executive Officer Lucchesi announced that Peter Regan will be the Commission's new Assistant Chief of our Minerals Resources Management Division beginning March 2nd. Peter started with the Commission in 2019 as a petroleum drilling engineer, taking on the critical role of Project Manager for the \$130 million Platform Holly/Piers 421 Decommissioning Project. Before that, Peter worked for CalGEM and also spent a significant amount of his career working throughout the world in the private oil and gas industry. Peter's wealth of knowledge, expertise, and experience and his collaborative, team-oriented approach will be a tremendous asset to MRMD and the Commission in this new role.

The Executive Officer also announced the Commission's new Budget Officer, Jenn Coronel. Jenn has worked in the Commission's budget office as an analyst since 2021 and is perfectly positioned with her knowledge and expertise to support our budget priorities and the Commission's programs.

CONSENT CALENDAR

- Consent Item 59 was removed from consideration.
- Consent Items 66 and 71 were moved to the Regular Calendar.
- Consent Items 01-58, 60-65, 67-70, and 72-83 were approved as presented by a vote of 2-0 (Dumlao–Abstained; Kunkel–Yes; Miller–Yes).

INFORMATIONAL CALENDAR

Item 84: was informational – no vote required.

REGULAR CALENDAR

(Items appear in order heard)

Item 85: A staff presentation was made to the Commission to consider an application for a General Lease – Industrial Use, of State indemnity school land located in a portion of Section 28, Township 11 North, Range 13 West, SBM, west of Mojave, Kern County, for the construction, use, maintenance, and decommissioning of a solar energy facility and authorization to enter encumbrancing agreements.

Item 85 – was approved as presented by a vote of 2-0 (Dumlao–Abstained; Kunkel–Yes; Miller–Yes)

Item 86: A staff presentation was made to the Commission to consider co-sponsoring legislation that would authorize the Commission to convey to the City of Alameda (City), in trust, any lands to be exchanged into the Public Trust through an exchange agreement to which the City is a party, and authorize the Commission to convey new Public Trust lands to the City as trustee in accordance with the Encinal Terminals Project Land Exchange and Title Settlement Agreement.

Item 86 – was noted voted on due to not having a quorum.

Item 87: A staff presentation was made to the Commission to consider sponsoring legislation to amend several solid mineral permitting and leasing statutes to remove or modernize outdated provisions and to ensure that the Commission has the discretion to determine whether individual applications for solid mineral leasing are in the best interest of the state.

Item 87 – was not voted on due to not having a quorum.

Item 88: A staff presentation was made to the Commission for discussion and possible action on state legislation relevant to the California State Lands Commission.

Item 88 – was informational, no vote required.

Item 89: A staff presentation was made to the Commission to consider supporting the West Coast Ocean Protection Act introduced in the 118th United States Congress by Senator Dianne Feinstein and Representative Jared Huffman, legislation that would permanently ban new offshore oil and gas leasing on the Outer Continental Shelf off the coast of California, Oregon, and Washington.

Item 89 – was approved as presented by a vote of 2-0 (Dumlao–Yes; Kunkel–Abstained; Miller–Yes)

Item 66: A staff presentation was made to the Commission to consider an amendment to Lease Number PRC 9177, a General Lease – Public Agency Use, of sovereign land located in the Pacific Ocean, Monterey Bay, near Marina, Monterey County; to modify the Lease Special Provisions and extend the lease term.

Item 66 – was approved as presented was approved as presented by a vote of 2-0 (Dumlao–Yes; Kunkel–Abstained; Miller–Yes)

Item 71: A staff presentation was made to the Commission consider application for an amendment to Lease 8079, a General Lease – Public Agency Use, of sovereign land located on Owens Lake, Inyo County; for regulatory maintenance activities and emergency repairs within existing dust control areas.

Item 71 – was approved as presented by a vote of 2-0 (Dumlao–Abstained; Kunkel–Yes; Miller–Yes)

Item 84 on the Consent Calendar: Government Code section 11126, subdivision (c)(7), allows a state body to discuss real property negotiations in closed session, provided that, before the closed session, the state body in open session identifies the real property concerned, and the person or persons with whom the negotiator may negotiate. In accordance with this requirement, I announce that the Commission will conference in closed session with its real property negotiators regarding a lease amendment or other agreement for the extended use of the infrastructure on State lands related to the continued operation of the Diablo Canyon Power Plant, San Luis Obispo County. The negotiations will be conducted with Pacific Gas and Electric Company.

(The State Lands Commission adjourned into closed session from 11:58 a.m. to 1:02 p.m., then resumed open session at 1:08 p.m.)

CLOSED SESSION

Item 84 DCP: Pursuant to Government Code section 11126, subdivision (c)(7), the Commission met in closed session with its real property negotiators regarding a lease amendment or other agreement for the extended use of the infrastructure on State

lands related to the continued operation of the Diablo Canyon Power Plant, San Luis Obispo County.

PRC 421 Settlement Agreement: The Commission considered and authorized the execution of a Settlement Agreement with the Liquidating Trustee for the Venoco Estate regarding the Commission's limited use of the Ellwood Onshore Facility for the purposes of completing the PRC 421 Piers Decommissioning Project and closely located coastal hazards removal work.

Venoco Trustee Settlement Offer: The Commission also considered and rejected a proposal by the Liquidating Trustee for the Venoco Estate regarding settlement of the Trustee's legal claims against the Commission in the matter of *Eugene Davis v. State of California and California State Lands Commission*.

The Commission meeting public session was adjourned at 1:08 p.m.

STAFF AND PUBLIC ADDRESSING THE FOLLOWING STAFF REPORTS:

PUBLIC COMMENT

- Nestor Aliga
- Eileen Boken, State and Federal Legislative Liaison, Coalition for San Francisco Neighborhoods
- Sean Scruggs, Tribal Historical Preservation Officer, Fort Independence Indian Reservation

ITEM 66

Drew Simpkin, Public Land Management Specialist, Land Management Division, CSLC

- Dr. Margaret-Anne Coppernoll

ITEM 71

Drew Simpkin, Public Land Management Specialist, Land Management Division, CSLC

- Sean Scruggs, Tribal Historical Preservation Officer, Fort Independence Indian Reservation