

Open Session Minutes

California State Lands Commission
Virtual Meeting of October 25, 2022

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
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 Betty Yee called the meeting of the California State Lands Commission to order at 1:06 p.m. via the Zoom webcast; also present were Commissioner Eleni Kounalakis and Commissioner Alternate Gayle Miller.

Confirmation of the Minutes of the August 23, 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:

- **Legislative and Budget Update**

The 2022 California legislative session adjourned early in the morning on September 1st after several incredibly busy weeks. September 30 was the last day for the Governor to act on bills sent to his desk and the Legislature sent the Governor over 1,000 bills. The Governor signed 997 bills and vetoed 169 bills, a veto rate of 14.5 percent.

The Governor sent legislators a package of climate and energy proposals and 13 budget bills in mid-August. Also in August, the Governor sent legislators a proposal to extend the Diablo Canyon powerplant operations. The Governor signed all these bills into law. AB 179 appropriated a little over \$1.2 million to the Commission for technical assistance to support a study of ports and other waterfront facilities for offshore wind energy development in federal waters pursuant to AB 525 (Chiu, 2021).

The five climate and energy proposals signed into law: (1) establish a goal to achieve carbon neutrality as soon as possible, but no later than 2045, and establish an 85 percent greenhouse gas emission reduction target as part of that goal (AB 1279, Muratsuchi); (2) require the State to develop an achievable carbon reduction target for natural and working lands (AB 1757, Cristina Garcia); (3) create clean energy targets of 90 percent by 2035 and 95 percent by 2040 to advance California's trajectory toward an existing 100 percent clean energy goal by 2045 (SB 1020, Laird); (4) establish a statewide carbon capture, utilization, and storage framework (SB 905, Caballero and SB 1314, Limón); and (5) establish a setback distance of 3,200 feet between new oil wells and homes, schools, parks or businesses and ensure pollution controls for existing wells within that footprint (SB 1137, Gonzalez).

Other significant climate and energy bills signed into law are AB 205, AB 209, and AB 211, all of which are budget trailer bills and have provisions relevant to the State Lands Commission. AB 205 changes several siting and permitting requirements to accelerate clean energy development. AB 205 also grants the California Energy Commission exclusive authority to permit eligible clean energy projects while expressly preserving the State Lands Commission's leasing jurisdiction and authority. AB 209 establishes a voluntary Offshore Wind and Coastal Resources Protection Program to support State work that complements or furthers federal laws related to offshore wind energy development. AB 211 declares that the environmental review in the Final Programmatic Environmental Impact Report for the Hollister Ranch Coastal Access Program in Santa Barbara shall be conclusively presumed to satisfy the California Environmental Quality Act for any project an agency undertakes to create public access. AB 211 also gives over \$64 million to the Ocean Protection Council to help coordinate and fund State efforts to prepare for sea level rise efforts.

The Governor vetoed SB 1065 (Eggman) due to fiscal concerns. This was a bill that would have required the Commission to administer a newly created commercial abandoned vessel removal program.

The legislative update on the agenda (Item 59) has additional information about legislation that the Commission adopted a support position on or that affect (or would have affected) the Commission. For context, the Commission supported four bills this year: AB 1832 (Rivas), AB 2109 (Bennett), AB 2257 (Boerner Horvath), and AB 353 (O'Donnell), all of which were signed into law.

- **Abandoned Vessel and Marine Debris Removal**

Last year, the Commission authorized staff to take title to and dispose of two floating tugboats in Sacramento County. The first of these, the *Valiant*, was carried out in January as an emergency disposal when the vessel broke free and drifted into a navigation channel. Last month, the Commission and its contractor removed the second vessel, the *Standard No. 2*, from state waters. Commission staff worked with the US Coast Guard, US Army Corps of Engineers, California Department of Toxic Substances Control, California Department of Fish and Wildlife, and Sacramento County Sheriff's Office to remove the vessels.

Earlier this month, staff applied for \$14.875 million in federal grant funds through the [NOAA Marine Debris Removal Grant Program](#). Staff proposed a Sonoma-Marin Marine Debris Removal Program to clean up debris in economically, ecologically, and recreationally important coastal waters and bays in Sonoma and Marin counties. The Program would cover roughly 30 miles of shoreline and 25 square miles of the marine environment. It would involve removing 14

abandoned vessels, including the *American Challenger*—a fishing vessel stranded in sensitive intertidal habitat—two tire debris sites in Tomales Bay containing up to 1,000 tires near prime aquaculture grounds, and a dilapidated former commercial pier in Bodega Bay, among other things. The Program would leverage substantial in-kind and financial contributions from partner agencies, such as the US EPA, CalRecycle, and Sonoma County Regional Parks. The grant is a nationwide, competitive opportunity. NOAA will award funds in late 2022 or early 2023.

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

Staff continues to maintain and monitor Platform Holly and the onshore facilities to ensure public health and safety. Five wells have had their surface plugs installed and are permanently sealed. Operations are proceeding on schedule with 23 of the remaining 25 wells. Once the remaining two wells have the lower formations sealed, work will start to permanently seal all wells at the surface. Staff still estimates the remaining well abandonment work will be completed by the end of 2022.

We are also developing plans to flush and inert the platform and the Ellwood Onshore Facility when the well abandonment work ends. This will enable us to put the platform and Ellwood Onshore Facility into a safe caretaker status mode while ExxonMobil performs a platform removal engineering study and the environmental impact review is completed.

The Piers 421 removal project, a project that started this past August, is going well. Staff and its contractors are on track to remove the two piers by January or February of 2023. We have removed the old, abandoned wellheads and are digging out the soil filling the internal space inside the caissons in preparation for demolishing and removing the external caisson walls. Staff and environmental contractors are monitoring the project.

- **Rincon Decommissioning Project**

Phase 1 work is complete. Staff have moved on, after the Commission approved the final Feasibility Study and moved on to the Environmental Impact Report under CEQA.

Staff is engaging in ongoing public outreach. On October 4, the Commission released a Notice of Preparation for an EIR. The proposed project for the EIR will further analyze the Reuse Alternative from the final Feasibility Study pursuant to the Commission's direction. On October 20, staff hosted two public scoping meetings in the City of Carpinteria—one in-person meeting and one hybrid. Staff has also begun informal consultation with other government agencies, including

the California Coastal Commission, State Coastal Conservancy, California Department of Fish and Wildlife, National Marine Fisheries Service, and Ventura County. Consultation will continue throughout the CEQA process.

CONSENT CALENDAR

- Consent Items 30, 35, 45, and 50 were removed from consideration
- Consent Items 01-29, 31-34, 36-44, 46-49, and 51-58 were approved as presented by a vote of 3-0 (Yee–Yes; Kounalakis–Yes; Miller–Yes)

INFORMATIONAL CALENDAR

Item 59: was informational – no vote required

REGULAR CALENDAR

Item 60: A staff presentation was made to the Commission to consider approval of findings pursuant to Public Resources Code section 6702, subdivision (b) regarding an Intergovernmental Support Agreement between the San Diego Unified Port District and the Navy allowing participation in the Low Carbon Fuel Standard (LCFS) incentive based program; and consider approval of trust revenues generated from the LCFS program to be expended on improvement projects located within Naval Base San Diego, adjacent to the Port's statutorily granted Public Trust Lands, located in the City of San Diego, San Diego County.

Item 60 – was approved as presented by a vote of 3-0 (Yee–Yes; Kounalakis–Yes; Miller–Yes)

Item 61: A staff presentation was made to the Commission briefing them on geothermal and lithium resources on lands managed by the Commission.

Item 61 – was informational – no vote required

Item 62: A staff presentation was made to the Commission to consider a Memorandum of Agreement Regarding the Interagency Coordinated Review and Preparation of Environmental Review Documents for the Hollister Ranch Coastal Access Program located in Santa Barbara County, between the Commission, the Coastal Commission, Coastal Conservancy, and Department of Parks and Recreation.

Item 62 – was approved as presented by a vote of 3-0 (Yee–Yes; Kounalakis–Yes; Miller–Yes)

Item 63: A staff presentation was made to the Commission regarding instructions to staff negotiators in Closed Session, pursuant to Government Code section 11126(c)(7), regarding entering into a lease amendment or other agreement for the extended use

of the infrastructure associated with, and necessary for, the continued operation of the Diablo Canyon Power Plant, San Luis Obispo County. Negotiating Parties: State Lands Commission and Pacific Gas and Electric Company. Under negotiation: price and terms.

Item 63 – was informational – no vote required

(The State Lands Commission adjourned into closed session from 2:43p.m. to 3:34 p.m., then resumed open session at 3:35 p.m.)

CLOSED SESSION

There was nothing to report from Closed Session.

The Commission meeting public session was adjourned at 3:36 p.m.

STAFF AND PUBLIC ADDRESSING THE FOLLOWING STAFF REPORTS:

PUBLIC COMMENT

- Eileen Boken, State and Federal Legislative Liaison, Coalition for San Francisco Neighborhoods
- Brady Bradshaw, Center for Biological Diversity
- Susanne Cumming, Member, Defend Ballona Wetlands
- Jeffrey Finn
- Marcia Hanscom, Community Organizer, Protect Ballona Wetlands
- Christina Ku
- Walter Lamb, President of the Board, Ballona Wetlands Land Trust
- Robert "Roy" van de Hoek, Wildlife Biologist & Hydrologist, Ballona Wetlands Institute

ITEM 60

Reid Boggiano, Public Land Management Specialist, External Affairs Division, CSLC

- Job Nelson, Vice President, Strategy and Policy, Port of San Diego

ITEM 61

Ricky Lee, Associate Mineral Resources Engineer, Mineral Resources Management Division, CSLC

Max Liebergesell, Sea Grant Fellow, CSLC

Michael Wells, Sea Grant Fellow, CSLC

- No speakers for this item.

ITEM 62

Lucinda Calvo, Staff Attorney, Legal Division, CSLC

- No speakers for this item.

ITEM 63

Jennifer Lucchesi, Executive Officer, CSLC

- No speakers for this item.