

MEETING
STATE OF CALIFORNIA
STATE LANDS COMMISSION

ZOOM PLATFORM

WARREN-ALQUIST STATE ENERGY BUILDING
ROSENFELD HEARING ROOM
1516 NINTH STREET
SACRAMENTO CALIFORNIA

FRIDAY, DECEMBER 9, 2022
10:01 A.M.

JAMES F. PETERS, CSR
CERTIFIED SHORTHAND REPORTER
LICENSE NUMBER 10063

APPEARANCES

COMMISSION MEMBERS:

Betty T. Yee, State Controller, Chairperson

Eleni Kounalakis, Lieutenant Governor, also represented by
Matthew Dumlao, PhD

Joe Stephenshaw, Director, Department of Finance,
represented by Gayle Miller

STAFF:

Jennifer Lucchesi, Executive Officer

Colin Connor, Assistant Executive Officer

Seth Blackmon, Chief Counsel

Brian Bugsch, Chief, Land Management Division

Kelly Connor, Public Land Management Specialist, Land
Management Division

Nate Dozier, Associate Governmental Program Analyst

Maren Farnum, Senior Environmental Scientist, Executive
Office

Yessica Ramirez, Environmental Justice Liaison

Drew Simpkin, Public Land Management Specialist, Land
Management Division

Jonathan Thompson, Senior Environmental Scientist, Marine
Environmental Protection Division

Michael Wells, Sea Grant Fellow

ATTORNEY GENERAL:

Andrew Vogel, Supervising Deputy Attorney General

APPEARANCES CONTINUED

ALSO PRESENT:

James Ballantine

Amber Baylor, South Orange County Wastewater Authority

Eileen Boken, Coalition for San Francisco Neighborhoods

Jan Brisco

Donne Brownsey, Chair, California Coastal Commission

Charles Busslinger, Municipal Water District of Orange County

Senator Anna Caballero

Melodie Chrislock, Public Water Now

Wade Crowfoot, Secretary, California Natural Resources Agency

Assemblymember Laura Davies

Bruce Defnet

Jane Defnet

Lance Dore, The Dore Group

Penny Elia, Save Hobo Aliso Task Force, Sierra Club

Charming Evelyn, Sierra Club

Conner Everett

Glenn Farrel, CalDesal

Assemblymember Laura Friedman

Marcia Hanscom, Ballona Institute

Dan Jacobson

Susan Jordan, California Coastal Protection Network

APPEARANCES CONTINUED

ALSO PRESENT:

Scott Kibbey, California State Parks

Phil King, PhD

Senator Mike McGuire

Senator Dave Min

Job Nelson, Port of San Diego

Nancy Okada, Sierra Club

Kiran Pande

Armando Quintero, Director, California State Parks

Karl Seckel, Municipal Water District of Orange County

Rick Shintaku, South Coast Water District

Senator Henry Stern

Stacy Taylor, Mesa Water District

Warren Teitz, Metropolitan Water District of Southern California

Robert Roy van de Hoek

Keith Van Der Maaten, Laguna Beach County Water District

Lanaya Volez Alexander, Eastern Municipal Water District

Laura Walsh, Surfrider Foundation

Danny Wan, Port of Oakland

Cortney Warren-Fishkin, PhD

Lisa Weinberg, Gaines & Stacey

Jay Ziegler, The Nature Conservancy

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II	Public Comment	5

Public comments will be heard at 10:00 a.m. for items not on the agenda, for no more than 30 minutes. At the discretion of the Chair, speakers will be given up to 3 minutes. For those unable to attend the early public comment period, there may be additional comment time available later in the day. Note: Comments made during the general public comment period regarding matters pending before the Commission do not become part of the official record for those matters.

III	Confirmation of Minutes for the October 25, 2022 meeting	12
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IV	Executive Officer's Report	12
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Continuation of Rent Actions to be taken by the Executive Officer pursuant to the Commission's Delegation of Authority:

- LOVEY'S LANDING, LLC (LESSEE): Continuation of rent at \$1,394.24 per year, annually adjusted by the Consumer Price Index, for a General Lease - Commercial Use located on the Sacramento River. (PRC 2175)

Tomales Bay Assignment Actions to be taken by the Executive Officer pursuant to the Commission's Delegation of Authority:

- ROBIN LIVINGSTON (ASSIGNOR); TEOBALDO S CHUJMAN (ASSIGNEE): Assignment of General Lease - Recreational Use, of sovereign land located in Tomales Bay, adjacent to 19225 Highway 1, near Marshall, Marin County. (Lease 9426)

V	Consent Calendar 01-66	64
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The following items are considered to be noncontroversial and are subject to change at any time up to the date of the meeting.

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Land Management

Northern Region

- 01 2250 NORTH LAKE LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 2300 North Lake Boulevard, near Tahoe City, Placer County; for two existing mooring buoys. CEQA Consideration: categorical exemption. (Lease 8975; A3205; RA# 2021074) (A 1; S 1) (Staff: J. Plovnick)
- 02 6M, LLC, A WASHINGTON LIMITED LIABILITY COMPANY (LESSEE); JOHN A. HOHMAN AND JENNIFER S. HOHMAN, TRUSTEES OF THE HOHMAN FAMILY TRUST DATED JUNE 14, 2005 (APPLICANT): Consider a termination and issuance of a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 4480 North Lake Boulevard, Carnelian Bay, Placer County; for an existing pier, boathouse, boat hoist, sundeck with stairs, and two mooring buoys. CEQA Consideration: categorical exemption. (Lease 4857; A3280; RA# 2021080) (A 1; S 1) (Staff: L. Anderson)
- 03 BABBAGE, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (LESSEE/ASSIGNOR); GEOFFREY DAVID RALSTON AND ANDREA GAYLE RALSTON, TRUSTEES OF THE RALSTON FAMILY TRUST U/D/T DATED JANUARY 16, 1998 (APPLICANT/ASSIGNEE): Consider assignment of Lease 8728, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 1530 North Lake Boulevard, near Tahoe City, Placer County; for an existing pier, boat lift, and one mooring buoy. CEQA Consideration: not a project. (Lease 8728; A3340; RA# 2021114) (A 1; S 1) (Staff: J. Plovnick)
- 04 BACK TO HOMEWOOD LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 5010 West Lake Boulevard, near Homewood, Placer County; for an existing mooring buoy. CEQA Consideration: categorical exemption. (A3797; RA# 2022076) (A 1; S 1) (Staff: M. Waldo)

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- 05 BREMBIL, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 171 Paradise Flat Lane, near Rubicon Bay, El Dorado County; for an existing pier, boat lift, and four mooring buoys. CEQA Consideration: categorical exemption. (Lease 8402; A3419; RA#2021187) (A 5; S 1) (Staff: L. Anderson)
- 06 RANDY G. BURDICK AND LINDA T. BURDICK, TRUSTEES OF THE LINDA AND RANDY BURDICK TRUST U.D.T. DATED AUGUST 22, 1991, AS AMENDED AND RESTATED (APPLICANT): Consider application for a General Lease - Recreational Use of sovereign land located in Lake Tahoe, adjacent to 6430 North Lake Boulevard, near Tahoe Vista, Placer County; for an existing pier and two mooring buoys not previously authorized by the Commission. CEQA Consideration: categorical exemption. (A3138; RA# 2020459) (A 1; S 1) (Staff: J. Plovnick)
- 07 CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE (APPLICANT): Consider application for a General Lease - Public Agency Use, of sovereign land located in Hudeman Slough, a tributary of Sonoma Creek, adjacent to 28000 Skaggs Island Road, near Sonoma, Sonoma County; for reconstruction of a public boat launch ramp facility. CEQA Consideration: Mitigated Negative Declaration, adopted by Sonoma County Regional Parks Department, State Clearinghouse No. 2015022061, an Addendum, and adoption of a Mitigation Monitoring Program. (Lease 2887; A2846; RA# 2020090) (A 10; S 3) (Staff: S. Avila)
- 08 SIMON CASSIDY AND SUKHINDER SINGH CASSIDY, TRUSTEES OF THE SIMON CASSIDY REVOCABLE TRUST DATED OCTOBER 4, 2004 AS AMENDED NOVEMBER 3, 2008 AND SUKHINDER SINGH CASSIDY AND SIMON CASSIDY, TRUSTEES OF THE SUKHINDER SINGH CASSIDY REVOCABLE TRUST DATED OCTOBER 4, 2004 AS AMENDED NOVEMBER 3, 2008 (APPLICANT): Consider application for General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 3255 West Lake Boulevard, Homewood, Placer County; for an existing pier and one mooring buoy. CEQA Consideration: categorical exemption. (Lease 7335; A2645 RA# 2019318) (A 1; S 1) (Staff: D. Romero)

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- 09 JOHN R. CHRISTENSEN, TRUSTEE OF THE JOHN R. CHRISTENSEN LIVING TRUST DATED APRIL 27, 2015 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 100 Sierra Terrace Road, near Tahoe City, Placer County; for two existing mooring buoys. CEQA Consideration: categorical exemption. (Lease 8405; A3665; RA# 2022017) (A 1; S 1) (Staff: M. Waldo)
- 10 ANNE CROWLEY, AND HER SUCCESSOR(S), AS THE TRUSTEE OF THE REILLY 2012 IRREVOCABLE TRUST, WHICH IS ESTABLISHED UNDER THE REILLY 2012 IRREVOCABLE TRUST AGREEMENT DATED DECEMBER 19, 2012 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 5850 North Lake Boulevard Carnelian Bay, Placer County; for an existing pier, two unattached pilings, and two mooring buoys. CEQA Consideration: categorical exemption. (Lease 6609; A3377; RA#2021136) (A 1; S 1) (Staff: L. Anderson)
- 11 RUTH W. DIEKMAN, TRUSTEE OF THE RICHARD D. AND RUTH W. DIEKMAN TRUST UAD 9/24/2009; SUSAN DIEKMAN, TRUSTEE OF THE NATHAN JOHNSON TRUST; SUSAN DIEKMAN; SALLY D. RYAN, AS TRUSTEE OF THE WIFE'S TRUST UNDER THE RYAN FAMILY TRUST UNDER AGREEMENT DATED JULY 1, 1991, AS AMENDED AND RESTATED. (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 845 Stateline Avenue, South Lake Tahoe, El Dorado County; for one existing mooring buoy. CEQA Consideration: categorical exemption. (Lease 9004; A3686; RA# 2022027) (A 5; S 1) (Staff: M. Waldo)
- 12 STEPHEN A. FINN, TRUSTEE OF THE FINN 2001 LIVING TRUST, DATED SEPTEMBER 21, 2001 (LESSEE); SUNNYSIDE LANE LAKE TAHOE LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (APPLICANT): Consider acceptance of a lease quitclaim deed and application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 2380 Sunnyside Lane, near Sunnyside, Placer County; for an existing pier, boat lift, one mooring buoy, and one swim float. CEQA Consideration: categorical exemption. (Lease 4250; A3540; RA# 2021251) (A 1; S 1) (Staff: J. Holt)

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- 13 GUS C. GIANULIAS AND JULIE M. GIANULIAS FAMILY REVOCABLE TRUST ESTABLISHED JANUARY 20, 1983; THE CHRIS GIANULIAS REVOCABLE TRUST; THE JON AND VERONICA GIANULIAS REVOCABLE TRUST (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 3880 North Lake Blvd, near Carnelian Bay, Placer County; for an existing pier and mooring buoy. CEQA Consideration: categorical exemption. (Lease 3556; A3695; RA# 2022015) (A 1; S 1) (Staff: M. Waldo)
- 14 GABRIELLE D. HARLE; ANNE B. DONAHOE, AS TRUSTEE OF THE ANNE B. DONAHOE TAHOE RESIDENCE TRUST NO. 1 FBO GABRIELLE DONAHOE HARLE; ANNE B. DONAHOE, AS TRUSTEE OF THE ANNE B. DONAHOE TAHOE RESIDENCE TRUST NO. 2 FBO DANIEL JUSTIN DONAHOE IV; AND ANNE B. DONAHOE, AS TRUSTEE OF THE ANNE B. DONAHOE TAHOE RESIDENCE TRUST NO. 3 FBO BROOKE DONAHOE ROBERTS (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 8873 and 8879 Rubicon Drive, near Tahoma, El Dorado County; for an existing pier, boat lift, and two mooring buoys. CEQA Consideration: categorical exemption. (Lease 3653; A3482; RA# 2021202) (A 1; S 1) (Staff: L. Ward)
- 15 JOHN LEE, TRUSTEE OF THE JOHN LEE FAMILY TRUST DATED NOVEMBER 18, 2011 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 3420 Edgewater Drive, near Tahoe City, Placer County; for two existing mooring buoys. CEQA Consideration: categorical exemption. (Lease 8963; A3714; RA# 2022013) (A 1; S 1) (Staff: M. Waldo)
- 16 ALVIN T. LEVITT, SUCCESSOR CO-TRUSTEE OF THE MARY ANN TONKIN SURVIVOR'S TRUST; WENDY TONKIN, SUCCESSOR CO-TRUSTEE OF THE MARY ANN TONKIN SURVIVOR'S TRUST; AND JILL B. TONKIN FINEGOLD, SUCCESSOR CO-TRUSTEE OF THE MARY ANN TONKIN SURVIVOR'S TRUST (APPLICANT): Consider application for a General Lease - Recreational Use of sovereign land located in Lake Tahoe, adjacent to 7432 North Lake Boulevard, near Tahoe Vista, Placer County; for one existing mooring buoy not previously authorized by the Commission. CEQA Consideration: categorical exemption. (A3086; RA# 2020407) (A 1; S 1) (Staff: J. Plovnick)

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- 17 NATALIE MARIANI (AKA NATALIE MARIANIA KLING), TRUSTEE OF THE NATALIE MARIANI SEPARATE PROPERTY TRUST DATED SEPTEMBER 30, 2006; MICHAEL MARIANI, TRUSTEE OF THE MICHAEL MARIANI SEPARATE PROPERTY TRUST DATED SEPTEMBER 30, 2006; CHRISTOPHER MARIANI, TRUSTEE OF THE CHRISTOPHER MARIANI SEPARATE PROPERTY TRUST DATED SEPTEMBER 30, 2006; NICOLE MARIE MARIANI, TRUSTEE OF THE NICOLE MARIE MARIANI SEPARATE PROPERTY TRUST DATED SEPTEMBER 30, 2006; AND JOSEPH STEELE MARIANI, TRUSTEE OF THE JOSEPH STEELE MARIANI SEPARATE PROPERTY TRUST DATED JUNE 27, 2011 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 2820 Lake Terrace Avenue, near Tahoe City, Placer County; for an existing pier and two mooring buoys. CEQA Consideration: categorical exemption. (Lease 4859; A3590; RA#) (A1; S1) (Staff: L. Ward)
- 18 JOHN O. RYAN AND PAULINE E. RYAN, TRUSTEES OF THE JOHN AND PAULINE RYAN TRUST DATED JANUARY 22, 1992 (LESSEE); 8833 RUBICON, LLC (APPLICANT): Consider waiver of penalty and interest; void Invoice Numbers 52548 and 55292; termination of Lease Number PRC 5623, a General Lease - Recreational Use; and application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 8833 Rubicon Drive, near Meeks Bay, El Dorado County; for an existing pier, boathouse with boat lift, and two mooring buoys. CEQA Consideration: categorical exemption. (Lease 5623; A3133; RA# 2020452) (A 5; S 1) (Staff: M. Waldo)
- 19 LINDA LEE SAXTON (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 5290 North Lake Boulevard, Carnelian Bay, Placer County; for an existing pier and two mooring buoys. CEQA Consideration: categorical exemption. (Lease 4333; A3727; RA# 2022021) (A 1; S 1) (Staff: M. Waldo)
- 20 STAR HARBOR ASSOCIATION, A CALIFORNIA NON-PROFIT (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 2350 Star Harbor Court, Tahoe City, Placer County; for an existing pier and 15 existing mooring buoys. CEQA Consideration: categorical exemption. (Lease 4694; A3464; RA#2021194) (A 1; S 1)

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(Staff: L. Anderson)

- 21 SANJAY SRIVASTAVA (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 4830 West Lake Boulevard, near Homewood, Placer County; for one existing mooring buoy. CEQA Consideration: categorical exemption. (Lease 8400; A3764; RA# 2022049) (A 1; S 1) (Staff: M. Waldo)
- 22 TONOPALO PRIVATE RESIDENCE CLUB OWNERS' ASSOCIATION, INC. (APPLICANT): Consider application for General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 6750 North Lake Boulevard, near Tahoe Vista, Placer County; for an existing pier and 12 mooring buoys. CEQA Consideration: categorical exemption. (Lease 8439; A3362; RA# 2021133) (A 1; S 1) (Staff: D. Romero)
- 23 THE U.S. DEPARTMENT OF AGRICULTURE, FOREST SERVICE, LASSEN NATIONAL FORREST (LESSEE): Consider revision of rent to Lease Number PRC 2376, a General Lease - Commercial Use, of sovereign land located in Eagle Lake, near Susanville, Lassen County; for a marina, known as Gallatin Marina at Eagle Lake. CEQA Consideration: not a project. (PRC 2376) (A 1; S 1) (Staff: V. Caldwell)
- 24 RONALD T. VANDERBEEK AND BILLIE J. VANDERBEEK (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 1640 Sequoia Avenue, near Tahoe City, Placer County; for two existing mooring buoys. CEQA Consideration: categorical exemption. (Lease 8991; A3550; RA# 2021263) (A 1; S 1) (Staff: J. Plovnick)
- 25 RONALD T. VANDERBEEK AND BILLIE J. VANDERBEEK (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 1620 Sequoia Avenue, Tahoe City, Placer County; for two existing mooring buoys. CEQA Consideration: categorical exemption. (Lease 9010; A3584; RA# 2021379) (A 1; S 1) (Staff: J. Plovnick)
- 26 RONALD T. VANDERBEEK; BILLIE J. VANDERBEEK; ROBERT S. MARSTON, JR., CO-TRUSTEE OF THE MARSTON FAMILY TRUST

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DATED SEPTEMBER 29, 2016; AND JOHN BURDETTE GAGE AND LINDA JOAN SCHACHT, CO-TRUSTEES OF THE KALALAU REVOCABLE INTER VIVOS TRUST DATED OCTOBER 4, 1986 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 1620 Sequoia Avenue, Tahoe City, Placer County; for an existing joint-use pier, boathouse with boat lift, and sundeck with stairs. CEQA Consideration: categorical exemption. (Lease 9012; A3692; RA# 2021383) (A 1; S 1) (Staff: J. Plovnick)

Bay/Delta Region

- 27 PATRICK T. BECKLEY AND LYNN MARIE BECKLEY, TRUSTEES OF THE BECKLEY FAMILY TRUST (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Georgiana Slough, adjacent to 409 West Willow Tree Lane, near Isleton, Sacramento County; for an existing boat dock and appurtenant facilities. CEQA Consideration: categorical exemption. (Lease 3365; A3516; RA#2021238) (A 11; S 3) (Staff: L. Anderson)
- 28 BON AIR SEVEN CO. L.P., A CALIFORNIA LIMITED PARTNERSHIP (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Corte Madera Creek, adjacent to 875 South Eliseo Drive, Greenbrae, Marin County; for an existing boat dock and appurtenant facilities. CEQA Consideration: categorical exemption. (Lease 5314; A3551; RA# 2021284) (A 10; S 2) (Staff: L. Anderson)
- 29 CALIFORNIA RESOURCES PRODUCTION CORPORATION (APPLICANT): Consider application for a General Lease - Right-of-Way Use, of sovereign land located in Suisun Bay, between Pittsburg and Ryer Island, Contra Costa and Solano Counties; for an existing natural gas pipeline and an existing condensate pipeline. CEQA Consideration: categorical exemption. (Lease 3978; RA# 24416) (A 11; S 3) (Staff: M. Schroeder)
- 30 CITY OF MODESTO (APPLICANT): Consider application for a General Lease - Public Agency Use, of sovereign land located in the Tuolumne River, adjacent to Assessor's Parcel Numbers 037-037-001 and 056-025-002, near

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- Modesto, Stanislaus County; for two wastewater pipes. CEQA Consideration: categorical exemption. (Lease 4074; A3529; RA# 2021358) (A 21; S 12) (Staff: J. Holt)
- 31 COUNTY OF SAN JOAQUIN (APPLICANT): Consider application for a General Lease - Public Agency Use, of sovereign land located in the San Joaquin River, adjacent to Howard Road, near French Camp, San Joaquin County; for an existing bridge. CEQA Consideration: categorical exemption. (Lease 4922; A3247; RA# 2021046) (A 13; S 5) (Staff: J. Holt)
- 32 COUNTY OF STANISLAUS (LESSEE/APPLICANT): Consider amendment of Lease Number PRC 7183, a General Lease - Public Agency Use; acceptance of a partial lease quitclaim deed; and an application for a General Lease - Public Agency Use, of sovereign land located in the Tuolumne River, adjacent to 7th Street, Modesto, Stanislaus County; for the replacement of the 7th Street Bridge and construction of a temporary pedestrian and bicycle crossing. CEQA Consideration: Environmental Impact Report, certified by the County of Stanislaus, State Clearinghouse No. 2013092059, and adoption of a Mitigation Monitoring Program, Findings, and Statement of Overriding Considerations. (Lease 7183; A3262; RA# 2021151) (A 12; S 8) (Staff: N. Lee)
- 33 DELTA GAS GATHERING, INC. (APPLICANT): Consider application for a General Lease - Right-of-Way Use, of sovereign land located in Steamboat Slough, adjacent to Assessor's Parcel Numbers 0042-260-090 and 142-0100-061, near Walnut Grove, Sacramento and Solano Counties; for an existing non-operational natural gas pipeline. CEQA Consideration: categorical exemption. (Lease 8077; RA# 2020469) (A 11; S 3) (Staff: M. Schroeder)
- 34 EAST BAY REGIONAL PARK DISTRICT (LESSEE/SUBLESSOR); CHEVRON ENVIRONMENTAL MANAGEMENT COMPANY (SUBLESSEE): Consider amendment and sublease endorsement of Lease Number PRC 9029, a General Lease - Public Agency Use, of sovereign land located along the Carquinez Strait, Assessor's Parcel Number 368-090-004 and adjacent tide and submerged lands, near Port Costa, Contra Costa County; for four existing groundwater wells. CEQA Consideration: categorical exemptions. (PRC 9029; RA#

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- 2020455) (A 14; S 3) (Staff: K. Connor)
- 35 JAIME FAVILA JR. AND KATHRYN A. FAVILA (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in the Sacramento River, adjacent to 7140 Pocket Road, Sacramento, Sacramento County; for an existing boat dock and appurtenant facilities. CEQA Consideration: categorical exemption. (Lease 3590; A3413; RA# 2021158) (A 9; S 6) (Staff: J. Holt)
- 36 INVESTORS OF KING ISLAND, INC. (LESSEE): Consider revision of rent and surety bond to Lease Number PRC 6846, a General Lease - Commercial, Right-of-Way and Protective Structure Use, of sovereign land located in the historic channel of Old River, near Byron, San Joaquin and Contra Costa Counties; for a commercial marina. CEQA Consideration: not a project. (PRC 6846) (A 11; S 7) (Staff: V. Caldwell)
- 37 GREGORY SCOTT KANN AND ELIZABETH GARAMENDI KANN, CO-TRUSTEES OF THE GARAMENDI KANN FAMILY TRUST DATED DECEMBER 26, 2019 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in the Sacramento River, adjacent to Sacramento County Assessor's Parcel Numbers (APN) 142-0230-007 and 142-0230-008, near Walnut Grove, Sacramento County; for an existing boat dock and appurtenant facilities. CEQA Consideration: categorical exemption. (Lease 6351; A3357; RA# 2021149) (A 11; S 3) (Staff: J. Plovnick)
- 38 ROGER KELLY (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in the Calaveras River, adjacent to 2869 Calariva Drive, Stockton, San Joaquin County; for an existing boathouse and appurtenant facilities. CEQA Consideration: categorical exemption. (Lease 8422; A3515; RA# 2022014) (A 13; S 5) (Staff: J. Plovnick)
- 39 LEGACY INVESTMENTS, A CALIFORNIA GENERAL PARTNERSHIP (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Steamboat Slough, adjacent to 13737 Grand Island Road, near Walnut Grove, Sacramento County; for an existing boat dock and appurtenant facilities previously authorized by the Commission, and an existing covered

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- floating patio not previously authorized by the Commission. CEQA Consideration: categorical exemption. (Lease 8173; A3472; RA#2021199) (A 11; S 3) (Staff: S. Avila)
- 40 ISABELLE LEMIEUX-BOURVEAU (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Tomales Bay, adjacent to 19225 Highway 1, near Marshall, Marin County; for one existing mooring buoy. CEQA Consideration: Negative Declaration, adopted by the California State Lands Commission, State Clearinghouse No. 2012082074. (A3636; RA# 2021342) (A 10; S 2) (Staff: J. Plovnick)
- 41 SHC MANAGEMENT, LLC (LESSEE): Consider revision of rent, insurance, and surety bond to Lease Number PRC 6836, a General Lease - Commercial Use, of sovereign land located in the Sacramento River, adjacent to 13900 River Road, near Locke, Sacramento County; for a commercial marina, known as The Boathouse Marina. CEQA Consideration: not a project. (PRC 6836) (A 9; S 3) (Staff: V. Caldwell)
- 42 JAN VAN SICKLE (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Tomales Bay, adjacent to 19225 Highway 1, near Marshall, Marin County; for a proposed mooring buoy. CEQA Consideration: Negative Declaration, adopted by the California State Lands Commission, State Clearinghouse No. 2012082074. (A3506; RA# 2021225) (A 10; S 2) (Staff: J. Plovnick)

Central/Southern Region

- 43 CONNOLLY-PACIFIC CO. (LESSEE): Consider revision of rent and surety bond to Lease Number PRC 4193, a General Lease - Industrial Use, of sovereign land located in the Pacific Ocean, at Jewfish Point and Empire Landing, Santa Catalina Island, Los Angeles County; for a stiff leg crane and eight moorings. CEQA Consideration: not a project. (PRC 4193) (A 70; S 26) (Staff: V. Caldwell)
- 44 MARIANNE GODSEY, GENERAL PARTNER OF YES DOG, LP, A CALIFORNIA LIMITED PARTNERSHIP (APPLICANT): Consider application for a General Lease - Recreational and Protective Structure Use, of sovereign land located in

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- the Colorado River adjacent to 1158 Beach Drive, Needles, San Bernardino County; for an existing boat dock and gangway with railing, two planter areas, concrete stairs, railing, walkway, retaining walls, electrical and irrigation appurtenances, and riprap bankline protection. CEQA Consideration: categorical exemption. (Lease 9051; A3651: RA# 2021360) (A 33; S 16) (Staff: G. Asimakopoulos)
- 45 TYREE T. HUNTER, A WIDOW, AND GEORGE E. PORTER, JR., A SINGLE MAN; AND RENE G. WIDMANN AND LISA D. WIDMANN, HUSBAND AND WIFE AS JOINT TENANTS; AND ADRIANA WIDMANN, A SINGLE WOMAN AND NICHOLAS G. WIDMANN, A SINGLE MAN, ALL AS JOINT TENANTS (APPLICANT): Consider application for a General Lease - Recreational and Protective Structure Use, of sovereign land located in the Colorado River adjacent to 1162 Beach Drive, Needles, San Bernardino County; for existing concrete stairs with railing and appurtenances, riprap bank line protection, two planter areas with rock walls, and a concrete patio. CEQA Consideration: categorical exemption. (Lease 9061; A3634: RA# 2022020) (A 33; S 16) (Staff: G. Asimakopoulos)
- 46 LOS CERRITOS WETLANDS AUTHORITY (APPLICANT): Consider application for a General Lease - Public Agency Use, of sovereign land, identified as Assessor's Parcel Numbers 043-160-36, 043-160-45, 043-160-47, and 043-160-53, located in and adjacent to the former bed of the San Gabriel River, Seal Beach, Orange County; for clean-up, habitat restoration, and public access in conjunction with the Los Cerritos Wetlands Stewardship Program and the Los Cerritos Wetlands Restoration Plan, and other ancillary maintenance activities. CEQA Consideration: categorical exemption. (Lease 9005; A3571; RA# 2022048) (A 72; 34) (Staff: K. Connor) 255
- 47 MARTIN RESORTS, INC. (LESSEE/ASSIGNOR); CCC PSC OWNER, LLC (APPLICANT/ASSIGNEE): Consider assignment of Lease Number PRC 4698, a General Lease - Protective Structure Use, of sovereign land located in the Pacific Ocean adjacent to 2555 and 2575 Price Street, Pismo Beach, San Luis

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- PAGE
- Obispo County; for existing rock riprap shoreline protective structures, portions of a retaining wall, and sand fill. CEQA Consideration: not a project. (PRC 4698; A3788; RA# 2022069) (A 35; S 17) (Staff: K. Connor)
- 48 MOJAVE PIPELINE COMPANY, LLC (APPLICANT): Consider application for a General Lease - Right-of-Way Use, of sovereign land located in the Colorado River, adjacent to Assessor's Parcel Number 650-161-12, near Topock, San Bernardino County; for an existing natural gas pipeline. CEQA Consideration: categorical exemption. (Lease 7510; RA# 2020413) (A 33; S16) (Staff: J. Toy)
- 49 POSEIDON RESOURCES (SURFSIDE) LLC (APPLICANT/CO-LESSEE): Consider acceptance of a lease quitclaim deed to terminate Poseidon Resources (Surfside) LLC's rights and obligations as Co-Lessee of a General Lease - Industrial Use, of tide and submerged lands in the Pacific Ocean, offshore of Huntington Beach State Park, Huntington Beach, Orange County, for existing seawater intake and discharge pipelines. CEQA Consideration: not a project. (PRC 1980.1; A3693; RA# 2022003) (A 74; S 37) (Staff: C. Hudson)
- 50 SANTA CATALINA ISLAND COMPANY (LESSEE): Consider revision of rent to Lease Number PRC 7030, a General Lease - Industrial Use, of sovereign land located in the Pacific Ocean, Jewfish Point and Empire Landing, Santa Catalina Island, Los Angeles County; for a rock protective structure and loading facilities in support of rock quarry operations, including mooring of barges. CEQA Consideration: not a project. (PRC 7030) (A 70; S 26) (Staff: V. Caldwell)
- 51 SANTA CATALINA ISLAND COMPANY (LESSEE): Consider revision of rent to Lease Number PRC 7378, a General Lease - Commercial Use, of sovereign land located in the Pacific Ocean, Pebbly Beach, Santa Catalina Island, Los Angeles County; for a dock, concrete freight ramp and barge/tug landing area. CEQA Consideration: not a project. (PRC 7378) (A 70; S 26) (Staff: V. Caldwell)
- 52 SOUTH ORANGE COUNTY WASTEWATER AUTHORITY (APPLICANT): Consider termination of Lease Number PRC 5253, a Public Agency Permit, and application for a General

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- Lease - Public Agency Use, of sovereign land located in the Pacific Ocean, adjacent to Doheny State Beach, near Dana Point, Orange County; for an existing wastewater outfall pipeline and ballast rock. CEQA Consideration: categorical exemption. (Lease 5253; RA# 2021340) (A 74; S 37) (Staff: D. Simpkin) 196
- 53 SOUTH ORANGE COUNTY WASTEWATER AUTHORITY (APPLICANT): Consider application for a General Lease - Public Agency Use, of sovereign land located in the Pacific Ocean, near Laguna Beach, Orange County; for an existing wastewater outfall pipeline and ballast rock. CEQA Consideration: categorical exemption. (Lease 5139; RA# 2021341) (A 74; S 37) (Staff: D. Simpkin)
- 54 THE MUHS 1992 PARTNERSHIP, A CALIFORNIA GENERAL PARTNERSHIP (LESSEE/ASSIGNOR); THE MUHS 1992 PARTNERSHIP, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (APPLICANT/ASSIGNEE): Consider assignment of a General Lease - Recreational Use, of sovereign land in the Main Channel of Huntington Harbour, adjacent to 16901 Bolero Lane, Huntington Beach, Orange County; for an existing boat dock, access ramp, and cantilevered deck. CEQA Consideration: not a project. (Lease 3577; A3587; RA# 2021295) (A 72; S 34) (Staff L. Ward)
- 55 LAWRENCE C. TISTAERT, TRUSTEE OF THE CHILDRENS TRUST ESTATE OF THE JAMES H. DEWALD AND WANDA E. DEWALD TRUST, DATED AUGUST 13, 1986, AS AMENDED (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in the Main Channel of Huntington Harbour, adjacent to 17051 Bolero Lane, Huntington Beach, Orange County; for an existing boat dock, access ramp, and cantilevered deck. CEQA Consideration: categorical exemption. (Lease 3569; A3537; RA# 2021261) (A 72; S 34) (Staff: L. Ward)

School Lands

- 56 SOCIETY FOR THE CONSERVATION OF BIGHORN SHEEP (APPLICANT): Consider application for a General Lease - Other, on State-owned school lands located near the California border, in Riverside, San Bernardino, and Inyo Counties; for installation of wildlife rain

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catchers. CEQA Consideration: categorical exemption.
(W26919; RA# 08115) (A 26, 33, 56; S 8, 16, 28)
(Staff: D. Simpkin)

Mineral Resources Management

- 57 CALIFORNIA DEPARTMENT OF PARKS AND RECREATION
(APPLICANT): Consider application for a Non-Exclusive
Geological Survey Permit on State sovereign land,
Assessor's Parcel Number 090-135-014, located near
Kings Beach, Lake Tahoe, Placer County. CEQA
Consideration: categorical exemption. (A3736; RA#
2022029) (A 6; S 5) (Staff: C. Fox)
- 58 CALIFORNIA RESOURCES PRODUCTION CORPORATION (LESSEE):
Consider acknowledgment of a Quitclaim Deed for oil
and gas Lease No. 8694 (no surface use), in tide and
submerged lands in the bed of Georgiana Slough,
Sections 19 and 30, Township 4 North, Range 4 East,
Mount Diablo Baseline & Meridian, Sacramento County.
CEQA Consideration: not a project. (Lease 8694) (A 15;
S 5) (Staff: N. Heda)
- 59 CALIFORNIA STATE LANDS COMMISSION (PARTY): Consider
approval of qualifying miles for Fiscal Year 2022-2023
subventions to the Cities of Huntington Beach and Seal
Beach, located in Orange County; and to the City of
Long Beach, located in Los Angeles County. CEQA
Consideration: not a project. (W 4848.1, W 4848.4, W
4848.8) (A 70, 72, 74; S 33, 34, 37) (Staff: N. Heda,
A. Clark)
- 60 ECOSYSTEMS MANAGEMENT ASSOCIATES, INC. (APPLICANT):
Consider application for a General Offshore
Geophysical Survey Permit to conduct geophysical
surveys on granted and ungranted tidelands and
submerged lands statewide, from the mean high tide
line to 3 miles offshore. CEQA Consideration:
Mitigated Negative Declaration, Mitigation Monitoring
Program, and addendum, State Clearinghouse No.
2013072021. (A3781; RA# 2022088) (A & S: Statewide)
(Staff: C. Fox)
- 61 MERKEL & ASSOCIATES, INCORPORATED (APPLICANT):
Consider application for a General Offshore
Geophysical Survey Permit to conduct geophysical
surveys on granted and ungranted tidelands and

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- submerged lands statewide, from the mean high tide line to 3 miles offshore. CEQA Consideration: Mitigated Negative Declaration, Mitigation Monitoring Program, and addendum, State Clearinghouse No. 2013072021. (A3696; RA# 2022124) (A & S: Statewide) (Staff: C. Fox)
- 62 MILLER MARINE SCIENTIFIC AND CONSULTING, INCORPORATED (APPLICANT): Consider application for a General Offshore Geophysical Survey Permit to conduct geophysical surveys on granted and ungranted tidelands and submerged lands statewide, from the mean high tide line to 3 miles offshore. CEQA Consideration: Mitigated Negative Declaration, Mitigation Monitoring Program, and addendum, State Clearinghouse No. 2013072021. (A3698; RA# 20221202) (A & S: Statewide) (Staff: C. Fox)
- 63 SULMARA SUBSEA INCORPORATED (APPLICANT): Consider application for a General Offshore Geophysical Survey Permit to conduct geophysical surveys on granted and ungranted tidelands and submerged lands statewide, from the mean high tide line to 3 miles offshore. CEQA Consideration: Mitigated Negative Declaration, Mitigation Monitoring Program, and addendum, State Clearinghouse No. 2013072021. (A3776; RA# 2022142) (A & S: Statewide) (Staff: C. Fox)
- 64 TERRASOND LIMITED (APPLICANT): Consider application for a General Offshore Geophysical Survey Permit to conduct geophysical surveys on granted and ungranted tidelands and submerged lands statewide, from the mean high tide line to 3 miles offshore. CEQA Consideration: Mitigated Negative Declaration, Mitigation Monitoring Program, and addendum, State Clearinghouse No. 2013072021. (A6399; RA# 2022092) (A & S: Statewide) (Staff: C. Fox)

Marine Environmental Protection
- See Regular Calendar

Administration

- 65 CALIFORNIA STATE LANDS COMMISSION (PARTY): Request delegation of authority for the Executive Officer to undertake any actions necessary to effectuate the purposes of SB 44 (Jackson, Chapter 645, Statutes of

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2017) including enter into interagency agreements, amend existing contracts, and issue solicitations for needed services, negotiate fair and reasonable prices, and award and execute agreements to retain contractors to perform seep studies along the coastline and work related to the Commission's Coastal Hazard and Legacy Well Removal and Remediation Program. CEQA Consideration: not a project. (W 26911, W 30214) (A & S: Statewide) (Staff: W. Scott, J. Fabel, M. Wiemer)

Legal

- No items for this section.

Kapiloff Land Bank Trust Acquisition/Expenditure

- No items for this section.

External Affairs

Granted Lands

- 66 CITY OF LONG BEACH (TRUSTEE): Review a proposed tideland oil revenue expenditure in an amount not to exceed \$10,575,000 by the City of Long Beach for 18 capital improvement projects on and adjacent to legislatively granted sovereign land in the City of Long Beach, Los Angeles County. CEQA Consideration: not a project. (G 05-03) (A 70; S 33) (Staff: M. Moser) 261

VI Informational Calendar 67

- 67 NOTICE OF CONFERENCE WITH REAL PROPERTY NEGOTIATOR: 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. CEQA Consideration: not a project. (Lease 9347; A3817) (A 35; S 17)

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VII Regular Calendar 68-71

- 68 CALIFORNIA STATE LANDS COMMISSION (PARTY):
Consider approval of the legislative report
titled "2023 Biennial Report on the California
Marine Invasive Species Program." CEQA
Consideration: not a project. (W 9777.234) (A &
S: Statewide) (Staff: J. Thompson, C. Scianni) 66
- 69 HAROLD M. MESSMER, JR. AND MARCIA N. MESSMER,
TRUSTEES OF THE MESSMER FAMILY TRUST U/D/T DATED
OCTOBER 1, 1993 (APPLICANT): Consider application
for a General Lease - Other, of sovereign land
located in Lake Tahoe, adjacent to 4440 North
Lake Boulevard, near Carnelian Bay, Placer County;
for an existing pier with boat lift; a boathouse
with two boat lifts and residential quarters; two
mooring buoys; and one swim float. CEQA
Consideration: categorical exemption. (Lease
4380; A2468; RA# 2019190) (A 1; S 1)
(Staff: S. Avila) 74
- 70 CASA BLANCA BEACH ESTATE OWNERS' ASSOCIATION
(APPLICANT): Consider application for a General
Lease - Protective Structure Use, compensation
for unauthorized occupation, and authorization to
take all action necessary, including litigation,
to remove unauthorized improvements, of sovereign
tide and submerged land located in the Pacific
Ocean, adjacent to Assessor Parcel Number 005-
600-018, near Carpinteria, Santa Barbara County;
for existing rock revetment. CEQA Consideration:
categorical exemption. (Lease 5764; RA# 2019312)
(A 37; S 19) (Staff: K. Connor, B. Johnson) 94
- 71 SOUTH COAST WATER DISTRICT (APPLICANT): Consider
application for a General Lease - Public Agency
Use, of sovereign land located in the Pacific
Ocean, adjacent to Doheny State Beach, Orange
County; to construct, operate, and maintain up to
five subsurface slant wells, and operate and
maintain one acoustic doppler current profiler.
CEQA Consideration: categorical exemption for the
acoustic doppler current profiler; for all other
activities, Environmental Impact Report,
certified by South Coast Water District, State
Clearinghouse No. 2016031038, an Addendum, and

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adoption of a Mitigation Monitoring Program and Statement of Findings. (A3216; RA# 2021026) (A 73; S 36) (Staff: D. Simpkin)	196
VIII Public Comment	264
IX Commissioners' Comment	272
X Closed Session	274

At any time during the meeting the Commission may meet in a session of Government Code section 11126, part of the Bagley-Keene Open Meeting Act.

A. Litigation

The Commission may consider pending and possible litigation pursuant to the confidentiality of attorney-client communications and privileges provided under Government Code section 11126, subdivision (e).

1. The Commission may consider pending and possible matters that fall under Government Code section 11126, subdivision (e)(2)(A), concerning adjudicatory proceedings before a court, an administrative body exercising its adjudicatory authority, a hearing officer, or an arbitrator, to which the Commission is a party. Such matters currently include the following:

- California State Lands Commission v. Signal Hill Service, Inc.; Pacific Operators, Inc., dba Pacific Operators Offshore, Inc.; DOES 1-100
- California State Lands Commission, et al. v. Martins Beach 1 LLC, et al.
- Candlestick Heights Community Alliance v. City and County of San Francisco, et al.
- City and County of San Francisco; India Basin Investment, LLC v. State of California; South San Francisco

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- Dock Co.; et al.
 - Eugene Davis v. State of California and California State Lands Commission
 - Ingrid Barot v. TOPCO, State of California, et al.
 - In re: Temblor Petroleum Company, LLC, Bankruptcy Chapter 11
 - In re: Venoco, LLC, Bankruptcy Chapter 11
 - In re: EHT US1, Inc. et al.
 - Martins Beach 1, LLC and Martins Beach 2, LLC v. Effie Turnbull-Sanders, et al.
 - Oakland Bulk and Oversized Terminal, LLC v. City of Oakland
 - Owens Valley Committee v. City of Los Angeles, Los Angeles Department of Water and Power, et al.
 - San Joaquin River Exchange Contractors Water Authority v. State of California; State Lands Commission
 - State of California v. International Boundary and Water Commission, et al.
 - State Lands Commission v. Plains Pipeline, L.P., et al.
 - United States v. Walker River Irrigation District, et al.
 - White v. California State Lands Commission; California Public Works Board
 - Whitred Holdings, LLC v. The McConnell Foundation; California State Lands Commission (as cross defendant)
2. The Commission may consider matters that fall under Government Code section 11126, subdivision

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(e) (2) (b), under which;

a. A point has been reached where, in the opinion of the Commission, on the advice of its legal counsel, based on existing facts and circumstances, there is a significant exposure to litigation against the Commission, or

b. Based on existing facts and circumstances, the Commission is meeting only to decide whether a closed session is authorized because of a significant exposure to litigation against the Commission.

3. The Commission may consider matters that fall under Government Code section 11126, subdivision (e) (2) (C), where, based on existing facts and circumstances, the state body has decided to initiate or is deciding whether to initiate litigation.

B. Conference with real property negotiators

The Commission may consider matters that fall under Government Code section 11126, subdivision (c) (7), under which, prior to the purchase, sale, exchange, or lease of real property by or for the Commission, directions may be given to its negotiators regarding price and terms of payment for the purchase, sale, exchange, or lease.

1. Provide instructions to staff negotiators 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.

C. Other matters

The Commission may also consider personnel actions to appoint, employ, or dismiss a public employee as provided for in Government Code

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section 11126(A)(1).

Adjournment

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Reporter's Certificate

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1 PROCEEDINGS

2 CHAIRPERSON YEE: Good morning, everyone. I call
3 this meeting to order. I am State Controller Betty Yee.
4 And I'm joined today by Lieutenant Governor Eleni
5 Kounalakis who's joining us virtually and Gayle Miller
6 representing the Department of Finance will be joining us
7 later this morning.

8 Let me see. Let me -- actually, Ms. Lucchesi, if
9 you wouldn't mind just officially calling the roll and
10 then I think you have some comments to start the meeting
11 as well.

12 EXECUTIVE OFFICER LUCCHESI: Certainly.

13 Lieutenant Governor and Commissioner Kounalakis?

14 COMMISSIONER KOUNALAKIS: Present.

15 EXECUTIVE OFFICER LUCCHESI: Chair Yee?

16 CHAIRPERSON YEE: Here.

17 EXECUTIVE OFFICER LUCCHESI: Gayle Miller
18 representing the Department of Finance?

19 CHAIRPERSON YEE: She will be joining us
20 momentarily.

21 EXECUTIVE OFFICER LUCCHESI: Great. Madam Chair,
22 we have a quorum.

23 CHAIRPERSON YEE: Great. Thank you.

24 EXECUTIVE OFFICER LUCCHESI: We are also joined
25 virtually by our Zoom co-hosts Mike Farinha, Phil

1 Schlatter, and Nate Dozier who will be helping us out with
2 public comment.

3 CHAIRPERSON YEE: Wonderful. Thank you very
4 much. For the benefit of those in the audience, the State
5 Lands Commission manages State property interests in over
6 5 million acres of land, including mineral interests. The
7 Commission also has responsibility for the prevention of
8 oil spills at marine oil terminals and offshore oil
9 platforms and islands, and for preventing the introduction
10 of marine invasive species into California's marine
11 waters. Today, we will hear requests and presentations
12 involving the lands and resources within the Commission's
13 jurisdiction.

14 I want to take a moment to acknowledge and
15 express gratitude to the Nisenan, Wintun, and Miwok
16 people, who have inhabited the Sacramento River corridor
17 Valley and foothills for countless generations. I also
18 want to take a moment to honor the California Native
19 American communities all across the state for persisting,
20 carrying on diverse cultural and linguistic traditions,
21 and sustainably managing the land that we now share.

22 Native People have maintained a constant presence
23 on the landscape for many thousands of years. And they
24 essential stewardship partners whether along the coast,
25 along our rivers and valleys, or in our fragile deserts.

1 We thank California Native American communities for
2 participating in this Commission's activities and for
3 their essential role in maintaining and adding to our
4 state's rich cultural legacy.

5 The next item of business will be public comment.
6 Before I open the public comment period for items not on
7 the agenda, first let me thank everyone, especially our
8 stakeholders and members of the public for taking the time
9 to join our meeting.

10 Now, I want to turn it over to Ms. Lucchesi to
11 quickly share some instructions on how we can best
12 participate in this meeting, so that it runs as smoothly
13 as possible.

14 Ms. Lucchesi.

15 EXECUTIVE OFFICER LUCCHESI: Yeah. Thank you,
16 Chair Yee. For public comment, we will take those members
17 of the public who are here in person first and then hear
18 comments from those members of the public who are
19 participating virtually.

20 If you would like to speak either during our open
21 public comment period or during a public comment period
22 that is part of an agenda item, please complete an
23 electronic request to speak form available on our website
24 or we have physical forms to fill out at the desk in front
25 of the hearing room today. We will call on you in the

1 order in which you submitted your request to speak.

2 For those participating virtually, please make
3 sure you have your microphones or phones muted to avoid
4 background noise. To help us call on you through Zoom,
5 please raise your hand during the appropriate comment
6 section one of two ways. First, if you are attending on
7 the Zoom platform, please raise your hand in Zoom. If you
8 are new to Zoom and you joined our meeting using the Zoom
9 application, click on the hand icon at the bottom of your
10 screen.

11 When you click on that hand, it will raise your
12 hand. Second, if you are joining our meeting by phone,
13 you must press star nine on your keypad to raise your hand
14 to make a comment. If you are calling in and want to view
15 the meeting, including the PowerPoint presentation, please
16 view the meeting through the CAL-SPAN live webcast link.
17 This -- there will be a slight time delay, but it will
18 avoid an echo or feedback from using the Zoom application
19 and your phone. We will call on individuals who have
20 raised their hands in the order that they are raised using
21 the name they have registered with or the last three
22 digits of their identifying phone number.

23 After you are called on, you will be unmuted, so
24 you can share your comments. Please also remember to
25 unmute your computer or phone and identify yourself. You

1 will have a limit of three minutes to speak on an item.
2 Please keep comments respectful and focused and we will
3 mute anyone who fails to follow those guidelines or at
4 worst dismiss them from the meeting.

5 The Commission has also established an email
6 address to compile public comments for our meetings. It's
7 address is cslc.commissionmeetings@slc.ca.gov. We have
8 received various emails from various parties and
9 stakeholders that have been shared with all the
10 commissioners prior to the meeting. If we receive any
11 emails during the meeting, they will be shared with the
12 commissioners made available on our website, along with
13 the public comment letters and emails we have already
14 received.

15 Chair Yee, that concludes my hybrid meeting
16 instructions and we are ready to move on to the general
17 public comment period.

18 CHAIRPERSON YEE: Great. Thank you very much,
19 Ms. Lucchesi. So our next order of business is the public
20 comment period. If anyone wishes to address the
21 Commission on any matter not on today's agenda, I will
22 call on those who are here in person first. You will have
23 three minutes to provide your comments. And next, we will
24 move to those joining us virtually.

25 Nate, please call the first person who would like

1 to make a public comment.

2 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

3 Thank you, Chair Yee. The first person -- public
4 comment we have today is from Conner Everett who is
5 joining us virtually.

6 CHAIRPERSON YEE: All right. Good morning.

7 MR. EVERETT: Am I on? Can you hear me?

8 CHAIRPERSON YEE: We can hear you. Yes, thank
9 you. Good morning

10 MR. EVERETT: Thank you. Good morning. I'm
11 sorry I can't be there in person with your earlier start
12 time.

13 I actually want to make a -- talk to an item
14 that's on the agenda. I was wondering if I could make it
15 during public comment. I can't stay on for long.

16 CHAIRPERSON YEE: Can you identify the -- this is
17 generally the time for items not on the agenda, but if
18 you'll identify the item number, you'll have three minutes
19 to provide comment.

20 MR. EVERETT: All right. Thank you very much.
21 It is the -- let me look quickly. It's the South Coast
22 Water District lease for the desal plant.

23 CHAIRPERSON YEE: Okay. That's item number 71.

24 MR. EVERETT: Seventy-one. All right. I
25 wouldn't have made it that long. Sorry. I'm recovering

1 from COVID.

2 CHAIRPERSON YEE: That's all right.

3 MR. EVERETT: Everyone be careful out there.
4 It's still out there.

5 CHAIRPERSON YEE: We appreciate that very much.

6 MR. EVERETT: Yeah. All right. I'll be brief.
7 Thank you very much.

8 I have followed this item for over 20 years. I
9 attended the Coastal Commission hearing in San Diego. And
10 I appreciate your staff report bringing up the
11 environmental justice issues. I think they're key and
12 understated in terms of the actual long-term impacts.
13 We've seen in plants that have been built, the cost go up
14 substantially and often with little reward for those that
15 use the leased water and can afford it, the lease as well.

16 I hope you take this opportunity to realize that
17 this is -- that a small plant is not a solution when
18 there's cumulative impacts and they impact the local area.
19 It's also the consideration of the tribal consultation and
20 I wanted to thank staff for their report and thank you for
21 this opportunity.

22 Thank you very much.

23 CHAIRPERSON YEE: Thank you very much for joining
24 us this morning. Hope you feel better soon.

25 MR. EVERETT: Thank you.

1 CHAIRPERSON YEE: Nate, our next member of the
2 public who wishes to address the Commission.

3 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:
4 Thank you, Madam Chair. For our next public
5 comment, I'd like to welcome Eileen Boken, who is joining
6 us virtually as well.

7 CHAIRPERSON YEE: Good morning, Eileen.
8 Nate, are we able to connect her?

9 MS. BOKEN: Okay. I'm unmuted now. Thank you.

10 CHAIRPERSON YEE: Good morning.

11 MS. BOKEN: Good morning. I'm Eileen Boken. I'm
12 the State and Federal Legislative Liaison for the
13 Coalition for San Francisco Neighborhoods. On behalf of
14 the Coalition for San Francisco Neighborhoods, I would
15 like to thank Betty Yee for her service as the State
16 Controller and for her service as the current Chair of the
17 State Lands Commission.

18 I would also like to thank Controller Yee for
19 joining us at our November General Assembly meeting to
20 speak on the role of the State Controller. I would also
21 like to thank Controller Yee's amazing staff, Nick Evans
22 and John Gaskell for working to make this presentation
23 happen. The Coalition for San Francisco Neighborhoods
24 looks forward to working with Ms. Yee in the future. On
25 behalf of Sunset-Parkside Education and Action Committee,

1 also known as SPEAK, I would like to thank Controller Yee
2 for joining us at last year's Sunset Community's festival
3 as a resident of the Parkside neighborhood in San
4 Francisco. We are proud to call Betty Yee one of our own,
5 as she grew up in the neighborhood and still has family
6 that lives here.

7 Again, many thanks.

8 CHAIRPERSON YEE: Thank you very much for your
9 comments. Very much appreciate that.

10 Nate, our next speaker, please.

11 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:
12 Madam Chair, at this time, I'd like to welcome
13 Lydia Ponce to make her comments.

14 CHAIRPERSON YEE: Thank you.

15 MS. PONCE: Good morning, relatives. I'm calling
16 from the unceded territories of the Tongva people, better
17 known as Sa'angna, infamously known as Venice Beach. As
18 we close this year and we're looking forward to a new
19 year, we really have to take a look -- a stronger look and
20 a more formidable transformative look to building
21 relationships with our local tribes, as many of these
22 themes on this agenda today really don't describe any kind
23 of consultation or consent. And that may not be the
24 purview, or protocol, of the policy, or the ordinance, or
25 the law.

1 But with regards to our local devastation of the
2 coast, it seems like there's this -- this virus of
3 approving smaller desalination plants. And to that, I say
4 that it is a known factor that other countries have
5 desalination, have used it for several years now here in
6 the State of California along our coast. We cannot pepper
7 our gorgeous coastal zone and our wonderful ocean
8 providing so much medicine for so many people, not just
9 indigenous people, but the people who look to have mental,
10 emotional, spiritual health visit the ocean, not just for
11 surfing, and fishing, and, you know, recreation. These
12 sacred themes we really have to hold true to the eagle and
13 the condor prophecies.

14 We have two roads before us, the path we're on
15 now for destruction, or the path which is for healing,
16 which is a different path. And it doesn't look like a lot
17 of approvals and a lot of unsanctioned buildouts with
18 regards to petrochemical oil and gas. And now there's
19 people speaking about hydrogen, green or blue, and there's
20 also containing of ammonia.

21 So I just say these things, because I want to be
22 gentle as we close this year out with all of you. And
23 thank you for your service. And I just really need you to
24 consider the healing factors of everything we do,
25 everything we look at, look through that lens of healing.

1 Thank you.

2 CHAIRPERSON YEE: Thank you very much, Lydia, for
3 your comments. Very much appreciate them.

4 Nate, our next speaker, please.

5 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

6 Thank you, Madam Chair. At this time, I'd like
7 to welcome Penny Elia to make her public comments. Please
8 make sure you're unmuted, and whenever you're ready, you
9 may begin your comments.

10 Ms. Elia, if you could raise your Zoom hand so we
11 can identify you.

12 CHAIRPERSON YEE: Nate, do we want to come back
13 to Ms. Elia?

14 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

15 Yes, I'm not able to identify Ms. Elia. So if
16 you could raise your Zoom hand, we'll come back to you.

17 CHAIRPERSON YEE: All right. Why don't we move
18 to the next speaker.

19 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

20 At this time, Chair Yee, we have no additional
21 speakers for the public comment period.

22 CHAIRPERSON YEE: Okay. Very well. Thank you
23 very much. And we will accommodate Ms. Elia when she is
24 able to identify herself.

25 Thank you very much to all of our public

1 commenters. Appreciate the comments to this Commission.

2 The next item of business will be the adoption of
3 the minutes from the Commission's meeting of October 25th,
4 2022. May I have a motion to approve the minutes?

5 COMMISSIONER KOUNALAKIS: So moved, Madam Chair.

6 CHAIRPERSON YEE: Thank you very much,
7 Commissioner Kounalakis. I will second that motion. We
8 have a motion and a second.

9 Any objection to -- noting Commissioner Miller
10 not present?

11 That motion passes. Thank you.

12 The next order of business is the Executive
13 Officer's report. Ms. Lucchesi, may we have that report?

14 EXECUTIVE OFFICER LUCCHESI: Yes. Thank you,
15 Chair Yee. I'm going to start with just a couple of
16 updates and then conclude with a couple of retirements at
17 the Commission and then honoring Chair Yee, given this is
18 our last meeting today.

19 So first I wanted to highlight that the
20 Commission yesterday received an award from the
21 Association of the California State Employees with
22 Disabilities. We were awarded with the 2022 award for
23 medium State employer, where we were recognized for
24 improving employment opportunities for individuals with
25 disabilities. And it is a great honor, because we have

1 really been putting a lot of effort over the past couple
2 of years to standing up our Disability Advisory Committee.
3 And I really want to highlight the members of our
4 committee who have been working so hard in addition to
5 their normal duties at the Commission to make sure our
6 program is as robust as possible given our resources.

7 So I want to high -- recognize Micaela Wiemer,
8 Radhana Singh, Chris Scianni, Anna Peebler, Anne Kerri,
9 Cynthia Herzog, Eric Gillies, Grace Kato, Lucinda Calvo,
10 Mike Farinha, and Michaela Moser for their work on this
11 committee and for accepting the award on our behalf
12 yesterday.

13 CHAIRPERSON YEE: That's fantastic.

14 EXECUTIVE OFFICER LUCCHESI: It's a really great
15 accomplishment.

16 CHAIRPERSON YEE: Are any of them here in the
17 audience?

18 EXECUTIVE OFFICER LUCCHESI: Chris Scianni is
19 here, Eric Gillies here, Grace Kato is here, I believe,
20 and Lucinda Calvo is here. Yes. So, yes, we do have some
21 of the members.

22 CHAIRPERSON YEE: May I have them just stand so
23 that we can properly recognize them --

24 EXECUTIVE OFFICER LUCCHESI: Yes, definitely.

25 CHAIRPERSON YEE: -- for their wonderful work.

1 Thank you very much.

2 (Applause).

3 CHAIRPERSON YEE: Thank you.

4 EXECUTIVE OFFICER LUCCHESI: So next, I'd like to
5 be able to pull up the Crockett PowerPoint Phillip --
6 Phil, please.

7 So the next update I want to provide is just on
8 our efforts to clean up the Crockett waterfront along the
9 Carquinez Strait. This is something that the Commission
10 has been working on for a very long time. So as we pull
11 up that slide show.

12 (Thereupon a slide presentation).

13 EXECUTIVE OFFICER LUCCHESI: While we're waiting
14 for that, I also want to just recognize some of the other
15 efforts that we've been able to accomplish this week.
16 Earlier this week, we started actually taking down --
17 physically taking down the caissons around the Piers 421
18 wells in the shore zone at Goleta. This is an incredible
19 milestone in just removing that entire infrastructure that
20 blocks public access and really is symbolic of our
21 transition from fossil fuel dependency and production
22 offshore to renewable energy. So we've started removing
23 the actual caisson structures, which is the walls around
24 the wells. Next, we will remove the piers. And by
25 February of next year, you should see no more remnants of

1 that offshore infrastructure for oil production. So we're
2 making tremendous progress there.

3 Thank you, Phil. Next slide, please.

4 --o0o--

5 EXECUTIVE OFFICER LUCCHESI: So moving back up
6 north to the Bay Area, this shows -- this area is what we
7 know as the Crockett waterfront. And it used to be the
8 Dowrelino's boat harbor, which was started in 1929. And
9 here are photos of the working waterfront in 1946 and
10 1958.

11 Next slide, please.

12 --o0o--

13 EXECUTIVE OFFICER LUCCHESI: Dowrelino's offered
14 fishing tours with a bait shop, a restaurant, boat repair
15 shop. And the operations at the location were held by
16 various parties. And in 1884, the Commission -- or excuse
17 me, 1984, the Commission authorized a lease from C&H
18 Sugar -- an assignment of the lease from C&H Sugar to the
19 Crockett Marine Services for an existing boat harbor,
20 marine repair, restaurant, and sea scout facility.

21 In the -- next slide, please.

22 --o0o--

23 EXECUTIVE OFFICER LUCCHESI: In the 1990s and
24 2000s, the Crockett marine service fell into financial
25 difficulties and stopped making lease payments. The

1 marina also fell into disrepair. And in 2011, the
2 Commission found that the lessee was in trespass and
3 unlawfully occupying State land, and authorized the staff
4 and the Attorney General's office to take action against
5 the former lessee to collect back rent and address the
6 ongoing trespass.

7 Next slide, please.

8 --o0o--

9 EXECUTIVE OFFICER LUCCHESI: The Commission
10 agreed to consider a new lease application pursuant to a
11 settlement agreement. And in 2014, the Commission
12 authorized a new lease to Crockett Marine Services. And
13 Crockett Marine Services at the time agreed to take the
14 necessary steps to remove and restore the improvements
15 within the lease area.

16 Next slide, please.

17 --o0o--

18 EXECUTIVE OFFICER LUCCHESI: Crockett Marine
19 Services initially took steps to clean up the lease
20 premises. However, in 2016, we received information that
21 the condition of the facilities continued to be in
22 disrepair. So in 2018, the Commission authorized the
23 termination of that lease, which then prompted us to move
24 on to -- next slide, please.

25 --o0o--

1 EXECUTIVE OFFICER LUCCHESI: -- to move on to
2 seeking funding to -- excuse me -- to clean up the
3 waterfront. So this is the drone footage, which shows the
4 before and after area of the cleanup activities at the
5 Crockett waterfront over the past three years. We really
6 hope that you enjoy this transformation as it's shown on
7 your screen.

8 Since 2019, staff has worked closely with the
9 local community to conduct numerous cleanups at the site.
10 And in 2020, a fire destroyed the boat repair structure,
11 which prompted us to take immediate action to address the
12 hazardous removal activities and ensure cleanup was done
13 properly.

14 We conducted outreach on the potential reuse of
15 the site and with various groups, including the Contra
16 Costa Resource Conservation District. And we ended up
17 supporting their application to the Natural Resources
18 Agency Urban Greening Grant Program for the site.

19 Access across the railroad tracks here continues
20 to be an issue. During this process, we concluded that
21 the retention of the restaurant structure was not
22 conducive to reuse at the site, so we proceeded to remove
23 the restaurant down to the concrete pad in December of
24 last year. And in June of this year, we entered into a
25 contract to remove the existing vessels, pilings, and the

1 army pier at the site. To date, contractors have removed
2 over 100 tons of material and waste from the site. And as
3 you can see from the footage significant work has been
4 conducted. And additional work includes the removal of
5 the concrete pad at the former restaurant site.

6 I want to -- you can end the slide show at this
7 point.

8 Thank you, Phil.

9 The cleanup of the Crockett waterfront is a
10 significant achievement and was a true team effort. I'd
11 like to call out just a couple of staff that have helped
12 to lead this effort, including Nick Lavoie, who is no
13 longer with the Commission, but he oversaw major cleanup
14 on the upland and spent years preventing this area from
15 further decline.

16 Staff Attorney Andrew Kershner has been
17 indispensable over the past couple of years helping us not
18 only here at Crockett, but with all of our abandoned
19 vessels and enforcement cleanup activities. But no one
20 has been more important to this effort than Vicki
21 Caldwell, who has been at the center of this Crockett
22 waterfront cleanup from the beginning. And through
23 building relationships with the local community, with
24 regulatory agencies, she has been able to navigate
25 contracts, organize public meetings, move through the

1 entitlement process as efficiently as possible, and work
2 with us to secure funding for cleanup of this site. She's
3 even spent her personal time participating in community
4 cleanup days at this site.

5 All staff -- all agencies and entities have those
6 particular staff members who are just the get-it-done
7 staff, right? They just know how to get stuff done and
8 that is Vicki to a T. And we are so grateful she's on our
9 team, because she has made such a significant impact to
10 local communities in terms of cleaning up waterfronts like
11 this and removing abandoned vessels from our waterways.

12 So I really want to thank her for her service
13 here. And I just want to take the opportunity to
14 highlight this major cleanup activity that the Commission
15 has been pursuing and leading on for many, many years.

16 CHAIRPERSON YEE: Great.

17 EXECUTIVE OFFICER LUCCHESI: So with that, I do
18 want to move on to acknowledging a couple of retirements
19 at the Commission.

20 Mary Murray is our Equal Employment Opportunity
21 Officer for the Commission. She has worked for the State
22 for over 30 years -- 31 years, excuse me. She is a
23 Sacramento native and she served three other departments
24 before settling into the State Lands Commission family in
25 March of 2000. So she's been with us for over 22 years

1 now.

2 She has served the Commission in a variety of
3 capacities. And her loyalty and willingness to contribute
4 in whatever way she was most needed guided her path from
5 clerical, to support, to being our first dedicated Equal
6 Employment Opportunity Officer responsible for
7 establishing and enforcing policies, managing our equal
8 employment opportunity functions and programs, and
9 assisting employees through the reasonable accommodation
10 process.

11 At every step of the way, Mary has challenged
12 herself to grow so that she could best serve the
13 Commission and the people of California in increasing
14 levels of responsibility.

15 Her career represents a lifetime intertwined with
16 valued and valuable public service, and her retirement is
17 well earned. And for the past couple years as our EEO
18 Officer, she has been reporting directly to me and our
19 Assistant Executive Officer, Colin Connor. And I can say
20 I've known Mary since she started at the Commission.
21 She's always been a pleasure to work with, but this is --
22 the last couple years I've had the opportunity to work
23 with her directly on almost a day-to-day basis. And it
24 has been just an honor to work with somebody who cares so
25 deeply about the EEO functions, and our programs, and the

1 staff that we employ and care for every day. So I just
2 want to congratulate Mary on her retirement and I hope she
3 just has the best next adventure with her family and her
4 grandkids.

5 Next, I want to acknowledge Chris Beckwith. He
6 is our Division Chief of our Marine Environmental
7 Protection Division, which is headquartered down in Long
8 Beach, and I hope he's watching. He has also been working
9 for the State for over 30 years. He began with -- at the
10 State with us in 1992 and worked through various
11 promotions. And then decided he wanted to spread his
12 wings and move over to Fish and Wildlife's Oil Spill
13 Prevention and Response Office -- Agency, and worked there
14 for a couple of years. And then he saw the light and
15 returned back to us.

16 (Laughter).

17 EXECUTIVE OFFICER LUCCHESI: I'm kidding. We
18 have a great working relationship with OSPR. They are our
19 partner agency in so many ways, but we were very excited
20 to get Chris back working for us as our new Division
21 Chief. He came in at a time where we had been going
22 through some significant transition in that Division. And
23 just for context, that division is the division that
24 manages the State's Marine Invasive Species Program, which
25 is an internationally recognized program. It's also our

1 division that really houses our Oil Spill Prevention
2 Program. They are the folks, the inspectors, that go out
3 every day to monitor transfers from oil barges through
4 marine oil terminals to the refineries and back out again.

5 So they play such a critical role in protecting
6 our natural resources and our Public Trust resources. And
7 we've been going through a really challenging transition
8 at the time he came back. And his overall demeanor,
9 knowledge of the programs, knowledge of the State, and
10 State Lands Commission really helped bring a sense of
11 calmness and unification to that Division, which really
12 helped set us up for achieving a lot of great
13 accomplishments as it relates to moving towards modifying
14 our marine oil terminals to facilitate renewable fuels,
15 which is important for our energy transformation and our
16 climate goals, also in continuing to work and address our
17 Marine Invasive Species Program, especially as federal
18 actions were in play to really hamstring us from being
19 able to protect State waters.

20 And he's just incredibly respected by all of the
21 staff, again based on his knowledge, his expertise, and
22 his genuine compassion, and empathy, and interactions with
23 the staff that he manages. And I can't thank him enough
24 for what he brought to our Commission, especially in these
25 last couple of careers and we will miss him dearly, but we

1 are really excited for him and his wife to jump in their
2 RV and go travel the country.

3 So really well deserved two retirements at our
4 agency. They are going to be sorely missed, but we are
5 very excited for them to get on with their next adventure.

6 CHAIRPERSON YEE: That's terrific. And let me
7 also add the Commission's congratulations to Mary and
8 Chris. Both, very, very important key members of the
9 Commission's staff team. To do EEO work in these times is
10 challenging, but to have a resource like Mary who just
11 takes this responsibility very seriously and just brings
12 the, as you say, the values to this work is so critical.
13 And so to Mary congratulations.

14 And to Chris, when I first started at this
15 Commission as a commissioner, we knew about the global
16 reputation of the work that he has led, and something we
17 should all be very proud of, the recognized expertise,
18 just the success we've had with the programs under your
19 watch, Chris. So also to you, congratulations on your
20 retirement.

21 Before we move on, Ms. Lucchesi, I realize I am
22 not able to see the screen and so I do not want to ignore
23 my colleague. Commissioner Kounalakis, I want to turn it
24 over to you for any comments.

25 COMMISSIONER KOUNALAKIS: Well, I think that

1 first of all, I just always want to --

2 EXECUTIVE OFFICER LUCCHESI: You're on mute,
3 Commissioner Kounalakis.

4 COMMISSIONER KOUNALAKIS: I'm not though.

5 Can you hear me now?

6 Can staff unmute?

7 Is it -- can you hear me now?

8 CHAIRPERSON YEE: Yes.

9 COMMISSIONER KOUNALAKIS: Okay. Sorry. I was
10 on -- unmuted here.

11 CHAIRPERSON YEE: Okay.

12 COMMISSIONER KOUNALAKIS: All right. Thank you
13 so much, Madam Chair. And let me just start by thanking
14 Ms. Lucchesi and everyone on your team. Every time we get
15 a presentation from you at these meetings and you bring us
16 up to speed on the activities just since the last meeting,
17 it's always astonishing how much you and your team
18 accomplish. I want to congratulate everyone involved in
19 the recent awards. The retire -- people retiring after
20 so many years of service and just general appreciation.

21 And, of course, I think that today's meeting is
22 going to be also very much a recognition, Madam Chair, of
23 your service over the last eight years. Maybe later on in
24 the meeting we'll circle back on this, but I know that
25 throughout it as we -- as we have several very important

1 items coming before us, it's a real recognition of your
2 leadership of the last eight years in tackling so many
3 challenging issues that have come before us and so many
4 opportunities for your leadership on State Lands
5 Commission.

6 So with that, I will hand it back to you, because
7 I know we have a full agenda.

8 CHAIRPERSON YEE: Thank you so much, Commissioner
9 Kounalakis for the kind words. And completely agree with
10 you, the work of this Commission and its team is truly
11 astonishing and the progress on the Crockett waterfront
12 cleanup is -- it's transformative. It is quite a feat.
13 And to Vicki and the team and others who just took this
14 under their things, so grateful for the continued
15 attention to that.

16 Let me turn it back over to you, Ms. Lucchesi.

17 EXECUTIVE OFFICER LUCCHESI: Yes. So this is so
18 bitter sweet Controller and Chair Yee. This is your last
19 meeting after serving eight years as Controller and as a
20 commissioner and chair in alternate years for the State
21 Lands Commission. And as chair, you also serve on the
22 Ocean Protection Council, and the California Coastal
23 Commission. And that's just as it relates to State Lands,
24 not to mention all the other boards and commissions that
25 you sit on as part -- as -- in your role as State

1 Controller.

2 So I have a lot to say, but before I say -- I
3 talk, I wanted to introduce some very special guests that
4 we have arranged to express their gratitude and honor your
5 service and your work on the Commission, and as
6 Controller.

7 So without further ado, I'd like to first see if
8 Senator Stern is on virtually. And if -- Nate, do you see
9 Senator Stern?

10 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

11 At this time, I'm not seeing Center Stern.

12 EXECUTIVE OFFICER LUCCHESI: Okay. Great.

13 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

14 If you could raise your Zoom, Senator, that would
15 help.

16 EXECUTIVE OFFICER LUCCHESI: Then I will -- I do
17 see Senator Min. Senator Min, hi. Thank you for being
18 here. Please go ahead with your remarks.

19 SENATOR MIN: Thank you so much, Executive
20 Officer Lucchesi. And I think you used the word bitter
21 sweet, and that is I think an apt term for today. I'm
22 excited to see what Controller Yee will do with free time
23 and no limitations on her creativity. That being said, we
24 know what an incredible leader she's been as Chair of the
25 Lands Commission and in all of her other roles as

1 Controller of this great state of California.

2 And I think you were -- you're touching on some
3 of the many, many projects that she's been involved with,
4 including trying to clean up our coastlines, trying to
5 wean us off of offshore oil and other oil, moving us
6 towards a thoughtful energy adaptation and transition away
7 from fossil fuels. And we know that in this fight to get
8 our -- to fight the climate crisis to get ourselves off of
9 the carbons and reduce our carbon emissions, the details
10 matter, the implementation matters. And under the
11 leadership of Controller and Chair Yee, I think we have
12 been in very, very good hands for the last eight years.
13 And we know her commitment to the environment, we know her
14 commitment to managing, and preserving, and expanding our
15 open spaces. Something that I care deeply about here in
16 Orange County.

17 So I just really want to applaud the incredible
18 leadership of Betty Yee, my friend. Someone who has been
19 an incredible person, incredible leader, someone who leads
20 by example who is the epitome of good grace, of
21 thoughtfulness, of kindness, of progressive forward
22 thinking. And, you know, as we continue moving forward in
23 California in the Legislature and the Executive Branch, I
24 know that we will continue to stay engaged with Controller
25 Yee. I know she's got some brilliant ideas. We've talked

1 a little bit. And I look forward to personally working
2 with her and I know Lands Commission will work with her.

3 So I just really wanted to say thank you for your
4 service, Betty. Thank you for just your thoughtfulness
5 and your leadership. And I know this is not your last
6 chapter, but today is your last day as Chair of this
7 Commission, so I just again wanted to congratulate you and
8 thank you.

9 CHAIRPERSON YEE: Thank you, Senator. Very much
10 appreciate you and the kind words.

11 EXECUTIVE OFFICER LUCCHESI: Thank you, Senator
12 Min. Is -- do we -- Nate, do we see Senator Stern yet?

13 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:
14 No Senator Stern, but I am seeing Commissioner
15 Brownsey.

16 EXECUTIVE OFFICER LUCCHESI: Okay. We're first
17 going to go to -- Thank you, Nate. We're next going to go
18 to Natural Resources Agency Secretary Wade Crowfoot.

19 CNRA SECRETARY CROWFOOT: Thanks so much for the
20 opportunity to be here and to laud your leadership. I'll
21 call you Chair, but I can call you Controller or Betty as
22 well.

23 CHAIRPERSON YEE: Betty is great.

24 CNRA SECRETARY CROWFOOT: Let me also first say
25 this is my first opportunity to address the State Lands

1 Commission. And I have to say that your empathy is a
2 standard-bearer across State government of what a public
3 agency could be.

4 I can say -- we're obviously honored at the
5 Natural Resources Agency to be an administrative home to
6 the State Lands Commission. So I see the work of this
7 remarkable staff week in and week out. And I have to say,
8 Jennifer and the team display invariably and consistently
9 exceedingly high levels of competence, diligence, and
10 thoroughness, and collaboration. And as we know, many of
11 the issues that you tackle at the State Lands Commission
12 are complex and require that expertise and focus, and also
13 collaboration across jurisdictions and authorities. So I
14 just want to express gratitude on behalf of our agency and
15 the administration for the work that gets done at State
16 Lands Commission.

17 But let me thank you personally from where I sit
18 in our agency, and, of course, on behalf of Governor
19 Newsom and our administration. The job of the State
20 Controller is vast and complex managing the fiscal
21 stewardship of one of the largest governmental budgets in
22 our country, that, of course, administers the fourth
23 largest economy in the world. So it's that much more
24 extraordinary that -- with the focus, and the attention,
25 and the priority that you've put to managing State lands

1 and natural resources. You obviously, as Jennifer pointed
2 out, have been a leader on the State Lands Commission, but
3 also the Coastal Commission and the Ocean Protection
4 Council. And for the leadership across those three
5 entities, I'm really, really thankful.

6 Your legacy will be marked by, of course, the
7 important work that you've managed and led on the State
8 Lands Commission regarding the energy transition that was
9 discussed, the work decommissioning Platform Holly and
10 legacy fossil fuel infrastructure off our shores, and
11 transitioning to the future of energy generation in the
12 state, including offshore wind.

13 You have led the charge on ensuring public access
14 to the coast and our coastal resources, and Hollister
15 Ranch comes to mind, which is a complicated topic
16 involving that level of collaboration. And your personal
17 leadership driving a solution on that has got us to where
18 we are. And I know as we continue to make progress on
19 that issue, we'll look back to your leadership and that
20 will be an important legacy.

21 And then, of course, the work that the State
22 Lands Commission has done -- has done to integrate equity,
23 as well as tribal engagement into all the work that we
24 did. And under your stewardship, actually the first
25 ancestral land return, I believe, that Stats Lands

1 Commission has ever executed with the Lone Pine Paiute
2 Tribe.

3 So for all -- and in all of these areas, just our
4 gratitude to you for your attention and priority on this.
5 The State and our resources, our coastal resources, our
6 State Lands are better for it. So thank you very much and
7 please, please find ways to stay involved as a leader in
8 these issues, because we will continue to need your
9 leadership.

10 Thank you.

11 CHAIRPERSON YEE: Thank you so much, Secretary
12 Crowfoot. And I'll say more extensive remarks later, but
13 I need to just applaud you for always being a willing
14 partner with the State Lands Commission and your
15 leadership on the Ocean Protection Council. This work
16 can't be done in a vacuum without the great partnerships
17 that we have, and to our Governor who has made some
18 historic significant investments to really try to tackle
19 the climate crisis here in California. California will
20 continue to lead. And I intend to stay involved. This is
21 just a pause. And so this work can't be done, as I said,
22 in a vacuum and certainly not by one agency alone. So in
23 your leadership and just the -- always, always the
24 promotion of these partnerships has gotten us to where we
25 are.

1 Thank you.

2 CNRA SECRETARY CROWFOOT: Thank you.

3 EXECUTIVE OFFICER LUCCHESI: Next, Nate, can we
4 call on Coastal Commission Chair Donne Brownsey.

5 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

6 Yes. Chair Brownsey, whenever you're ready, you
7 may unmute yourself and the floor is yours.

8 CALIFORNIA COASTAL COMMISSION CHAIR BROWNSEY:

9 Okay. Hi. It says I'm unable to start my video
10 because the host has stopped it.

11 Okay. Start my video. Start my video.

12 Okay. Here I am.

13 Hi. It's such a pleasure to be here today to
14 honor Betty. And I super agree with everything that's
15 been said by everyone that preceded me, but I'm going to
16 look a little farther back. The first time I met Betty,
17 and Betty you may remember, I think you were a Senate
18 Fellow.

19 CHAIRPERSON YEE: I was.

20 (Laughter).

21 CALIFORNIA COASTAL COMMISSION CHAIR BROWNSEY:

22 Yes. And I was a young staffer for the Pro Tem.
23 And I remember I think it was Fred Silva brought you into
24 my office and said here's our new Senate Fellow, Betty
25 Yee. And we talked. And after five minutes, I was like

1 oh, my God. I want to be her when I grow up.

2 (Laughter).

3 CALIFORNIA COASTAL COMMISSION CHAIR BROWNSEY: At
4 that moment, I knew that you were a brilliant star. I
5 mean, there was just no doubt about it. And I worked with
6 you through your many iterations at the capitol in the
7 different committees, and then as your roll in Finance.
8 And the thing that always struck me was that you were
9 always the adult in the room. You were always calm,
10 professional, problem solver. No problem was too complex
11 or too challenging. And those skills were not as common
12 as they should be sometimes in the Capitol.

13 But I followed your career and worked with you
14 through your role in elected office. And I just want to
15 say that perhaps I know you best recently by your
16 representatives at the Coastal Commission who have
17 represented you extremely well, the inimitable Anne Baker
18 who was a force of nature, as well as by your current
19 representative Kristina Kunkel, and they have communicated
20 so effectively your priorities. Your Commitment to the
21 coast, your commitment to solving the challenges of sea
22 level rise, commitment to environmental justice, to tribal
23 engagement, and actualization to the projects that come
24 before the Commission that are very complex, very thorny,
25 your representatives communicate your clear vision in

1 terms of what you believe is the best for the State of
2 California. And for that, we're very grateful.

3 Your leadership on Hollister was absolutely
4 pivotal. It would not have happened without your
5 leadership on that, Chair.

6 And also, I just want to say that for the Coastal
7 Commission, which is often a very controversial agency,
8 but I would say transformative in terms of the work that
9 we must do and are doing to address sea level rise and
10 climate change, environmental justice, tribal engagement,
11 and really the protection of our coastal resources, I know
12 I can speak for the entire Commission by saying that we
13 truly view you as a coastal warrior. And we hope that we
14 will continue to work with you closely after your
15 retirement, which I believe will be probably equally
16 productive.

17 Congratulations, Chair Yee. We will miss you as
18 an elected, but we welcome you as a citizen and coastal
19 warrior of the state of California.

20 CHAIRPERSON YEE: Thank you very much, Donne.
21 And I have so cherished our long-standing relationship and
22 you've been a true mentor to me over the years as well.
23 And this work will continue, so I'm not going far.

24 Thank you.

25 EXECUTIVE OFFICER LUCCHESI: Thank you, Chair

1 Brownsey.

2 Next, I'd like to welcome Port of Oakland
3 Executive Director, Danny Wan.

4 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:
5 Mr. Wan, whenever you're ready.

6 MR. WAN: Thank you. Thank you. So honored to
7 be invited to give thanks and to -- for Controller Yee's
8 work, and both thankful and proud both on the professional
9 and personal level.

10 Starting with the personal first. Of course, the
11 Controller and I are both proud graduates of the San
12 Francisco Unified School District and UC Berkeley. And I
13 think as a person who learned English through that school
14 district and through our -- I'm so proud. I've always
15 looked at Controller Yee as a role model. I've known her
16 since her career at the State Board of Equalization, as
17 well as when I was Oakland City Council. I know that the
18 API community has always looked upon Betty Yee as a
19 pioneer in Asian rep -- Asian Pacific Islander
20 representation of our communities. And I thank her for
21 that. And I think that is being a -- if nothing else, as
22 being a great, great accomplishment and -- but so much
23 more.

24 And also, I might point out that as you retire
25 for a temporary basis that we are going to be neighbors I

1 think in -- near Alameda in our neighborhood. So I look
2 forward to seeing you on that basis.

3 But certainly professionally, as the Port
4 Executive Director and as the President of -- the Chair of
5 the California Association of Port Authorities, we
6 certainly thank you. Along with Commissioner Kounalakis,
7 Commissioner Yee certainly helped us in terms of
8 allocating the American Rescue Plan Act Fund at a time
9 when ports in California and the Port of Oakland was so
10 needed -- so in need of having that fund to fix the basic
11 infrastructure that we had ignored -- not ignored, but we
12 had not the ability to fix during the pandemic crisis.

13 And that episode demonstrates her approach, which
14 I so much appreciate. She, of course, came to visit the
15 port and came to talk to the California Association of
16 Port Authorities, CAPA, and found out what is needed, what
17 is the problem. And then she figured out what made sense.
18 And the proposal was immediately made that the State Lands
19 Commission, of course, is in a perfect position to be that
20 intermediary. And the agency and the State helps us get
21 the funds to us in quick and efficient manner. And the
22 State Lands staff and the Commission got it done. And
23 that is the approach that I so much appreciate Controller
24 Yee, that she figures out what's needed, what makes sense,
25 no nonsense, and gets competent people to get it done with

1 her. And I so much appreciate and thank you for that,
2 because that was so needed for the ports at the time.

3 And, of course, as a sort of a bureaucrat,
4 administrator type, we always know that we appreciate
5 leaders on our governing board who takes that approach and
6 works with us. And I'm sure that whoever has worked for
7 her and with her appreciates her style and her leadership.
8 And especially the State Lands Commission I think has been
9 so much -- so effective, because of your leadership, Chair
10 Yee.

11 Of course, everybody else mentioned all the other
12 work that certainly established foundation for a lot of
13 work the ports do now. Alternative energy as ports and at
14 the Port of Oakland go towards zero-emissions ports, the
15 kind of staff that you reformed -- tapped reform and the
16 alternative energy encouragement has established the
17 foundation for that work.

18 Again, thank you very much. And I'm so honored,
19 personally and professionally. And I certainly hope to --
20 and I know that we will work together again on many more
21 exciting things. So thank you very much.

22 CHAIRPERSON YEE: Thank you very much. I will
23 call you Brother Danny and neighbor, but very much
24 appreciate your leadership at the Port of Oakland. And
25 I -- it really has been a privilege to also just share the

1 leadership stage with you to be a face for our API
2 community as well.

3 Thank you.

4 EXECUTIVE OFFICER LUCCHESI: Great. Next, I'd
5 like to welcome Port of San Diego Vice President Job
6 Nelson.

7 MR. NELSON: Good morning, Chair and
8 commissioners. I am honored to be included amongst the
9 many Controller Yee fans. There are many things that I
10 could focus on from your tenure. And let me say first, I
11 want to also convey well wishes from our CEO Joe Steve
12 Stuyvesant who is actually speaking today on a tourism
13 panel, believe it or not. We get to do that again these
14 days, now that the pandemic is kind of in a new cycle.
15 And our incoming Rafael Castellanos, who is very sad that
16 he is not going to be able to work with you next year on
17 all the blue tech stuff that he had in mind.

18 There are many things that we could focus on from
19 your tenure. We could talk about your love of blue tech.
20 We could talk about how creative you were during the midst
21 of the pandemic when we wanted to turn the convention
22 center into a giant homeless shelter to be able to allow
23 more space between folks and your advocacy for us on that.

24 We could talk about how, as Danny did, about your
25 advocacy on behalf of ports to get us the funding for

1 those of us who were just crushed by the impacts of the
2 pandemic, when the convention center went away, when
3 tourism went away, when crews stopped, when cars stopped
4 coming. And yet, you were there to realize what the depth
5 of the crisis and to advocate on our behalf.

6 But instead, I want to focus on your leading two
7 major strategic planning efforts for State Lands, efforts
8 that will continue to pay dividends for the agency and for
9 the State beyond your time in this role as you're off and
10 enjoying your next chapter. I was lucky enough to be part
11 of the external group you called on to provide input and
12 ideas as you crafted both strategic plans. And you
13 approached that effort with intentionality, with balance,
14 and with an eye on what State Lands should become. It is
15 rare to produce a plan that can achieve a claim from
16 stakeholders across the spectrum, but also not be so
17 watered down that it doesn't achieve anything. And you
18 did that not once, you did it twice. And so thank you for
19 that effort.

20 I would close by saying, as Danny did, thank you
21 on behalf of California ports. And I will say thank you
22 on behalf of my port in particular. You understand our
23 unique missions, you are a fierce advocate, and yet you
24 always pushed us in a gentle way, or sometimes through
25 Anne Baker in a not so gentle way, to be better. And we

1 really do appreciate that. And thank you and know that
2 you will be missed.

3 CHAIRPERSON YEE: Thank you so much, Job. And
4 please extend my best wishes to Joe and to the team there
5 and continue to do the great work and modeling what the
6 Port of San Diego really can become and all of the great
7 partnership work you have been doing with all of the
8 stakeholders there.

9 EXECUTIVE OFFICER LUCCHESI: Next, I'd like to
10 welcome Senator Stern who's joining us virtually.

11 SENATOR STERN: Yeah, thank you. And sorry for
12 missing the earlier Senate praise singing for the
13 Controller.

14 I would just say that it's very rare for people
15 in busy positions in the administration to dig in as
16 deeply to policy as someone like Controller Yee has and to
17 be -- have the history, and the knowledge to actually dig
18 in deeply and solve problems, not just at ports, not just
19 on complicated land issues or in the administration of
20 government, but I also think in resolving complicated
21 conflicts at the legislative level, I've seen you do it
22 over the years. And I -- the process will -- you'll be
23 allowed absence, but there will also be subtle and quieter
24 ways that we notice your absence. And I don't know how
25 we're going to fill those roles. And that does have to do

1 also with the staff you hire and the staff that you work
2 with at the Commission. So that gives me a little hope
3 for continuity here, but it's a huge gap.

4 And I would say particularly on climate policy, I
5 chair the Natural Resources Committee. And I see Senator
6 Min here, and, you know, working through complex issues
7 like offshore drilling, you know, is not easy thing. It's
8 one thing to say you work on climate policy and you're
9 green and you shy away from the issue or you say, yeah,
10 that looks thorny. Let me just put it at my arm's length
11 distance. But it's another to kind of grab it by the
12 horns and say, no, we're going to take it on. We're going
13 to do real math. We're going to really engage and solve
14 very complicated problems. And that -- that's a -- that
15 can be a scary thing, because there's not always a win
16 right there sitting in front of you politically. But you
17 don't care about that when you do your work and that's
18 what I'll miss most is just somebody who is hungry for the
19 hard problems.

20 And when it comes to climate policymaking,
21 there's no one who's taken on harder ones than you. So
22 anyway. Thanks for letting me tune in for a second and --
23 we're going to be counting on you in your absence in this
24 official role to keep solving hard problems. So don't
25 consider this a goodbye. I'm not saying goodbye or

1 farewell, just to be continues.

2 CHAIRPERSON YEE: Thank you, Senator Stern. I
3 will assure you it's a pause. So -- and hard problems, I
4 don't shy away from, so I will expect some calls.

5 Thank you.

6 EXECUTIVE OFFICER LUCCHESI: Next, I'd like to
7 welcome Jay Ziegler virtually.

8 MR. ZIEGLER: Madam Chair, Controller Yee --
9 Betty, this is a bitter sweet moment for all of us. I
10 think we have so appreciated your leadership at the
11 Commission, and serious about public policy, and getting
12 the right outcomes, but also one who is a leader in
13 California. In broadening our consciousness to the things
14 and people that we've too long forgotten. And thank you
15 for the leadership that you have provided in really
16 pushing all of us to be a little better, to think a little
17 bit longer, to really try to be respectful of all
18 stakeholders, and to recognize the gaps that we have not
19 met in California.

20 And thank you in that context for the leadership
21 that you provided in developing the two strategic Lands
22 Commission charters that have really set an important
23 direction in providing a pathway, transitioning this
24 agency from a resource development agency to a stewardship
25 agency and to recognizing our coast, our rivers are the

1 domain of all others.

2 And it has been such a pleasure to work with you
3 directly, and the work of the Coastal Commission, the
4 State Lands Commission, and how you have empowered your
5 team, how you -- how you worked so closely with Anne Baker
6 in Hollister Ranch and expanding access there, and
7 additionally in thinking of all of the difficult issues
8 before the Commission to broaden our perspectives and work
9 more openly with others that might not be in the first
10 circle, or the second circle, or the third circle, but to
11 think beyond about making California truly a better place
12 for all.

13 And I thank you for the inspiration. And I am
14 also touched looking over Senator Min's shoulder and to
15 think about dreaming big, fighting hard, and respecting
16 everyone involved in the process, as you would wish to be
17 treated. And I think you're just such an exemplary public
18 official at these times of deep division and strife to
19 help us think more broadly and to think more openly about
20 how we work with people.

21 And I thank you. I look forward to continuing to
22 work with you in making California a better place. And
23 I'm just so grateful for the service that you've provided
24 and the example in how you treat people in public life.
25 And I just thank you for that. And it's just such a

1 blessing to have worked with you.

2 CHAIRPERSON YEE: Thank you, Jay. Thank you for
3 those kind words. And I've truly enjoyed our partnership
4 as well.

5 EXECUTIVE OFFICER LUCCHESI: Great. Next, I'd
6 like to welcome in person Dan Jacobson.

7 MR. JACOBSON: Thank you so much, Executive
8 Officer, Controller, Chair, my friend Betty Yee. It's
9 really hard to go after so many people have spoken -- so
10 many eloquent folks have talked about what a State
11 treasure that you are. So I'm going to try to relate to
12 you in a couple of issues that we had a real personal
13 connection with that I think really move the ball forward.
14 And I want to use words that I think really embody how
15 with exemplified your role in these positions.

16 So the first word is courage. And I say that
17 because it takes courage to stand up to the fossil fuel
18 industry and to really be the leader who figured out the
19 ways that we're going to move from oil in this state to
20 offshore wind. And it wasn't easy to do. It would have
21 been much easier to just say, hey, that's someone else's
22 thing. I'm the Controller of the fourth largest economy
23 in the world, and I've got a lot of other things to look
24 after, so thank you.

25 The second thing that I'll say is standing up for

1 Californians. And my personal position with this is in a
2 ballot measure in 2016 when we were looking to take a real
3 bite out of the plastic problem that we have here in the
4 State. And, you know, cities had done it for a while with
5 banning plastic bags. The Proposition 65 and Prop 67 were
6 put on the ballot. You were the only statewide official
7 who came forward and said I want to take a stand on this
8 issue, make myself public on this issue, and encourage
9 people to take the right vote on this.

10 You did it again, and again, and again. It was
11 never easy to do, but yet you did it, and you stood up for
12 Californians. And now what we're seeing is that that
13 issue is really becoming one of the international issues
14 when we talk about climate change. And what started off
15 as a fairly simple thing of like all people have to do is
16 bring their own reusable bag to the grocery store. You
17 got that. You helped us turn that into ballot measure
18 that really moved the needle on how people are thinking
19 about plastics.

20 And the third thing I'll say is the vision. And
21 it's not only the particular boards that you sit on, but
22 even some of the ones that are far off, the CalPERS Board
23 that you sit on. Being able to look at how we invest the
24 money that's there into the future of California is
25 something that really takes vision. Again, it would be so

1 much easier just to go along and say, okay, well, this
2 seems like a good investment and let's move this here.
3 But to really turn your position there into one of an
4 international leader of how we deal with how we invest our
5 pension money, the State's money, so that we can really
6 move the economy from a fossil fuel based economy to a
7 clean energy economy.

8 And those three things courage, standing up for
9 the people of California, and the vision that you had to
10 be able to do it, I think is what I'm going to miss. And
11 the three ways that you did it, putting equity always
12 first, transparency, and what I refer to as GSD - and I'll
13 say in this version, get stuff done - has really been the
14 way that you've been able to do it.

15 I hope, and everyone here has said it, that
16 you're going to continue to do this work. I look forward
17 to being able to do that work with you. And so again, not
18 a goodbye, but hello to the next chapter, and thank you
19 very much.

20 CHAIRPERSON YEE: Thank you very much, Dan. Oh,
21 my goodness. Let me just say you raise something that I
22 was going to share later, but it is something that I do
23 want to say now. And that is, you know, we're all really
24 in this climate fight that is about not a lot of time on
25 our side. That's not to be -- not to sound catastrophic,

1 but it is a time that I think we each have to just do what
2 we know how to do and put our best foot forward. And
3 there's no time for do-overs. It's kind of my motto. You
4 know, this is -- just put -- always going to be
5 detractors, but you've got to put yourself forward and
6 there are no do-overs, and just really understand what
7 this is all about in terms of just saving our communities
8 and saving our planet. Thank you.

9 EXECUTIVE OFFICER LUCCHESI: Great. Next, I'd
10 like to welcome Susan Jordan joining us virtually.

11 MS. JORDAN: Hi there. So you can hear me.

12 CHAIRPERSON YEE: Yes.

13 MS. JORDAN: Okay. I always like to check. So
14 I'm guessing that the vast majority of citizens in
15 California have no real idea of what the Controller does
16 or have asked the responsibilities are. And as the
17 State's chief financial officer for the fourth largest
18 economy in the world, the workload is extremely heavy.
19 And one of the most important roles the Controller office
20 plays is via its seat on this, the State Lands Commission,
21 a commission that has only three members with far-reaching
22 authority to manage over four plus million acres of Public
23 Trust Lands throughout the state and to monitor lands
24 granted in trust to over 70 local jurisdictions that
25 consist in part of prime waterfront lands and coastal

1 waters.

2 Some people may think that the Coastal Commission
3 is the only agency with land use authority in the coastal
4 zone, the only one that safeguards the public's right to
5 access public lands, but they would be wrong. And from my
6 front row seat, I can personally attest to the impact that
7 the State Lands Commission has over treasured coastal
8 areas and the critical role that Controller Yee has played
9 during the last eight years.

10 Those of us who work on coastal issues in this
11 State know that it all comes down to who sits in the
12 decision-making seats. With my multiple decades doing
13 this work, I've seen quite a wide range of behavior, some
14 good, some not so good, including some past commissioners
15 who deliberately tried to undo the very environmental
16 protections the Commission is supposed to uphold.

17 But I can say without reservation that Controller
18 Yee has been a stellar commissioner who has brought a
19 far-reaching vision, a deep intelligence, and a steely
20 resolve to her role. I have watched her take on some of
21 the most powerful forces in this state and prevail on key
22 projects that have protected the public's interest.

23 Her style over the last years has not been to
24 brag to the media, issue self-congratulatory press
25 releases, or to grandstand from the dais. I would

1 describe Controller Yee's style as one of gracious but
2 quiet and focused determination, kind of like a submarine.
3 In such a long public service career, it's impossible to
4 describe all of her achievements, so several recent
5 examples will need to suffice.

6 To start, her leadership is the driving force in
7 having the Lands Commission pursue public access to
8 publicly-owned beaches and tide lines in the 8.5 mile,
9 14,500-acre gated enclave of Hollister Ranch in Santa
10 Barbara County, the least accessible stretch of coastline
11 in this entire state.

12 The wealthy homeowners in that gated community
13 have illegally blocked access to those beaches for well
14 over 40 years despite clear provisions in the Coastal Act
15 that mandate it. When the public learned of the legal
16 settlement in 2018 that would have permanently obliterated
17 its right to access those beaches without even a public
18 hearing, Controller Yee led the effort to obtain updated
19 mean high tide line measurements and used drone imagery to
20 document the area that is owned by the state.

21 She supported key legislation by then
22 Assemblymember Limón to require access by a date certain
23 and supported the Lands Commission's participation in a
24 collaborative effort with its sister agencies to develop
25 an updated access program that once and for all will allow

1 the public to access what rightfully belongs to it. That
2 plan is still a work-in-progress, but Controller Yee has
3 truly instrumental in taking a bold step forward when
4 other agencies wavered. It is a remarkable achievement
5 for the Controller, this Commission and your staff.

6 Next, when many decision makers in this State
7 were fawning over the proposed Brookfield-Poseidon mega
8 desalination plant proposed for Huntington Beach,
9 Controller Yee immediately grasped the significance of
10 moving forward with a large-scale mega desalination plant
11 that used outdated technology, that not only destroyed
12 marine life, but would have resulted in a sharp increase
13 in greenhouse gas emissions for the next 50 years, while
14 locking in lower income ratepayers to expensive privatized
15 water.

16 She grilled the company's president -- I remember
17 this clearly. I was watching. I was there actually --
18 who promised that they would update their GHG plan to
19 address her concern that by the time this plant was up and
20 running, the GHG plan would be even further outdated.
21 Four years later, in May 2022, when the project was before
22 the Coastal Commission, the GHG plan Poseidon had promised
23 to update and modify remained wholly unchanged. I was in
24 the room when Commission deliberations began and Kristina
25 Kunkel, at the Controller's direction, spoke first. The

1 clarity with which she expressed the Controller's many
2 objections to approval of the plan had a strong impact on
3 both the audience and the Commissioners. I, for one, had
4 goose bumps.

5 After 12 years of trying to expose the very real
6 dangers of approving this particular plant and to hear
7 someone articulate those dangers so forcefully was
8 life-affirming, indeed, so thank you for that.

9 Within an hour, the Coastal Commission
10 unanimously denied that project and Brookfield-Poseidon
11 quickly abandoned any efforts to resurrect it. In fact,
12 the quitclaim of Poseidon's State Lands lease is on your
13 agenda for later today. The EIR has been decertified, the
14 regional board rescinded the permit, and the
15 Brookfield-Poseidon project is now the poster child for
16 how not to do desalination in California.

17 There's much more, of course, including the
18 strategic plan, the development of the Tribal and
19 Environmental Justice policies, and notably the
20 termination of the lease for a pipeline carrying oil from
21 two offshore oil platforms in Santa Barbara for
22 non-payment of rent. The lease was returned to the State
23 and added to the sanctuary, so it cannot be leased again.

24 Controller Yee's legacy is one of vision,
25 leadership, driven by a strong intellectual curiosity and

1 a commitment to implementation of creative solutions to
2 vexing problems. I know I speak for many when I say that
3 we will all miss her in her role on the Lands Commission
4 as she takes on her next chapter in public service. I
5 know she's really not going anywhere and I know she's not
6 retiring.

7 Thank you for everything you have done from the
8 bottom of my and our collective heart. Thank you.

9 CHAIRPERSON YEE: Thank you, Susan. And thank
10 you for leading vast community of advocates who really
11 hold us accountable for so much of what we do. And your
12 voice has been so instrumental over my eight years on this
13 Commission.

14 Thank you.

15 EXECUTIVE OFFICER LUCCHESI: Great. Next, Phil,
16 can you please pull up a couple of video messages that we
17 have from some of our State lawmakers and we can just run
18 them one after the other.

19 ASSEMBLYMEMBER FRIEDMAN: Hi, everyone. I'm
20 Assemblymember Laura Friedman. I'm sorry I can't be with
21 you here today, but I want to join you in celebrating our
22 wonderful Controller Betty Yee. Betty, you are someone
23 who can do the nitty-gritty work. You listen, you
24 prepare, and you are always incredibly thoughtful.

25 Your work on the State Lands Commission has been

1 incredibly valuable and productive. You have pushed the
2 envelope when it comes to protecting our environment. You
3 are also though willing to work with all the major
4 stakeholders and all of the ports in California. You've
5 used your deep community relationships in a way to help
6 the Commission and to help all of our stakeholders.

7 I want to thank you especially for pursuing
8 electrification in clean energy, and for helping to
9 transition us off of fossil fuels. Your reputation as a
10 collaborative leader inspires so many of us, including me.
11 And if there's anything I know for sure, it's that whoever
12 comes after you is going to have to work really hard to
13 fill your shoes. You are the highest vote getter in
14 California's history and your work shows the reason why.
15 I wish you all the best.

16 SENATOR MCGUIRE: Hey, everybody. How are you
17 doing? This is Mike McGuire, State Senator.

18 I am so excited to be with you, talking about my
19 good friend Betty Yee. Madam Controller, thank you.
20 Thank you for your service to this state. You are the
21 epitome of the California dream. The daughter of
22 hard-working immigrants. You have committed your life to
23 bettering the lives of others. You are a taxpayer
24 advocate. You have fought for consumers against the
25 largest corporations in the world and you have won. You

1 are a climate champion, always on the side of our
2 communities and our most vulnerable. And I have just
3 learned that you are a former competitive ballroom dancer.
4 Betty Yee is one the best in the west and I know that
5 you're going to be able to have a little bit more time
6 maybe to pick up ballroom dancing again and to root on our
7 favorite San Francisco Giants.

8 Betty, we love you. I know that the best days
9 are still ahead for you and this great state, that we are
10 forever grateful for your service. We can't wait to hear
11 what's next.

12 Have a wonderful holiday. Thanks, everybody. We
13 love you, Betty.

14 SENATOR CABALLERO: I'm State Senator Anna
15 Caballero. I'm sorry I can't be with you in person today,
16 but thank you for the opportunity to share a few words
17 with you all. It's a great honor to celebrate the legacy
18 of California's State Controller Betty Yee, her commitment
19 to the people of California and stewardship of
20 California's natural resources, as Chair of the State
21 Lands Commission.

22 Controller Yee has a tremendous record of
23 accomplishment over the course of more than three decades
24 of public service. And I'm so proud of the work she has
25 done, not only as California's chief fiscal officer, but

1 in her role as Chair of the State Lands Commission. She
2 has been a tireless advocate to advance just and equitable
3 solutions to protect our natural resources, expand public
4 access, and prepare our state for a changing climate. Her
5 dedication to public service will inspire many generations
6 to come and I look forward to a continued partnership.

7 Thank you, Controller Yee, for your service. It
8 has been a privilege and honor working together on behalf
9 of the people of California, and I look forward to your
10 next chapter.

11 EXECUTIVE OFFICER LUCCHESI: Phil, I just want to
12 confirm that that's our last video.

13 INFORMATION TECHNICIAN SUPERVISOR SCHLATTER:
14 Yes, last video.

15 EXECUTIVE OFFICER LUCCHESI: Great. Thank you so
16 much. So, in conclusion, wow. That is hard to follow. I
17 want to focus a little bit in my remarks, Controller Yee,
18 on the impact that you have had on our staff. I
19 associate -- our staff and I associate ourselves with
20 everything that has been said so far, in terms of
21 everything that you have done from a leadership
22 perspective for our Commission that people have seen on
23 the outside, you know, in terms of the various initiatives
24 that you've led across various sectors from energy
25 transition, to planning our offshore the waters, to blue

1 tech, to protection of our valuable Public Trust
2 resources, to highlighting and emphasizing and elevating
3 equity for our environmental -- excuse me, our
4 environmental justice communities, and our tribal
5 communities.

6 But you have also had an equally if not more
7 significant impact on our staff. It is so refreshing and
8 so empowering to have a leader and a boss that not only
9 sees and can envision big bold progress, that we are
10 required to make, especially in these times, but also then
11 to think through the various steps of how you bring that
12 vision to policy, to -- and then to implementation, and
13 ensuring that as a staff, as an agency, we have the
14 resources, the staffing, the expertise to comprehensively
15 and sustainably implement that big vision.

16 And the care that you go about in terms of
17 ensuring that we as a staff are empowered to fulfill your
18 vision, and the Commission's vision, in a very smart and
19 thoughtful way, and that you put that trust in us, along
20 with our other commissioners is one of the most rewarding
21 things as a staff for the state of California we could
22 ever receive.

23 You know, it's not always easy being a public
24 servant, day in and day out. And so when we have that
25 kind of support from our leadership on the dais, it's

1 invaluable to us. Now, that doesn't mean we always agree,
2 right? And I think it's where we disagree whether staff
3 is -- when staff is recommending something that you or the
4 other commissioners don't agree with and you take it in a
5 different direction based on your role as our decision
6 makers, you do it with such respect, and care, and
7 understanding that we have worked hard to come up with
8 that recommendation, but the policies and the vision is
9 different than what we're recommending. And it's in those
10 times of disagreement where I think the way that you
11 respect, and understand, and have such compassion for our
12 staff and the work that we do, that really shines through,
13 and it's -- it just means so much to us.

14 And so I just really want to express that really
15 personal perspective from a staff of over 200 people that
16 work very hard every day to serve the people of
17 California.

18 And then on a very, very personal level, you have
19 been a tremendous mentor to me. And I'm just very, very
20 appreciative from our interactions in this formal way from
21 the dais to staff, but also in our quiet moments where
22 we're talking about families, or we're talking about
23 policy and trying to figure out how to solve our big
24 problems, it's just been a real pleasure to work so
25 closely with you and it's been an honor of my life, so --

1 of my career life.

2 So with that, I do want to present on behalf of
3 staff a little memento of the State Lands Commission, and
4 of course it's of a wave, to reflect and represent the
5 Public Trust resources and lands that you have worked so
6 hard to protect over these last eight years.

7 And I just want to, if I can, read with my old
8 eyes. It reads, "Presented with deep admiration to State
9 Controller and Chair Betty T. Yee from 2015 to 2023.
10 Thank you for your eight years of visionary leadership
11 protecting our public lands and resources for all, on
12 behalf of the California State Lands Commission".

13 Thank you, Controller Yee for everything.

14 (Applause).

15 EXECUTIVE OFFICER LUCCHESI: And if there's no
16 objection from the Chair -- from Chair Yee, I would like
17 to welcome Lieutenant Governor and Commissioner Kounalakis
18 for any remarks she wants to make.

19 CHAIRPERSON YEE: Oh, please. Thank you.

20 COMMISSIONER KOUNALAKIS: Well -- excuse me. Let
21 me just say that I found that very, very moving and very
22 worthy survey of Chair Yee's leadership over the last
23 eight years. We don't do this enough. We don't slow down
24 and really dive into the accomplishments and the
25 difference that our elected officials make and we have the

1 time and the space to do that this morning. So I want to
2 thank everyone who took time out of their very busy
3 schedules to come here and not just recognize Chair Yee --
4 Controller Yee's leadership, but in very specific ways
5 talk about the difference that her leadership has made
6 here at the State Lands Commission and to countless
7 Californians who may never fully know or realize the
8 difference in their lives that her leadership has made,
9 because that is what public service is all about.

10 It is about showing up, and doing the work, and
11 not looking for recognition. But to be able to have a
12 window of time after eight years of service to really
13 clearly enumerate all of those accomplishments, all of
14 those ways in which Controller, Chair, Commissioner Yee
15 has been a climate warrior and a warrior for the
16 protection of the California coast, the most beautiful
17 asset of our beautiful state, it was important to do that
18 today.

19 But I will also say, Betty, if I may on a
20 personal note, that of everything we just heard, the
21 comments of Ms. Lucchesi I think are probably the most
22 important, which is to recognize the patience and the
23 respect with which you have engaged with the Commission
24 staff, the mentorship, the leadership. The example that
25 you have provided, again in a time when government,

1 government officials, elected leaders, we live in a world
2 where social media doesn't always highlight and bring out
3 the best in the work that we do. And we are all often
4 targets for disparagement and for disrespect, but we all
5 know -- we all know how important the work is of all of
6 us, all of us who are here today.

7 And Betty, you do have reservoirs of patience and
8 kindness that are I think really recognized by all of your
9 colleagues, all of your friends, but most importantly the
10 staff of this Committee, the staff of the State Lands, who
11 day in and day out work so hard, they themselves, as
12 public servants of our beautiful state.

13 So again, nothing is going to be a greater
14 testimony of your leadership and hard work than the agenda
15 that we have ahead of us, because the work goes on. And
16 let me just also say that for those of you who don't know
17 the incoming Controller of the State of California, Malia
18 Cohen, she is a close colleague of mine, as someone who
19 lives here in San Francisco. She was supervisor in San
20 Francisco, then was on Board of Equalization, and was just
21 elected the first African American woman to serve as
22 Controller. And as we say, there is a season for all
23 things. There will be a transition. And at our next
24 meeting, we will be introduced to her. And I know,
25 Controller Yee, that she has already benefited so much

1 from your mentorship and guidance as she prepares to take
2 on this role.

3 So with that, I will hand it back to you, Madam
4 Chair for your comments, and to move forward with the
5 agenda that we have today.

6 Thank you.

7 CHAIRPERSON YEE: Thank you very much, Lieutenant
8 Governor, Commissioner Kounalakis. And it has been truly
9 a wonderful opportunity and an honor to serve alongside
10 you and to reach a point of really being able to serve on
11 an all-women Commission, which I just am very, very proud
12 of. But this work will continue, I have no doubt, with
13 your leadership sustained on this Commission. I do
14 welcome Malia -- Controller-Elect Cohen to join the
15 Commission as well. And I think there's one thing we have
16 in common in San Francisco, I don't think any of us
17 escapes not being a coastal warrior, so that -- that will
18 already be in her portfolio.

19 Let me just say a few words, because we do have
20 an agenda fairly packed coming -- going forward. I want
21 to thank all of the speakers, and particularly those came
22 in person, and just spent time offering some very kind
23 words. But I will say this, this work does not happen
24 alone. And the State has been very kind to me and my
25 family as immigrants from China. And as I think about

1 ways that I want to give back, I really look at a number
2 of things that I will be spending this next period of time
3 really focused on, and that is to continue doing this
4 climate work, which is so, so critical, and intersects
5 with almost every other public policy that any of us can
6 engage in.

7 And also spend a bit of time, my husband is here,
8 Steven Jacobs, who we are sharing a passion to do also
9 work to try to fight anti-Semitism and discrimination.
10 And both those things to me really are important issues
11 that really are going to be make or break in terms of our
12 planet and the condition of our society and humanity. And
13 I think those issues really do intersect in terms of how
14 we do this work in either lane. And when I look at the --
15 just the small and mighty staff of this Commission, both
16 those aspects really are embodied in how they do this
17 work. And when we talk about equity, it is about how do
18 we create a space for everyone to belong, and the work
19 that's been done internally with the team and among the
20 team, and really extending that to what we do with our
21 disproportionately affected communities around this state
22 has been a hallmark of the work of this Commission.

23 And I just want to applaud the staff and
24 Jennifer, under your leadership, your executive team,
25 Connor, Seth. This is going to be the legacy and will

1 continue to be the legacy of this Commission. The
2 environmental justice work, the environmental -- the
3 engagement, the tribal engagement work needs to continue
4 to be strengthened, and that goes without saying. It is
5 critical that we understand the resources that are there.

6 My philosophy of proximate leadership, that those
7 who live closest to the challenges are probably the best
8 informed about how to solve them. They have to be at the
9 table, and they really do have to be consulted, and be a
10 part of the solution, and really understanding that they
11 bring a lot of knowledge and history, and already
12 stewardship experience that we can learn from.

13 And then lastly, let me just say, as I leave this
14 Commission, it is -- it is a pause, because I think each
15 of us as a -- as a resident of California, as a citizen
16 here, we each have an individual responsibility to
17 continue to put ourselves every day forward and continue
18 to challenge ourself about what more can we do. And as I
19 said, this state has been kind to me and to my family, and
20 the dream has always been how do we make that continue to
21 happen for so many others in California. And so I have
22 been truly honored to serve in this role. I've been
23 inspired by so many with whom I have worked, including
24 many of the speakers today.

25 But Jennifer, to you, I cherish our friendship.

1 But the commitment and just the dedication of this team,
2 small but mighty. I mean, you can't even imagine the
3 breadth of work that this team takes on, but
4 internationally recognized, and -- but very much
5 intentional every day, as they wake up to know that the
6 rest of California is counting on them.

7 So thank you very much. And I really have
8 appreciated this time. And I would like to really jump
9 back to the agenda as we do have a very full agenda.
10 Thank you all very much.

11 (Applause).

12 EXECUTIVE OFFICER LUCCHESI: So let's get to
13 work.

14 CHAIRPERSON YEE: We have some work to do.

15 EXECUTIVE OFFICER LUCCHESI: Yes.

16 CHAIRPERSON YEE: So the next order of business
17 is the adoption of the consent calendar. Commissioner
18 Kounalakis, any items you wish to see removed?

19 COMMISSIONER KOUNALAKIS: No.

20 CHAIRPERSON YEE: Okay.

21 Ms. Lucchesi, any items?

22 EXECUTIVE OFFICER LUCCHESI: Yes. We are going
23 to remove Consent Item 33 from the agenda and we will
24 bring it back at a later time. We are going to move a
25 couple of consent items from the consent agenda to the

1 regular agenda, because we do have members of the public
2 that want to speak on these items.

3 CHAIRPERSON YEE: Okay.

4 EXECUTIVE OFFICER LUCCHESI: So consent items 46,
5 52, and 66 are removed from the consent agenda, and then
6 will be placed on the regular agenda. I will note that
7 52 -- Item 52 is related to Item 71 --

8 CHAIRPERSON YEE: Right.

9 EXECUTIVE OFFICER LUCCHESI: -- the Doheny
10 Desalination Project, so we will take both those items up
11 at once.

12 CHAIRPERSON YEE: All right.

13 EXECUTIVE OFFICER LUCCHESI: And then we will
14 take 46 and 66 after Item 71.

15 CHAIRPERSON YEE: Very well. Thank you very
16 much. All right. So with those -- with Item 33 removed
17 for a later time, and items 46, 52, and 66 moved to the
18 regular calendar, is there a motion to approve the
19 remainder of the consent calendar?

20 COMMISSIONER KOUNALAKIS: So moved.

21 CHAIRPERSON YEE: Thank you, Commissioner
22 Kounalakis. I will second that motion.

23 And without objection, noting Commissioner Miller
24 not present, such will be the order. Thank you.

25 Oh, I'm sorry. Let me go back. Nate, I'm sorry.

1 I neglected to ask if there's anyone who wishes to speak
2 on any item remaining on the consent calendar.

3 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

4 Madam Chair, at this time, there are no hands
5 raised for anyone to speak on any remaining consent items.

6 CHAIRPERSON YEE: Thank you very much.

7 All right. Thank you. So the next order of
8 business will be the regular calendar. And Item 68 is our
9 first item to consider approval of the legislative report,
10 the 2023 Biennial Report on the California Marine Invasive
11 Species Program. And we do have a presentation on this
12 item. And I believe Jonathan and Chris, yes?

13 SENIOR ENVIRONMENTAL SCIENTIST THOMPSON: Yes.

14 CHAIRPERSON YEE: Wonderful. Good morning.

15 SENIOR ENVIRONMENTAL SCIENTIST THOMPSON: I have
16 a presentation.

17 (Thereupon a slide presentation).

18 CHAIRPERSON YEE: There you go.

19 SENIOR ENVIRONMENTAL SCIENTIST THOMPSON: There
20 it is.

21 Good morning, Madam Chair, commissioners. My
22 name is Jonathan Thompson. I'm a Senior Environmental
23 Scientist with the Marine Invasive Species Program. I'm
24 presenting Item 68, the Commission's 2023 Biennial Report
25 on the California Marine Invasive Species Program for your

1 consideration and approval.

2 Next slide, please.

3 --o0o--

4 SENIOR ENVIRONMENTAL SCIENTIST THOMPSON: The
5 purpose of this report is to provide an update to the
6 Legislature on Marine Invasive Species Program activities
7 from 2020 through the end of 2021. The report include --
8 includes a summary of vessel reported data, the most
9 recent research related to invasive species, the main
10 accomplishments of the program during this time, and next
11 steps for the program and some recommendations.

12 Next slide, please.

13 --o0o--

14 SENIOR ENVIRONMENTAL SCIENTIST THOMPSON: I'll
15 first start with some Marine Invasive Species Program
16 background information. Non-indigenous species are
17 organisms that are intentionally or unintentionally
18 transported through human activities to new habitats, such
19 as California's marine estuarine and freshwater
20 environments. Non-indigenous species can post significant
21 risks to human health, the economy, and the environment.

22 Next slide, please.

23 --o0o--

24 SENIOR ENVIRONMENTAL SCIENTIST THOMPSON: Species
25 are moved around the globe into aquatic habitats through

1 many pathways. One of these pathways is commercial
2 shipping and it is recognized as a major contributor to
3 the movement of aquatic non-indigenous species.
4 Commercial ships transport organisms through ballast water
5 and vessel biofouling. And managing ballast water and
6 biofouling is the most effective way to protect California
7 waters from non-indigenous species.

8 Next slide, please.

9 --o0o--

10 SENIOR ENVIRONMENTAL SCIENTIST THOMPSON: In
11 response to the threat posed by vessel-mediated
12 introduction of non-indigenous species, the Legislature
13 created the Marine Invasive Species Program, the statewide
14 multi-agency program designed to prevent the introduction
15 of non-indigenous species from vessels arriving at
16 California ports. Each agency has a specific role and the
17 Commission is the Program administrator.

18 Next slide, please.

19 --o0o--

20 SENIOR ENVIRONMENTAL SCIENTIST THOMPSON: So here
21 is the summary of the report's findings. During 2020 and
22 2021, California reports[SIC] received about 10,000
23 arrivals per year. Vessel arrivals decreased 13 percent
24 from 2019 to 2020, as shipping companies adjusted
25 operations in response to the COVID-19 pandemic. Also the

1 volume of ballast water discharge in 2020 was 16 percent
2 below the annual average from 2012 through 2021, which,
3 like the 2020 arrivals, coincides with the COVID-19
4 pandemic.

5 Next slide, please.

6 --o0o--

7 SENIOR ENVIRONMENTAL SCIENTIST THOMPSON: From
8 2020 through 2021, 12 percent of vessels that reported to
9 the Commission discharged ballast water. If not ballast
10 water is discharged, no organisms within the ballast water
11 are released into the environment and there is no risk of
12 ballast water mediated nonindigenous species introduction.

13 Of the ballast water that is discharged, the
14 more -- the majority is discharged in Northern California
15 ports and they're shown on the slide here in orange.

16 Next slide, please.

17 --o0o--

18 SENIOR ENVIRONMENTAL SCIENTIST THOMPSON: The
19 Marine Invasive Species Program had several noteworthy
20 accomplishments in 2020 and 2021. During that time, 99.7
21 percent of the reported ballast water discharge was
22 compliant with ballast water management requirements.
23 This includes 17 vessels that changed their operations
24 after Commission staff notified vessel crews that they
25 were be planning to discharge potentially non-compliant

1 ballast water. Commission staff's actions prevented more
2 than 141,000 metric tons of potentially non-compliant
3 ballast water from being discharged into California
4 waters.

5 That volume is three times more than the total
6 volume of non-compliant ballast water that was discharged
7 during 2020 and 2021. For biofouling -- for vessel
8 biofouling, 31 percent of vessels that were inspected to
9 assess compliance with the California Biofouling
10 Management regulations were found to be non-compliant and
11 were issued a 60-day grace period to correct any
12 deficiencies. Of the 330 vessels that were inspected,
13 following the grace period, only 11 were still
14 non-compliant. The COVID-19 pandemic impacted field
15 inspection staff who were considered essential staff.

16 A temporary practice was put into place to limit
17 person-to-person contact and protect Field Inspection
18 staff from COVID-19 infection. The practice began in
19 March of 2020 and remained in effect through 2021.

20 Despite these challenges, Commission staff
21 inspected 23 percent of vessel arrivals at California
22 ports. Another accomplishment is that the Commission
23 launched a public facing downloadable data repository on
24 the MISP portion of the Commission's website. The posted
25 files include data on vessel arrivals and ballast water

1 discharge volumes.

2 Also, furthering California's leadership on
3 biofouling and ballast water, Commission staff authored or
4 co-authored nine peer reviewed scientific journal
5 publications, which contributed to the fields of invasive
6 species impacts, and invasive species prevention.

7 Next slide, please.

8 --o0o--

9 SENIOR ENVIRONMENTAL SCIENTIST THOMPSON: Marine
10 Invasive Species Program staff are continuing to work on
11 high priority actions. And these include amending the
12 marine invasive species program enforcement regulations to
13 incorporate an enforcement process for biofouling
14 violations and the implementation of ballast water
15 discharge performance standards.

16 Another high priority action was for Marine
17 Invasive Species Program staff to improve the tracking and
18 enforcement of Marine Invasive Species Act reporting
19 violations. Additionally, Commission staff have developed
20 and are testing a risk assessment model to improve the
21 allocation of inspection resources towards vessel --
22 vessels based on the risk of species introduction.

23 Commission staff will continue to refining --
24 refining the model and will seek out peer review for the
25 process prior to implementing it. Finally, the Commission

1 began implementing ballast water discharge performance
2 standards on January 1st, 2020 and will continue to
3 develop and refine the compliance assessment process.

4 Next slide, please.

5 --o0o--

6 SENIOR ENVIRONMENTAL SCIENTIST THOMPSON: We are
7 including two recommendations to the Commission in this
8 report. One is to support efforts to secure ongoing
9 funding for the Marine Invasive Species Control Fund. The
10 Commission's ability to collect fees will be implemented
11 by the federal implementation of the vessel incidental
12 discharge act. Once in effect, these restrictions are
13 projected to cause the Marine Invasive Species Control
14 Fund to lose between \$300,000 and \$500,000 annually. This
15 loss of revenue will move the Marine Invasive Species
16 Control Fund towards insolvency.

17 The second request is to consider supporting an
18 amendment of the Marine Invasive Species Act Section
19 71212, which would change the timing of legislative
20 reports on the Marine Invasive Species Program activities,
21 such as the one that I'm presenting today to every three
22 years instead of every two. We are proposing this
23 recommendation, because expanding responsibilities,
24 impending revenue losses from the Vessel Incidental
25 Discharge Act, and future restrictions on raising the

1 amount of vessel arrival fee that supports the program
2 will require adjustments to workloads and priorities.

3 Production of this legislative report is labor
4 intensive and time-consuming. Limiting staff's ability to
5 maintain a high level of performance with an increased
6 work -- increasing working workload. To ensure no lapse
7 in vessel data availability with recommended --
8 recommended change, Commission staff has initiated
9 quarterly vessel data updates posted to the Commission's
10 website that I mentioned earlier.

11 Next slide.

12 --o0o--

13 SENIOR ENVIRONMENTAL SCIENTIST THOMPSON: Thank
14 you very much and I would be happy to answer any
15 questions.

16 CHAIRPERSON YEE: Thank you very much for the
17 presentation. Let me turn to our commissioners to see if
18 there are any questions or comments.

19 Okay. Seeing none. Okay. Let me turn to Nate
20 to see if we have any public comment on this item.

21 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

22 Thank you, Madam Chair. At this time, we have no
23 public comments for this item.

24 CHAIRPERSON YEE: Okay. Very well. Thank you
25 very much. Thank you for the report and pretty

1 straightforward and appreciate the support we're also
2 getting from some of our stakeholders on the report as
3 well.

4 So seeing none, is there a motion to adopt --
5 approve the report.

6 COMMISSIONER KOUNALAKIS: So moved.

7 ACTING COMMISSIONER MILLER: So Moved.

8 CHAIRPERSON YEE: Okay. We have a motion by
9 Commissioner Miller to approve the report, seconded by
10 Commissioner Kounalakis.

11 Without objection, such will be the order. Thank
12 you very much.

13 Okay. Our next item is Item 69. And this is
14 to -- an item to consider the application for a general
15 lease from land located in Lake Tahoe, near Carnelian Bay
16 and we have a presentation on this.

17 Good morning.

18 LAND MANAGEMENT DIVISION CHIEF BUGSCH: Thank
19 you, Commissioner Yee. I just want to echo Jennifer's
20 comments from our staff as well, my staff. And it's been
21 a pleasure to serve under your leadership. So thank you.

22 CHAIRPERSON YEE: Thank you.

23 (Thereupon a slide presentation).

24 LAND MANAGEMENT DIVISION CHIEF BUGSCH: Good
25 morning, Commissioners. My name is Brian Bugsch. I'm

1 Chief or the Commission's Land Management Division and I'm
2 here to present on Item 69 recommending issuance of a
3 general lease other to Messmer trustees.

4 Next slide, please.

5 --o0o--

6 LAND MANAGEMENT DIVISION CHIEF BUGSCH: The lease
7 is for an existing pier and boathouse located in Carnelian
8 Bay at Lake Tahoe. The lease area includes a pier with
9 one exterior boat lift, a two-story building on a pier --
10 on the pier with two boat lifts inside, a four bedroom
11 residential quarters on the upper level, one swim float,
12 and two mooring buoys.

13 Next slide, please.

14 --o0o--

15 LAND MANAGEMENT DIVISION CHIEF BUGSCH: During
16 the application process, the applicant stated that the
17 two-level structure was rebuilt in 1939 following a fire.
18 The residential quarters were constructed at this time.
19 This staff's understanding that no permits were required
20 or obtained to build it. In the prior lease, the docking
21 and mooring facilities qualified for rent-free status
22 under the version of the Public Resources Code 6503.5 in
23 effect at that time. The lease then expired on September
24 12th, 2020.

25 Next slide.

1 --o0o--

2 LAND MANAGEMENT DIVISION CHIEF BUGSCH: The lease
3 application was received in mid-January 2020, but was
4 deemed incomplete because the applicant did not provide
5 photographs or permits from TRPA. In the March -- in
6 March 2020, the applicant provided photos of the lower
7 level of the boathouse, but not the upper level. In
8 October 2020, current permits for the existing moorings
9 were provided to staff.

10 Next slide.

11 --o0o--

12 LAND MANAGEMENT DIVISION CHIEF BUGSCH: In
13 January 2021, the applicant provided additional
14 information including photos of the upper level
15 residential quarters. During this time, Lake Tahoe
16 applications were placed on hold until the Lake Tahoe
17 benchmarks could be updated. Staff requested and
18 conducted a site visit in September of 2022. This was the
19 final information necessary for staff to complete our
20 analysis and rent recommendation.

21 Next slide, please.

22 --o0o--

23 LAND MANAGEMENT DIVISION CHIEF BUGSCH: The lower
24 level of the boathouse contains two boat slips, each one
25 equipped with a separate boat lift, protected storage and

1 utility facilities, laundry facilities, and covered wooden
2 walkways.

3 Next slide.

4 --o0o--

5 LAND MANAGEMENT DIVISION CHIEF BUGSCH: During
6 the site visit, the full use of the pier was noted. In
7 addition to seating located on the covered deck of the
8 boathouse upper level, more outdoor seating is located on
9 the pier. In the photo on the right, the boat slips are
10 visible behind the moveable security gate.

11 Next slide.

12 --o0o--

13 LAND MANAGEMENT DIVISION CHIEF BUGSCH: The upper
14 level residential quarters of the boathouse include four
15 fully furnished bedrooms each containing a set of twin
16 beds, dressers, upholstered seating, and storage closets.
17 A heated Jack and Jill style bathroom is located in
18 between each set of bedrooms. These two full-sized
19 bathrooms include incoming water supply lines and outgoing
20 waste lines to service the sinks, toilets, and showers.
21 The two east-facing bedrooms located in the top of the
22 drawing have French doors leading to an outside covered
23 deck overlooking Lake Tahoe.

24 Next slide.

25 --o0o--

1 LAND MANAGEMENT DIVISION CHIEF BUGSCH: The upper
2 level of the boathouse is accessed through the lower level
3 of the boathouse via a protected stairway. At the top of
4 the stairway is a weather protected door. The attic
5 space, located above the residential quarters, contains a
6 water heater and a temperature control unit.

7 Next slide.

8 --o0o--

9 LAND MANAGEMENT DIVISION CHIEF BUGSCH: On the
10 left is a photo showing the hallway leading to two of the
11 bedrooms. On the right is a photo of the climate control
12 touchpad.

13 Next slide.

14 --o0o--

15 LAND MANAGEMENT DIVISION CHIEF BUGSCH: During
16 the winter, the applicants stated that the electricity is
17 shut off and the water heater is drained. The Messmers
18 also provided a signed affidavit claiming that the typical
19 usage of the quarters is 10 days per season. Here are
20 some photos of the northwest and northeast bedrooms.

21 Next slide.

22 --o0o--

23 LAND MANAGEMENT DIVISION CHIEF BUGSCH: This is
24 photos of the southeast and southwest bedrooms. And all
25 the bedrooms have similar furnishings.

1 Next slide.

2 --o0o--

3 LAND MANAGEMENT DIVISION CHIEF BUGSCH: Here is a
4 some photos of the bathrooms.

5 Next slide.

6 --o0o--

7 LAND MANAGEMENT DIVISION CHIEF BUGSCH: And here
8 are some photos of the showers.

9 Next slide, please.

10 --o0o--

11 LAND MANAGEMENT DIVISION CHIEF BUGSCH: So in
12 mid-November, the applicant submitted a counteroffer to
13 the Commission's staff recommendation. In its
14 counteroffer, the applicant crafted their own rent for the
15 boathouse at the regular water-dependent category 1 rate
16 for the seven winter months, and the non-water-dependent
17 category 2 rate for the 5 summer months of the year.

18 There were mathematical errors in the
19 counteroffer, but this slide indicates what we understood
20 as their proposal. The applicant believes the 2012
21 benchmark rates should apply because they submitted their
22 application in 2020 prior to the expiration of the lease
23 and before the 2021 benchmarks were approved. These
24 calculations include the assumption that the applicant
25 wants a 10-year lease to start on the day of this --

1 today.

2 Next slide.

3 --o0o--

4 LAND MANAGEMENT DIVISION CHIEF BUGSCH:

5 Authorizing private use of public land requires a
6 careful balance. Staff works to minimize the impacts to
7 Public Trust resources by limiting authorizations to
8 structures that must be built on the water. Most of this
9 structure, specifically the entire upper level, is
10 non-water dependent and unrelated to the docking and
11 mooring of boats. In some cases, staff have recommended
12 the Commission issue a lease for rather than require the
13 immediate removal of non-water-dependent uses that have
14 been in place for many years, so long as they do not
15 significantly interfere with the Public Trust needs and
16 activities. The proposed lease prohibits expansion or
17 reconstruction of non-water-dependent uses if they are
18 substantially destroyed.

19 Although the applicant claims that they only use
20 the residential improvements occasionally in the summer
21 months, it does not negate that the improvements are
22 non-water dependent and occupies sovereign land
23 year-round.

24 Consequently, staff recommends the improvements
25 be charged at the undiscounted category 2 rate. Category

1 2 applies to non-water-dependent encroachments. In this
2 specific case, they have built a 2,700 plus square foot
3 structure to house two boat lifts. A small portion of the
4 structure is needed to dock the boat. The remainder of
5 this -- of this structure, and by far the predominant use,
6 is non-water dependent and unrelated to the docking and
7 mooring of boats. Therefore, the structure is non-water
8 dependent and the category 2 benchmark applies.

9 Over the past 24 hours, staff has come to an
10 agreement with the applicant. And staff is proposing an
11 amended recommendation, which is here on the slide, from
12 the one that appears in the staff report.

13 Staff recommends the Commission authorize a lease
14 to the Messmer trustees for 10 years beginning September
15 13th, 2020 for the use and maintenance of the leased
16 premises with the annual rent at \$16,467 -- or \$76 per
17 year with an annual CPI adjustment.

18 Next slide.

19 --o0o--

20 LAND MANAGEMENT DIVISION CHIEF BUGSCH: Thank
21 you. This concludes my presentation and staff is
22 available for questions.

23 CHAIRPERSON YEE: Thank you very much for the
24 presentation, Brian.

25 Questions or comments, commissioners?

1 Commissioner Miller.

2 ACTING COMMISSIONER MILLER: Thank you.

3 In terms of the permits, how -- can you just let
4 us know a little bit how that works before building the --
5 just the specific permit process, what has to be
6 submitted.

7 LAND MANAGEMENT DIVISION CHIEF BUGSCH: Yeah.

8 EXECUTIVE OFFICER LUCCHESI: Typically, in Lake
9 Tahoe, if a property owner wanted to build a new pier or
10 make modifications to its existing pier, or build any
11 other structures within the Lake Tahoe Basin near the
12 lake, they would need to get a permit from the Tahoe
13 Regional Planning Agency, likely the Department of Fish
14 and Wildlife, possibly the Army Corps, and other
15 regulatory agencies --

16 ACTING COMMISSIONER MILLER: Um-hmm.

17 EXECUTIVE OFFICER LUCCHESI: -- the Regional
18 Water Quality Control Board, and of course get either a
19 new lease from the State Lands Commission or an amendment
20 of an existing lease to accommodate any kind of new
21 development out there.

22 This particular residential quarters was built
23 many, many years ago prior to kind of the regulatory
24 framework that we see up there now.

25 ACTING COMMISSIONER MILLER: Got it. Okay.

1 Thank you.

2 CHAIRPERSON YEE: Thank you, Commissioner Miller.
3 Commissioner Kounalakis, any comments?

4 COMMISSIONER KOUNALAKIS: Thank you so much,
5 Madam Chair. I just again want to thank and recognize
6 staff in this last 24-hour effort to come to an agreement
7 with the applicant. This is a very rare use of a pier in
8 Lake Tahoe. And as Ms. Lucchesi just noted, just the use
9 itself is something that's grandfathered this, so it's
10 very difficult to have -- to figure out how to make sure
11 that we have -- we use our standard operating historic
12 ways of dealing with things on unique properties. So I
13 just want to commend the staff for being able to work this
14 out with the applicant and getting to -- getting to an
15 agreement on the lease rate. And I look forward to
16 supporting it.

17 Thank you.

18 CHAIRPERSON YEE: Thank you very much,
19 Commissioner. Let me now turn to Nate to see if there are
20 any public comments on this item.

21 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

22 Thank you, Chair Yee. At this time, we have one
23 Zoom hand raised from Jan Brisco.

24 CHAIRPERSON YEE: All right. Good morning, Ms.
25 Brisco.

1 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:
2 Ms. Brisco, if you'd unmute yourself, you'd be
3 able to begin your comments.

4 MS. BRISCO: I'm -- yeah, can you hear me?

5 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:
6 We got you Ms. Brisco.

7 CHAIRPERSON YEE: Yes, we can hear you. Good
8 morning.

9 MS. BRISCO: Thank you. I appreciate that. I
10 have an internet connection this morning. And I'm just
11 recovering from all of the terrible things that are out
12 there in the world. Thank you so much, Madam Chair, and
13 good morning, commissioners. I'm Jan Brisco and I
14 represent the Messmers in this transaction. And we've
15 come to you with an agreement to execute the lease as
16 stated by staff.

17 The lease structure affectionately known as the
18 big yellow boathouse --

19 CHAIRPERSON YEE: Ms. Brisco, I'm sorry to
20 interrupt --

21 MS. BRISCO: -- by anglers and people who use it
22 as a reference point while on the lake and --

23 CHAIRPERSON YEE: You're sounding a little
24 muffled, so I'm not sure if you are -- your connection is
25 clear, but maybe just start over. We missed some of the

1 early parts of your testimony.

2 Ms. Brisco?

3 MS. BRISCO: Can you hear me now --

4 CHAIRPERSON YEE: We can hear you, but you're
5 still muffled.

6 MS. BRISCO: Sorry.

7 EXECUTIVE OFFICER LUCCHESI: Chair Yee?

8 CHAIRPERSON YEE: Yes.

9 EXECUTIVE OFFICER LUCCHESI: Maybe we can ask Ms.
10 Brisco to call in.

11 MS. BRISCO: Can you hear me?

12 CHAIRPERSON YEE: Yes. Ms. Brisco, why don't we
13 ask that you call in and provide your testimony. We'll
14 get you that number, since your connection seems to be --

15 EXECUTIVE OFFICER LUCCHESI: So, Jan, our -- the
16 number to call in is 1(253)215-8782 and then use the
17 webinar ID 81727860614. That information is also located
18 in our agenda on page two.

19 MS. BRISCO: Let me call in. I'm so sorry. Let
20 me call in.

21 CHAIRPERSON YEE: That's all right. No, we will
22 take you when we see you on the line.

23 EXECUTIVE OFFICER LUCCHESI: May I recommend
24 maybe we take a five-minute --

25 CHAIRPERSON YEE: A recess?

1 EXECUTIVE OFFICER LUCCHESI: -- recess?

2 CHAIRPERSON YEE: Yes, let's do that.

3 EXECUTIVE OFFICER LUCCHESI: Yeah, we're about
4 two hours in, so our transcriber might want that too.

5 CHAIRPERSON YEE: Okay. Why don't we actually
6 recess till about 10 after noon.

7 EXECUTIVE OFFICER LUCCHESI: Okay. Great.

8 CHAIRPERSON YEE: 12:10. Thank you.

9 (Off record: 11:58 a.m.)

10 (Thereupon a recess was taken.)

11 (On record: 12:10 p.m.)

12 CHAIRPERSON YEE: Okay. Why don't we -- let's --
13 great. Let's reconvene the Commission meeting. Do we
14 have Jan Brisco back?

15 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:
16 Yes, Madam Chair.

17 CHAIRPERSON YEE: Wonderful. Good afternoon,
18 Jan. Can you hear us?

19 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:
20 Jan, if you could unmute yourself.

21 MS. BRISCO: Hello. This is Jan Brisco.

22 CHAIRPERSON YEE: Hi. Jan. We can hear you.

23 MS. BRISCO: Hi. Thank you for the
24 accommodation, Madam Chair. I'm Jan Brisco. I'm
25 representing the Messmers in the transaction. And we have

1 come to an agreement to execute the lease as stated by
2 staff. I want you to know a little bit about this
3 structure. And I have a few -- and I'm not seeing them on
4 the screen, but I had a few photographs for you. I'm not
5 sure how well they're going to show.

6 CHAIRPERSON YEE: Yes.

7 MS. BRISCO: And you can just take a look at
8 this. This is -- this is what is affectionately dubbed
9 the big yellow boathouse. Fisher people, anglers, and
10 people who troll for lake trout like to line up on it to
11 do fishing, especially in the winter months and is also
12 quite an aid to navigation for people navigating --
13 sailors and boaters navigating the lake. And quite
14 frankly, it's one of the top rated sightseeing
15 destinations for people who like to look at some of our
16 history on Lake Tahoe. So this is a treasure. This is
17 really a rare and one-of-a-kind structure.

18 And listening to staff, I know it's very --
19 everything is very sanitized for the presentation, but
20 this really is a very functional boathouse. That's its
21 primary use and function. And it is really -- the
22 upstairs is really like a bunkhouse, similar to those
23 sleeping cabins at summer camp. It's functional only in
24 the summer. And comes fall, it's winterized, and
25 everything gets shutdown, and remains unoccupied between

1 October and May of each year. And since the 1930s -- you
2 can go through some of the slides, please.

3 Go ahead and --

4 --o0o--

5 MS. BRISCO: This is looking from shore out.
6 This is from the end of the boathouse where you go into
7 the boathouse looking back towards shore. You can see
8 there's some steep ramps that go up to the main level.

9 Go ahead, next slide.

10 --o0o--

11 MS. BRISCO: And this is looking from the top
12 patio down onto the boathouse.

13 Next slide, please.

14 --o0o--

15 MS. BRISCO: And this is the main entry. This
16 shows the same -- a general location in winter when the
17 property is closed up for the winter.

18 Keep going, please.

19 --o0o--

20 MS. BRISCO: Another -- this is the same type of
21 view during winter and in summer.

22 And next, please.

23 --o0o--

24 MS. BRISCO: And so this is a -- what we were
25 hoping to do with staff over the last three years, as

1 we've been working on this application, is to find a way
2 under Category 2 as it -- as it relates to the seasonal
3 use to find a way to do our discount and make a -- as the
4 statute had envisioned, a way to base our rent on fair and
5 local conditions. And so we were looking at that with
6 this historic report that we prepared and staff really had
7 us do quite a few machinations to go through this.

8 We are eligible through that process to be listed
9 on the historic register for the entire property. And we
10 really do feel that this is a commentary on the public
11 benefit of some of our maritime paths, especially with the
12 boathouse, and wanted to make sure that you understand
13 that we do believe that a discount for these types of
14 seasonal uses are in order, as they are with other
15 category 2 structures.

16 And while we're fine with the proposal today, we
17 really harken back to 2012 when the Legislature was
18 repealing the Code 6503. I happen to be the only member
19 of the public at the Senate Natural Resources hearing on
20 the repeal. And the senators were especially concerned
21 that these leases not be onerously expensive to the
22 lessee. And the statute has very clear direction that we
23 make it fair and based on local conditions. And so in
24 keeping with that -- in that vein, we hope to maintain the
25 big yellow boathouse for years to come for everyone's

1 enjoyment, as well as for the owners and the lessees of
2 this property.

3 And we appreciate your time today and thank you
4 very much.

5 CHAIRPERSON YEE: Thank you very much, Ms.
6 Brisco.

7 ACTING COMMISSIONER MILLER: Madam Chair.

8 CHAIRPERSON YEE: Yes, please, Commissioner
9 Miller

10 ACTING COMMISSIONER MILLER: Just on the issue of
11 public benefit and everyone to enjoy, so is -- are you
12 opening this house up to the public then, if everyone is
13 enjoying it?

14 MS. BRISCO: Well, they're enjoying it from the
15 exterior and from the -- and not only as an aid to
16 navigation, but as a -- as a -- an amenity to Lake Tahoe.
17 And I don't know if you've ever had an opportunity to see
18 it from the lake, but boaters come by in -- really in
19 droves every day. They cruise along the shoreline.
20 People like to see the piers and boathouses. But from the
21 standpoint of really an attraction, people come from the
22 Tahoe Keys, and they come out -- the family -- the Messmer
23 family have had so many interactions with the boating
24 public, because they'll come right up, and they'll -- and
25 they'll engage. The Messmers are happy to show them their

1 boathouse, if they ask. So it's -- it really is a
2 treasure for the lake.

3 ACTING COMMISSIONER MILLER: Again, Ms. Brisco,
4 I'm happy to support the lease. I'm going to disagree on
5 the definition of public benefit, which means that the
6 structure benefits everyone within the state of
7 California. I think it's a really important distinction
8 here. So I -- it's -- I understand that this has been
9 historically grandfathered in for reasons. But if this
10 were truly a public benefit, anyone at any time when the
11 house is open should be able to enjoy it and use it. So
12 this is still private property and it's not open to the
13 public.

14 So I -- again, I don't want to belabor the point.
15 I just would hate for there to be any suggestion that a
16 private property is in fact a public benefit in the State
17 of California. So with that, Madam Chair, I am a happy to
18 support the staff negotiation.

19 CHAIRPERSON YEE: Okay. Ms. Lucchesi.

20 EXECUTIVE OFFICER LUCCHESI: Just through the
21 Chair, at the appropriate time, I want to just clarify
22 staff's recommendation for the record --

23 CHAIRPERSON YEE: Yes.

24 EXECUTIVE OFFICER LUCCHESI: -- since it's not
25 reflected in the current staff report.

1 CHAIRPERSON YEE: Right. Right.

2 EXECUTIVE OFFICER LUCCHESI: And I'll do that at
3 your direction, Chair Yee.

4 CHAIRPERSON YEE: Okay. Thank you. Thank you,
5 Commissioner Miller. Let me turn to Nate to see if there
6 are any other members of the public.

7 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:
8 Madam Chair, we have no additional public
9 comments for this item.

10 CHAIRPERSON YEE: Okay. Very well. Ms.
11 Lucchesi, you want to provide that further --

12 EXECUTIVE OFFICER LUCCHESI: Yes. So I wanted to
13 clarify that the authorization on pages 18 and 19 of the
14 staff report, 1 and 2, are hereby removed. And what staff
15 is recommending the Commission authorize is the issuance
16 of a general lease, other, to the applicant, beginning on
17 September 13th, 2020, for a term of 10 years for the use
18 and maintenance of an existing pier with boat lift,
19 boathouse, with two boat lifts and residential quarters,
20 two mooring buoys, and one swim float, as described in
21 Exhibit A and shown on Exhibit B for reference purposes
22 only attached to the staff report, and an annual rent in
23 the amount of \$16,476.42 cents, with an annual Consumer
24 Price Index adjustment, and liability insurance, in an
25 amount no lease than \$2 million per occurrence.

1 CHAIRPERSON YEE: Thank you, Ms. Lucchesi. All
2 right. Any other comments by commissioners?

3 Commission Kounalakis, thinking?

4 COMMISSIONER KOUNALAKIS: No, but when the time
5 comes, I'm happy to move this item.

6 CHAIRPERSON YEE: Okay. Thank you. I think we
7 have a motion by Commissioner Miller on the item.
8 Commissioner Kounalakis will second that item. I will
9 note the Chair will be abstaining. So without
10 objection -- with all --

11 EXECUTIVE OFFICER LUCCHESI: I recommend we do a
12 roll call vote.

13 CHAIRPERSON YEE: Oh, we do roll call. Thank
14 you. Ms. Lucchesi.

15 EXECUTIVE OFFICER LUCCHESI: Yes. Commissioner
16 Kounalakis?

17 COMMISSIONER KOUNALAKIS: Aye.

18 EXECUTIVE OFFICER LUCCHESI: Commissioner Miller?

19 ACTING COMMISSIONER MILLER: Aye.

20 EXECUTIVE OFFICER LUCCHESI: Chair Yee?

21 CHAIRPERSON YEE: Abstain.

22 EXECUTIVE OFFICER LUCCHESI: The motion passes --

23 CHAIRPERSON YEE: Thank you.

24 EXECUTIVE OFFICER LUCCHESI: -- two to -- two
25 with one --

1 CHAIRPERSON YEE: Abstention.

2 EXECUTIVE OFFICER LUCCHESI: -- abstention. I'm
3 having a hard time with word retrieval right now. Sorry
4 about that.

5 (Laughter).

6 CHAIRPERSON YEE: Okay. Thank you. I didn't
7 mean to throw you for a loop.

8 (Laughter).

9 CHAIRPERSON YEE: Thank you very much,
10 commissioners.

11 Why don't we move on to the next item then, which
12 is Item 70. And that's to consider an application for a
13 general lease on State land located near the Casa Blanca
14 residential community in Carpinteria, and we do have a
15 presentation for this as well.

16 Please. Kelly and Maren, welcome.

17 (Thereupon a slide presentation).

18 PUBLIC LAND MANAGEMENT SPECIALIST CONNOR: Thank
19 you.

20 Good afternoon, Madam Chair and commissioners.
21 My name is Kelly Connor, a Public Land Management
22 Specialist in the Commission's Land Management Division.
23 And I'm here with my colleagues Maren Farnum, and Mike
24 Wells to present on Item 70.

25 Next slide, please.

1 --o0o--

2 PUBLIC LAND MANAGEMENT SPECIALIST CONNOR: The
3 proposed lease is for a rock revetment in sovereign tide
4 and submerged land in the Pacific Ocean near Carpinteria
5 in Santa Barbara County. The revetment can be seen in
6 these images.

7 Next slide, please.

8 --o0o--

9 PUBLIC LAND MANAGEMENT SPECIALIST CONNOR: The revetment
10 adjacent to the Casa Blanca properties was originally
11 built in the 1940s and expanded in the 1970s. The
12 Commission first authorized p-o-r-t-i-o-n-s of the.
13 Revetment's in December of 1979. In 1990, the Commission
14 authorized a second ten-year lease with \$960 in annual
15 rent. The parties disputed the location of the State's
16 ownership, but agreed on a non-prejudicial lease. That
17 lease was in connection with an upland development plan.

18 Next slide, please.

19 --o0o--

20 PUBLIC LAND MANAGEMENT SPECIALIST CONNOR: In
21 1996, the lease was terminated and a new lease was issued
22 and backdated to May 8th, 1993 and immediately assigned to
23 the applicant. That lease did not impose annual rent
24 citing public use and benefit as a consideration. It
25 expired on May 9th, 2003.

1 Next slide, please.

2 --o0o--

3 PUBLIC LAND MANAGEMENT SPECIALIST CONNOR: The
4 leases approved in 1990 and 1996 both included provisions
5 requiring the lessee to dedicate a public access easement
6 and construct a public walkway in the easement once
7 accepted. The County accepted the easement in May of
8 2011, but the walkway was never built. The failure to
9 build a walkway is the subject of an ongoing enforcement
10 action and litigation between the applicant, the
11 California Coastal Commission, and Santa Barbara County.

12 Next slide, please

13 --o0o--

14 PUBLIC LAND MANAGEMENT SPECIALIST CONNOR: On
15 January 16th, 2018, the applicant's attorney submitted a
16 jurisdiction determination request to Commission staff as
17 a requirement of the California Coastal Commission Coastal
18 Development Permit. On June 5th, 2020, and prior to
19 staff's jurisdiction determination, the applicant
20 submitted an application for a new general lease protected
21 structure use.

22 Next slide, please.

23 --o0o--

24 PUBLIC LAND MANAGEMENT SPECIALIST CONNOR: Staff
25 provided its jurisdiction determination on November 2nd,

1 2020, and initially concluded that an apparent 1946 mean
2 high tide line from aerial imagery was the best available
3 evidence of the mean high tide line's last natural
4 location. However, upon further review, staff revised its
5 initial determination and sent notice to the applicant, on
6 the revision January 4th, 2022.

7 Next slide, please

8 --o0o--

9 PUBLIC LAND MANAGEMENT SPECIALIST CONNOR: After
10 review, staff concluded that the 1964 mean high tide line
11 surveyed by Commission staff is the most appropriate line
12 to use to measure the lease area. The initial boundary
13 analysis did not rely on the 1964 survey, because of a
14 tsunami's potential influence on the surveyed mean high
15 tide line.

16 However, boundary staff located additional
17 information that showed the 1964 mean high tide line
18 survey was performed before the tsunami but recorded
19 afterwards. Next slide, please.

20 --o0o--

21 PUBLIC LAND MANAGEMENT SPECIALIST CONNOR: In
22 this exhibit, the 1964 mean high tide line can be seen
23 over an aerial of the current revetment. This exhibit
24 shows the extent of the encroachment of the revetment.

25 Next slide, please.

1 --o0o--

2 PUBLIC LAND MANAGEMENT SPECIALIST CONNOR: While
3 some revetment was present during the Commission's 1964
4 mean high tide line survey, it appears that the revetment
5 had been placed on the upland. However, aerial imagery
6 from 1972 shows evidence that the upland owners expanded
7 the revetment waterward of the 1964 surveyed mean high
8 tide line and backfilled behind it. This artificial
9 filling of tidelands means the boundary is best
10 represented in its last natural location in the 1964 mean
11 high tide line survey. This is the best evidence of the
12 last natural location of the boundary before the
13 unauthorized expansion of the revetment.

14 Next slide, please.

15 --o0o--

16 PUBLIC LAND MANAGEMENT SPECIALIST CONNOR:

17 The proposed lease area using the 1964 mean high
18 tide line, is approximately 35,872 square feet of existing
19 rock revetment. The revetment protects the applicant's
20 upland properties. During negotiations over fair rental
21 value for the revetment, both staff and the applicant
22 prepared appraisal reports. Staff has reviewed the
23 applicant's appraisal and subsequent responses to staff's
24 questions, and concluded that the applicant's appraisal
25 did not sufficiently capture the value of the lease

1 premises.

2 Next slide, please.

3 --o0o--

4 PUBLIC LAND MANAGEMENT SPECIALIST CONNOR: In
5 December of 2020, staff prepared an appraisal report using
6 the lease area from the previous jurisdiction
7 determination of the 1946 mean high tide line. On
8 November 8th, 2022, appraisal staff updated the 2020
9 appraisal with more recent comparable sales data and to
10 reflect the more recently calculated encroachment area.

11 Next slide, please.

12 --o0o--

13 PUBLIC LAND MANAGEMENT SPECIALIST CONNOR: The
14 appraisal quantitatively analyzed six comparable sales,
15 the comparable sales analysis indicated a land value of
16 \$320 per square foot. The \$320 land value conclusion was
17 adjusted for the functional impairment due to various
18 factors, including the irregular shape, nearly submerged
19 nature, waterway location with limited access, sloping
20 topography, and the lack of public utilities and off-site
21 improvements.

22 However, the limitations of the existing rock
23 revetment are offset to some extent by their benefits of
24 the upland property. Therefore, a 75 percent discount was
25 applied resulting in a value of \$80 per square foot.

1 Next slide, please.

2 --o0o--

3 PUBLIC LAND MANAGEMENT SPECIALIST CONNOR:

4 Appraisal staff calculated the area subject to
5 rent of \$80 per square foot times 35,872 square feet for
6 an appraised land value of \$2,870,000. The California
7 Code of Regulations calls for an annual rent to be based
8 on nine percent of the appraised land value of the lease
9 premises. Applying the nine percent rate of return to the
10 concluded land value results in annual rent of \$258,300.

11 Next slide, please.

12 --o0o--

13 PUBLIC LAND MANAGEMENT SPECIALIST CONNOR:

14 Compensation for the unauthorized occupation of sovereign
15 land is base on the rental value. Thus, compensation for
16 the five-year period from between December of 2017 through
17 2022 is \$1,291,500. At this time, I'd like to hand over
18 the presentation to Maren Farnum and Michael Wells.

19 SENIOR ENVIRONMENTAL SCIENTIST FARNUM: Thank
20 you. Next slide, please.

21 --o0o--

22 SENIOR ENVIRONMENTAL SCIENTIST FARNUM: So the
23 annual rent discussed addresses the physical occupation of
24 sovereign land. It does not capture the impacts of Public
25 Trust resources that these shoreline protective structures

1 cause. Michael and I are going to talk about what these
2 impacts are and how we can quantify them in order for the
3 public to receive compensation for the impacts to their
4 Public Trust resources, including, but not limited, to the
5 loss of beach access.

6 Next slide, please.

7 --o0o--

8 SENIOR ENVIRONMENTAL SCIENTIST FARNUM: The hard
9 armoring structures like revetments can have adverse
10 impacts to Public Trust lands, resources, uses, and
11 values. Though hard armoring can provide protection to
12 the upland property from flooding, it also actually
13 exacerbates many of the conditions that lead to flooding.
14 These structures disrupt natural shoreline processes, like
15 the movement of the sand laterally along the beach, and
16 they also accelerate erosion, leading to permanent beach
17 loss through what is called coastal squeeze, as the
18 structure prevents beach sand replenishment from upland
19 erosion, and it stops the beach from being able to
20 actually migrate inland as it naturally would. In
21 addition, they cover up sand habitat and generally impair
22 and limit beach access and opportunities for recreation.

23 Next slide, please.

24 --o0o--

25 SENIOR ENVIRONMENTAL SCIENTIST FARNUM: We can

1 see how much of this revetment on the lease premise has
2 altered the shoreline and impacted Public Trust resources
3 by looking at these photographs. These are aerial
4 photographs taken between 1929 and 1974 and they display
5 the loss of beach area and access that has occurred to
6 the -- due to the revetment and its effect on coastal
7 processes.

8 After the revetment's construction, you can see
9 the clear progression of the beach narrowing seaward of
10 the revetment and scouring at the revetment's eastern end.
11 The ongoing existence of the revetment continues to
12 exacerbate the situation.

13 Next slide, please.

14 --o0o--

15 SENIOR ENVIRONMENTAL SCIENTIST FARNUM: These
16 photos were taken just earlier this week between high and
17 low tide. You can see the coastal squeeze and blockage of
18 lateral access, disconnecting what was once a contiguous
19 beach.

20 Next slide, please.

21 --o0o--

22 SENIOR ENVIRONMENTAL SCIENTIST FARNUM: So now
23 we're going to talk a little bit about how we quantify
24 these impacts and why this is a different value than rent.

25 Rent is a market-based valuation that does not

1 include the benefits and value derived from the resources
2 and uses of Public Trust lands, such as recreation,
3 habitat, and erosion and flood protection. Scientists and
4 economists have worked together to develop methodologies
5 for accounting for these impacts.

6 In 2015, leading academics in this field,
7 including Dr. King, worked with the Coast -- California
8 Coastal Commission to author a report titled, "Improved
9 Valuation of Impacts to Recreation, Public Access, and
10 Beach Ecology from Shoreline Armoring". The report was
11 generated with funding from the National
12 Oceanographic[SIC] and Atmospheric Administration. And it
13 recommends the methods for valuing the impacts of
14 shoreline armoring to compensate the public for some of
15 these losses. And that's what we used to assess the
16 losses on these lease premises.

17 I'm now going to turn the presentation over to my
18 colleague Michael Wells who will be presenting virtually.

19 Next slide, please.

20 --o0o--

21 SEA GRANT FELLOW WELLS: Thank you, Maren, and
22 good afternoon Madam Chair and commissioners. So as Maren
23 mentioned, to calculate the impacts to the public,
24 Commission staff used the Coastal Commission report, which
25 recommends valuing the beach recreation that is lost due

1 to the shoreline armoring. This is known as losses in
2 annual recreational value. The recreational value
3 represents the value that a beach is worth to the public
4 for recreation, which is not included in its market price.

5 The losses caused by armoring are then calculated
6 by the difference between the recreational value of a
7 beach with and without armoring. These are losses --
8 these losses are costs borne by the public for losing
9 access and use of these Public Trust resources.

10 So to calculate the losses, three main inputs are
11 used. First is the day-use value to beach goers. This is
12 how much a trip to the beach is worth to the public that
13 is not included in market prices. Second is the
14 attendance density. This is the annual attendance of a
15 beach per square foot. And third is the square footage of
16 beach area that is lost due to the armoring.

17 These three inputs are multiplied to calculate
18 the losses in annual recreational value.

19 Next slide, please.

20 --o0o--

21 SEA GRANT FELLOW WELLS: So using this formula
22 for the Public Trust impacts of Casa Blanca's revetment,
23 staff calculated the recreational value of the State lands
24 that are covered by the revetment. The academic experts
25 who contributed to the Coastal Commission report, they

1 recommended valuing both the beach area that is covered by
2 the revetment and the beach area near the revetment that
3 is lost due to erosion. But for this unique situation, we
4 took a conservative approach and only included the lease
5 area that is covered by the revetment, which is
6 approximately 36,000 square feet.

7 For the day use value, we used the recreational
8 value of Southern California beaches that was calculated
9 by the report's experts. We then discounted that value by
10 50 percent to account for the fact that the lease premise
11 is below the mean high tide line and would be covered by
12 tides, and less available and desirable for some
13 recreational uses approximately half of the time. Now,
14 this was also a recommendation of the report's experts.

15 For attendance density, the experts calculated
16 the attendance density of Santa Claus Beach, which is the
17 adjacent beach that ends immediately at the western end of
18 the revetment and it has an attendance density of 0.83
19 people per square foot per year.

20 So multiplying that by approximately 36,000
21 square feet of encroachment and the day-use value of
22 2,518, that equals \$749,703 of annual recreational value
23 that is lost due to the revetment and is presently a cost
24 on the public.

25 Therefore, until the applicant provides similar

1 levels of public access, staff recommends that the
2 applicant pay this amount each year for losses to these
3 Public Trust resources.

4 Next slide, please.

5 --o0o--

6 SEA GRANT FELLOW WELLS: In addition to the
7 current impacts caused by the revetment, Commission staff
8 also assessed the vulnerabilities to climate change and
9 the related impacts to the revetment and Public Trust
10 resources. The projected sea level rise for Santa Barbara
11 area is shown on this table. And these projections are
12 from the State of California' sea level rise guidance,
13 which was issued by the Ocean Protection Council in 2018.

14 And our staff used the sea level rise mapping
15 tool called Our Coast, Our Future to understand how these
16 sea level rise projections will affect this site over the
17 course of the 10-year lease term. So sea level rise will
18 cause the lease area to become more vulnerable to erosion
19 and flooding. And the already narrow beach that surrounds
20 the revetment will contract even further, eventually
21 becoming permanently submerged. That will expose the
22 revetment to more frequent wave energy and damages such as
23 dislodgement of the rocks and more scouring of the
24 down-coast beach area.

25 This will further impact the public's ability to

1 use the beach seaward of the revetment and the adjacent
2 beaches. There will not be enough beach, even at low
3 tides, to safely walk around the revetment to get from one
4 side of the beach to the other, and more wave energy could
5 be reflected by the revetment, which will make it less
6 safe to swim, surf, and recreate near the revetment.

7 Next slide, please.

8 --o0o--

9 SEA GRANT FELLOW WELLS: So as sea levels rise,
10 this revetment is not going to continue to serve its
11 function of providing the upland property with flood
12 protection, and the impacts to Public Trust resources and
13 uses will only become more severe as time goes on.
14 Therefore, we are including a lease provision that
15 requires the applicant to develop a plan for the future of
16 this structure and consider transforming it into something
17 that will provide better flood and storm protection, and
18 greatly reduce the impacts to Public Trust resources.

19 This lease provision is consistent with the
20 science and policies endorsed by the State and Santa
21 Barbara County. And options for adaptation include a
22 number of nature-based solutions, which have multiple
23 benefits and in the long term are more cost effective to
24 build and maintain than conventional hard armoring
25 structures.

1 I will now hand it back to Kelly to discuss other
2 lease provisions and recommendations.

3 PUBLIC LAND MANAGEMENT SPECIALIST CONNOR: Thank
4 you, Maren and Michael.

5 Along with the standard lease provisions for a
6 general lease protective structure use, the Commission
7 staff are also proposing several specific provisions for
8 the applicant. These include a provision requiring the
9 applicant to submit a new lease application and deposit or
10 a plan for restoration of the lease premises no later than
11 December 8th, 2031, and a surety bond in the amount of
12 860,000 for the possible removal of the revetment.

13 Next slide, please.

14 --o0o--

15 PUBLIC LAND MANAGEMENT SPECIALIST CONNOR: Staff
16 recommends the Commission authorize the following.

17 One, authorize issuance of a general lease
18 protective structure use to Casa Blanca Beach Estate
19 Owners Association beginning December 9th, 2022 for a term
20 of 10 years of the use and maintenance of existing rock
21 revetment with an annual rent of \$258,300 with an annual
22 Consumer Price Index adjustment. Two, authorize
23 acceptance of compensation for prior unauthorized
24 occupation in the amount of \$1,291,500.

25 Next slide, please.

1 --o0o--

2 PUBLIC LAND MANAGEMENT SPECIALIST CONNOR: Three,
3 authorize acceptance of compensation for impacts to Public
4 Trust resources in the Amount of \$749,703 into the
5 Kapiloff Land Bank Fund on December 9th, 2023, and each
6 following year until the lessee provides public access.

7 And four, authorize Commission staff and the
8 Office of the Attorney General to take all necessary and
9 appropriate action, including litigation, to move
10 unauthorized improvements from State lands, if the
11 applicant does not sign the lease or fails to provide
12 compensation as specified in the lease.

13 Next slide, please.

14 --o0o--

15 PUBLIC LAND MANAGEMENT SPECIALIST CONNOR: Thank
16 you and staff is available to answer any questions.

17 CHAIRPERSON YEE: Thank you very much, Kelly,
18 Maren, and Michael for the presentation.

19 Let me turn to our commissioners for questions or
20 comments?

21 No.

22 Commission Kounalakis.

23 COMMISSIONER KOUNALAKIS: So the loss of the
24 public use number, the seven hundred and something
25 thousand dollars, that's per year until a walkway is

1 built, is that what I understand?

2 EXECUTIVE OFFICER LUCCHESI: Yes, Commissioner
3 Kounalakis. Based on what we know, the applicant is in
4 conversations with the California Coastal Commission and
5 the County of Santa Barbara to facilitate the dedication
6 of a vertical easement through portions of their upland
7 property that would then connect to the beach area just
8 down coast of that rock revetment to provide public access
9 to make up for the walkway that was previously considered
10 on top of the revetment, but has since, from what I
11 understand, been deemed to be infeasible at this time.

12 And so they're in negotiations. I think the
13 applicants' representatives are here and can speak more to
14 the status of those negotiations. But what we have been
15 told by the applicant is that they are fairly close to
16 getting to a resolution, at least conceptually on that,
17 and then how that actually gets memorialized is likely
18 another step in the process.

19 So ideally, we don't actually see this provision
20 being triggered, because based on what we know, they're
21 very close to actually resolving that public access
22 element. And that would generally suffice per the lease
23 terms to meet the term relating to Public Trust impacts --
24 Public Trust resource impacts.

25 COMMISSIONER KOUNALAKIS: But can you talk to me

1 a little bit about the timing of that, because if that
2 takes some time, how long do they have? So long as
3 they're in good faith process to build it, how long do
4 they have to actually be able to deliver it before that
5 \$750,000 per year would begin to be assessed?

6 EXECUTIVE OFFICER LUCCHESI: That is a great
7 question. So per the term of -- terms of the proposed
8 lease, we do have a start date of making payments for
9 those impacts in December of 2023. However, we did build
10 into the lease term language some flexibility, because we
11 understand that conceptually the parties may come to an
12 agreement, but it does take some time to get through the
13 Coastal Commission and county processes, and the applicant
14 does not have specific control over how fast or slow those
15 agencies move.

16 So the specific language in the proposed lease is
17 that they either have to provide the public access or
18 irrevocably commit to providing that access to lessor
19 staff's satisfaction. And so we believe working in good
20 faith with the applicant, that if they have come to a
21 conceptual agreement with the Coastal Commission and the
22 county, that we would be able to address that particular
23 term without additional deposits.

24 COMMISSIONER KOUNALAKIS: Okay. And then my
25 second question is can you just explain why the -- you

1 came up with four years as the period of time to assess
2 previous year's use that would need to be compensated?
3 Why four? What is it that -- how did it -- what was the
4 trigger for that?

5 EXECUTIVE OFFICER LUCCHESI: Yeah. That is also
6 a really great question. Based on the applicable law,
7 including the statute of limitations, the Commission is
8 prohibited from going back further than actually five
9 years. And I believe that's the authorization that we're
10 recommending is compensation for unauthorized occupation
11 going back five years. And that, like I said, is dictated
12 by the statute of limitations governing the ability for us
13 to seek --

14 COMMISSIONER KOUNALAKIS: Okay. So it wasn't
15 that something -- it was that you're looking back and
16 saying they have had this -- and now that we know where
17 the borders are, they have had this encroachment for quite
18 some time. But within our jurisdiction to be able to look
19 for compensation for that, we can only legally go back
20 five years.

21 EXECUTIVE OFFICER LUCCHESI: That's correct.

22 COMMISSIONER KOUNALAKIS: Those are my only
23 questions. Thank you.

24 CHAIRPERSON YEE: Thank you, Commissioner
25 Kounalakis.

1 I think at this point what I'd like to do is to
2 bring up the representatives for the applicant, just so we
3 hear that presentation and then we will open it for
4 questions again after that.

5 EXECUTIVE OFFICER LUCCHESI: Thank you, Chair
6 Yee. And I believe Nate will call up their
7 representatives. I do want to just, through the Chair,
8 let you know that they have requested 30 minutes to make
9 their presentation as the represented -- representative
10 team of the association. And then there are also a number
11 of the property owners that have also signed up that, you
12 know, per your direction --

13 CHAIRPERSON YEE: Sure.

14 EXECUTIVE OFFICER LUCCHESI: -- will have three
15 minutes each to comment.

16 CHAIRPERSON YEE: That's fine.

17 EXECUTIVE OFFICER LUCCHESI: Okay.

18 CHAIRPERSON YEE: That's fine.

19 So we'll -- so Nate, we will recognize the
20 representatives for the Casa Blanca Beach Estate Owners
21 Association. And we'll give them 30 minutes collectively
22 and then we will hear individual speakers after that.

23 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

24 Thank you, Madam Chair.

25 For our first public comment, I'd like to welcome

1 Lisa Weinberg who is joining us in person.

2 CHAIRPERSON YEE: Good afternoon.

3 MS. WEINBERG: Good afternoon. First, I'd like
4 to add my congratulations and thanks to you, Commissioner
5 Yee --

6 CHAIRPERSON YEE: Thank you.

7 MS. WEINBERG: -- for your service. My name is
8 Lisa Weinberg.

9 (Thereupon a slide presentation).

10 MS. WEINBERG: And I am counsel for the Casa
11 Blanca Beach Estates Owners Association, which owns the
12 common area in this subdivision, as well as its members
13 who own the individual lots within it.

14 Our first ask for you today is that you consider
15 continuing this matter and not taking the action today
16 that's been asked by your staff. The total amount at
17 issue in this proposed lease exceeds \$11 million for a set
18 of seven homeowners who first were given a draft of the
19 lease with actually numbers exceeding that the evening of
20 Thanksgiving weekend a couple weeks ago. We had a little
21 bit of time after the holiday to review it, meet once with
22 staff, and expressed our concerns.

23 We just received this final lease that's in front
24 of you on Monday. That's why I hope you've had the
25 opportunity to review our comments that we submitted. I

1 know they came in late, but we have had no time. And this
2 is such a significant increase from the leases that have
3 been in place for the past 50 -- 40 years, that it needs
4 more time. And there are other State and local agencies,
5 the California Coastal Commission and the County of Santa
6 Barbara that have been deeply involved in issues related
7 to this revetment and public access on the site.

8 We've been working with them for six years. We
9 asked for the boundary determination from your agency in
10 2018, and didn't get a response back for two years on
11 that. We were invited by them to prepare a lease
12 application and were told it was going to be well received
13 and that staff was interested in this vertical access that
14 I'll get to.

15 So imagine our shock when we suddenly are
16 presented with this multi-million dollar proposal. The
17 first part of the proposed lease that I would like to
18 address is the \$1.3 million nearly for the unauthorized
19 occupation -- so-called unauthorized occupation that goes
20 back for five years of back rent.

21 This property, as staff reported, was subject to
22 a lease in 1993 that was entered into in '96. It ran for
23 10 years. The initial term of it expired in 2003.
24 However, like all leases that the State Lands Commission
25 did back then, it had boilerplate provisions, general

1 provisions in the last section.

2 And if we could see the next slide, please.

3 --o0o--

4 MS. WEINBERG: The -- this is the page that has
5 Provision 14 of that section 3, which deals with holding
6 over.

7 Next slide, please.

8 --o0o--

9 MS. WEINBERG: It provides that when the initial
10 term of that lease ended, any holding over by lessee after
11 the expiration of the lease term with or without the
12 expressed or implied consent of lessor, the State Lands
13 Commission, shall constitute a tenancy from month to month
14 and not an extension of the lease term, and shall be on
15 the terms, covenants, and conditions of this lease, except
16 that the annual rental then in effect shall be increased
17 by 25 percent.

18 So ever since May 9th, 2003 up until the present,
19 Casa Blanca has continued to operate its revetment under
20 the terms of that lease as a holdover month-to-month
21 tenant. The rate that it would owe would be 25 percent
22 increase over the \$0 rent that it was paying under the
23 lease, so -- and the annual rent would be \$0.

24 We have not been encroaching. We have not been
25 conducting an unauthorized occupation. So there is no

1 basis to charge us anything for that. Staff has told us
2 that they don't buy that, that they don't think that we
3 have been a month-to-month tenant, because they said that
4 we were in default under the terms of the lease.

5 The term they've referred to is that which says
6 that lessee agrees to offer to dedicate to the County of
7 Santa Barbara and to construct and access way for lateral
8 pedestrian access over the revetment.

9 But this argument is disingenuous, because,
10 first, Casa Blanca's predecessor did dedicate the easement
11 for the walkway referenced in the lease, prior to the
12 lease even being signed. The dedication for the walkway
13 wasn't accepted by the County until 2011, eight years
14 after the initial term of the lease ended. There was no
15 way for us to construct a walkway when the easement had
16 not even been accepted.

17 Furthermore, the County accepted it in secret and
18 staff reported to the board of supervisors at the time
19 that they did not intend to have the walkway built. They
20 just wanted to accept it before it expired, and that they
21 would pull the permit at such time that they wanted to
22 move ahead with it.

23 Well, that was kept so secret that we didn't know
24 about it until we got a Notice of Violation from the
25 County and the Coastal Commission in 2017. At that time,

1 we immediately applied for a permit to build the walkway.
2 Once we were told that it was time and it was desired, we
3 did so, but the Coastal Commission has refused to schedule
4 a hearing on that application, because they recognized it
5 would be too hazardous to build. And the County has
6 refused to accept its obligations under the dedication to
7 maintain and accept liability for the walkway when built,
8 because it's too hazardous to build.

9 So we are not in default of that provision in
10 that 1993 lease. Even if it could be feasibly argued that
11 we were, however, it's not -- a landlord can't come after
12 the fact, after you've been occupying the premises under a
13 month-to-month tenancy for 19 and a half years and say,
14 oh, by the way, you were in default 30 years ago and
15 therefore we don't recognize your lease. There has to be
16 a Notice of Default. There has to be a Notice of
17 Termination and we've received none.

18 So we would ask that if you are to take action
19 today, that that \$1.3 million come out of the proposed
20 lease. Next, the proposed rent moving forward, our
21 appraiser will be speaking about the valuations that he
22 reached and the flaws that he sees in the appraisal that's
23 been relied on by the staff. But also just as important,
24 or more importantly, is the fact that nine percent of the
25 appraised value is not the only methodology that you have

1 to set a rent.

2 Under section 2003(a)(3), it also states that
3 rent should be fair in comparison to rents for other
4 similar lands or facilities. You also have an obligation
5 as a State agency to provide us with equal protection
6 under the law and due process. In my letter that I
7 submitted to you, I don't have time to go through all of
8 the details, but you'll see that just one year ago you
9 approved a lease -- an amendment to a lease for the Broad
10 Beach Area in Malibu, where they have 23 acres of
11 encroachment. We allegedly have 0.82 acres of
12 encroachment, which by the way, we also strongly dispute.
13 Have submitted a lot of evidence to the staff about
14 dispute about the boundaries. So that is not agreed
15 upon -- an agreed upon boundary.

16 But at any rate, the base rental rate that's
17 charged to the Malibu folks is \$0.33 a square foot. The
18 rate that's charged to us is \$7.20 a square foot. Not to
19 mention, that that is split between 88 homeowners in
20 Malibu. It's only split between eight lots, seven owners
21 in Casa Blanca. So each of the Broad Beach owners, and
22 some of the most expensive property in the entire State,
23 are being asked to pay \$3,700 a year, while each of our
24 owners, under this proposed lease, would be being asked to
25 pay about \$144,000 a year. It's not equitable.

1 Next slide, please.

2 --o0o--

3 MS. WEINBERG: This is a broad view of the area
4 in which we sit. Casa Blanca is located right here where
5 I'm pointing. But here's Carpinteria State Beach. Right
6 up coast from it is the Sandy Land Cove Development. They
7 were granted an agreement in 1995 about their boundary, so
8 they pay nothing for their revetment. There is the
9 Carpinteria Salt March -- Marsh, which basically shuts off
10 access to the Sandyland Beach here. And the Sandyland
11 owners were offered a lease by you three years ago after a
12 mediation and a dispute, in which the County, which built
13 their revetment is being asked to pay only \$125 a year for
14 their much longer, much more extensive revetment than
15 ours.

16 Here's our development. And then as you can see,
17 the closest -- here's Santa Claus Beach, the other beach
18 that's near us. The closest vertical access to the
19 Sandyland Beach that the Commission is saying we are
20 blocking access to is way up here. So people would have
21 to walk a very long ways down the beach even to get to our
22 revetment, let alone then cross it to get to Sandyland.
23 So it's not the existence of our revetment that is
24 stopping people from accessing Sandyland Beach, it's the
25 lack of a vertical easement to the nearest public road

1 that's nearby that would encourage people to use that
2 beach.

3 Next slide, please.

4 --o0o--

5 MS. WEINBERG: Let's go to the next slide after
6 that, please.

7 --o0o--

8 MS. WEINBERG: Okay. This is a closer view. You
9 know, you'll see the egregiousness of the comparison
10 between what's being asked of us being what's -- versus
11 what's asked of our neighbors in this slide. Here is the
12 edge of Casa Blanca right here. This property owner,
13 you'll hear from them today, is being asked to pay
14 actually double the annual fee, because they own this
15 empty lot behind them, from which they obviously receive
16 no benefit, and this historical guest house here.

17 They're being asked to pay double the annual
18 rent, so about \$300,000 a year. This is their next door
19 neighbor who is in the Sandyland subdivision. They're
20 protected by the same revetment wall here. This owner is
21 being asked to pay nothing. Likewise, the other side of
22 our development over on the left of the screen, this owner
23 will be asked to pay \$144,000 for the benefit of this
24 revetment, while this neighbor right here who has a
25 continuation of the same revetment is being asked to pay

1 nothing. So there's no rhyme or reason for why Casa
2 Blanca should be asked to pay such a large amount in
3 comparison.

4 The -- Dr. King is here as well. He's going to
5 talk about the lack of recreational value by the -- that
6 would have been provided by the provision of the walkway
7 that was asked for under the lease. And really the
8 presence of the revetment itself doesn't make a big
9 difference in that assessment versus the public benefit
10 that could be gained by the grant of a vertical easement
11 along the side of the Casa Blanca property.

12 Now, you'll notice the Lieutenant Governor
13 Kounalakis's question was a very good one. We're being
14 asked to pay \$750,000 unless we can provide some sort of
15 public access. We've been in discussions to provide a
16 vertical access along this line, but our property ends
17 right here. And the nearest public road crosses the
18 railway and then is right up here. There's also right now
19 the process of a coastal bike path being built and
20 improvements to this road being built to improve public
21 access.

22 So we recognize that a vertical easement would be
23 fantastic in this location and we have been willing to do
24 it. However, we don't control all of the property all the
25 way up. So even if we can make a commitment that would

1 satisfy staff, which we're very vague about what that
2 would be, it -- it's hard for us to agree to pay \$750,000
3 that may be waived under vague circumstances. But we
4 can't control that being done, both because we don't
5 control the Coastal commission and the County and what
6 they will or won't approve or how quickly they'll act.
7 And then we would have to get CDP from them to build it
8 out.

9 But also, if you see we also need the cooperation
10 of the Sandyland Protective Association, which is our
11 neighbor. They have not yet made any commitment to grant
12 the rest of the way that would be necessary for this
13 vertical easement. We don't see why we should be
14 penalized if they are reluctant to do so. There's also
15 one small portion of the vertical access way down here
16 that would also have to cross over a little bit of their
17 property. So, you know, we're a bit hamstrung in getting
18 this done until everybody cooperates and we don't think
19 that we should have to pay the price for that.

20 The alternative that staff is asking for is the
21 removal of the revetment. The revetment doesn't only
22 protect our properties. The revetment also protects this
23 building, which is a historic landmark on the property.
24 This used to be one large estate, with a Moorish style
25 castle on it. And this was the natatorium on it, which is

1 a beautiful Moorish style indoor swimming pool that has
2 been granted historic landmark status. If the revetment
3 is removed, it would clearly be subject to damage or
4 destruction as would the businesses along Santa Claus Lane
5 that this revetment helps protect, our neighbors
6 properties, our homes obviously, but also the railroad
7 track and Highway 101, which is just behind it.

8 So there is a lot of damage that can be done by
9 removing this revetment and at great expense, long delays
10 that would be involved in trying to, you know, litigate
11 this if it came to it, to try to win it all out. We ask
12 instead that as it is done in so many other occasions,
13 that this agency work cooperatively with the Coastal
14 Commission, with the County, and with us so, that one
15 global solution can be reached that compensates the State
16 fairly, where it should be compensated, that provides
17 better public access, and that is something that is
18 feasible and affordable for these small number of
19 homeowners in this neighborhood.

20 I'd ask now that we hear from James Ballantine
21 who is counsel for one of the homeowners.

22 CHAIRPERSON YEE: Thank you very much.

23 Mr. Ballantine.

24 MR. BALLANTINE: Yes. Thank you, Ms. Weinberg.
25 Commission Chair Yee, members of the Commission, my name

1 is James Ballantine. Thank you for the opportunity to
2 address this Commission on this matter.

3 As Ms. Weinberg indicated, I represent one of the
4 homeowners in the Casa Blanca Association. She, in
5 fact -- she and her husband were one of the original
6 homeowners and purchased a lot there in the mid-1990s and
7 built their home there.

8 I want to focus on what's really been overlooked
9 in the staff report on this, which is the existing lease.
10 And that's the existing lease that the homeowners relied
11 on in buying their lots and build on that and suggest that
12 a better solution to solve the problem before this Board
13 is, as Ms. Weinberg indicated, for the parties and the
14 agencies to work cooperatively to try to find the solution
15 to provide for public access here.

16 The rock revetment provides protection for my
17 client's home, for the community, and for a number of
18 community assets in the area. The provisions of the lease
19 were important and relied on by my client and her husband
20 when they purchased, and we believe all the other
21 homeowners in purchasing the property in Casa Blanca. One
22 of the important things about that lease is that it
23 specifically provides that the State Lands Commission
24 would not be able to simply terminate or cancel the lease
25 unilaterally. Obviously, that was a very important

1 provision for somebody building a home to rely on in doing
2 that behind this rock revetment, that by the way was
3 already there long before my client or any other homeowner
4 purchased their lots or built their homes. The lease --
5 and that lease is part of the chain and title.

6 What's further important in looking at the rent
7 provision that's partially before you now is that the
8 lease initially provided for rent of \$0, specifically in
9 consideration for the public benefits that that rock
10 revetment was providing. Those -- the rock revetment is
11 still there. The public benefits still remain there. The
12 reasonable expectation of the parties was that if those
13 public benefits continue to be provided, that -- the rent
14 would not be increased.

15 To the extent that that public benefit is
16 construed to be the provision of the lease that the lessee
17 offer, one, a public dedication of a walkway on the rock
18 revetment, and two, construction of that walkway, we point
19 out that, first of all, as to point one, that's been done.
20 That public offering was made before my client purchased
21 their property -- I think, I believe before anyone did.

22 That dedication was very specific and agreed to
23 by the county and the agencies, which was for a specific
24 five-foot easement walkway on the rock revetment. And it
25 was specifically the case at the time. The county said we

1 are not accepting this offer right now. They communicated
2 that to everyone. They then accepted that -- the
3 homeowners didn't know about that, because they didn't
4 publicly state it. But regardless of that fact, the
5 critical thing was that the county specifically said we
6 don't agree that the walkway be built or that we accept
7 responsibility for it now until further notice. And that
8 was one of the provisions in that public dedication done
9 pursuant to this lease, that the county would approve it,
10 and accept liability and maintenance for that public
11 walkway.

12 So essentially, the Association, the homeowners,
13 have fully complied with their obligations under the term
14 of the lease. They have offered that five-foot walkway.
15 The homeowners have gone beyond that as Ms. Weinberg
16 indicated. And I won't belabor the point, but they've
17 also suggested, although not required to, because that
18 easement was very specific, that's referenced -- by
19 reference in the lease, they said we'll -- we would agree
20 to actually a much more valuable access, that is a
21 vertical access, on more valuable land that would provide
22 more valuable access, and have been trying to work with
23 the agencies to accomplish that access.

24 That would -- that would -- if that's achieved,
25 that would -- to whatever degree the public use and

1 benefit was given in consideration for the zero rent, that
2 would -- that would provide for that and would be a win
3 for the public in providing that access that doesn't exist
4 now.

5 To the extent that the State Lands Commission can
6 otherwise establish that it has a right to now increase
7 the rent from zero, that rent does have to be reasonable.
8 You'll hear further information on why this isn't remotely
9 reasonable. I would just reference from the standpoint of
10 my client and the homeowners that their clear expectation
11 when they bought their property and they built their homes
12 in reliance on this lease, and that Lease amount was zero
13 then, that whatever rent that would be imposed was going
14 to be a reasonable rent bearing a reasonable relationship
15 to what they were looking at at the time. And to go from
16 \$0 to \$250,000, \$350,000 - the number keeps changing from
17 your staff on an almost daily basis or it has changed - is
18 not within the term of contemplation of the parties when
19 they purchased and built their homes there.

20 And I would just note that on a personal level
21 for my client, this would be undoable for her. It would
22 cause her -- if this lease were imposed upon her, this
23 would cause her to lose her home. She could not afford to
24 pay this rent and I suspect most of the other homeowners
25 in the community cannot either. So the effect of the

1 State Lands Commission in adopting this lease would be
2 forcing somebody out of their home of 30 years. And that
3 certainly wasn't, I think, in anyone's reasonable
4 contemplation when they purchased the property and when
5 this lease was done.

6 The attempt by the State Lands Commission to
7 unilaterally -- to replace the lease with the proposed
8 lease contains a number of provisions that are onerous and
9 were just not contemplated at the time that the lease was
10 put there.

11 The applicant is part of the Association's
12 efforts to resolve this matter by providing the public
13 access. I think all parties share that common interest to
14 do that. And what Ms. Weinberg has suggested is an
15 appropriate resolution -- is very appropriate to -- rather
16 than to accept this now, ask staff to continue to work
17 with the applicant and the agencies to try to craft a
18 meaningful resolution.

19 I would note that I submitted some written
20 comments. They came in late. I recognize that, because
21 the late nature of this matter. I hope you had a chance
22 to look at them. I would ask that they be made part of
23 the public record. And I would also encourage if the
24 Commission is to have any questions at all about this, to
25 please direct -- towards the applicant, please to direct

1 them to us or the homeowners. We'd be glad to try to
2 respond to them.

3 CHAIRPERSON YEE: Great. Thank you.

4 MR. BALLANTINE: Thank you very much.

5 CHAIRPERSON YEE: Thank you.

6 MS. WEINBERG: Next we have Dr. Phil King.

7 CHAIRPERSON YEE: Okay.

8 Good afternoon, Dr. King.

9 DR. KING: Hello, everybody. I'm honored to be
10 here. I'm particularly honored to be here during
11 Commissioner Yee's last meeting. I'm not normally here
12 representing homeowners, to be honest. Many of you know
13 me. I've done a lot of work on local coastal programs.
14 I've worked on AB 691 for the State Lands Commission.
15 I've worked with Maren and others.

16 But I took this case, and I've taken one or two
17 other cases, because I think there is an issue of
18 consistency here, frankly. Now, I'm honored and thrilled,
19 by the way, that Maren is using my work. And so when I
20 worked on this NOAA study in 2015, I thought no one would
21 ever read it frankly. And I think probably only a handful
22 of people have, but at least it's being applied.

23 I would though say that the application here
24 probably needs a little bit of adjustment. First of all,
25 as we heard earlier from Lisa and we'll hear probably from

1 others, we're really talking about a walkway here to a --
2 I don't want to say a remote beach, because obviously
3 we're talking about Santa Barbara County here. But my
4 experience with beachgoers is unless you're a surfer and
5 you're walking to Trestles or something, you're not going
6 to want to walk very far and -- to go to the beach.

7 And so basically, if you're looking at the
8 recreational value of this walkway, you're looking at
9 people who have to walk a very long period -- you know, a
10 relatively long way. And so our analysis indicated that
11 this is mostly for walking and it's a walkway. So I was
12 asked to do that.

13 Now, there are broader questions, I would agree,
14 and I've discussed this with some staff members, but I
15 would stand by my analysis. And I do think the
16 recreational value of this revetment is relatively low
17 frankly, on the order of something like a hundred thousand
18 dollars maybe.

19 But the other thing is the real solution here -
20 and Commissioner Yee, I've been hearing all morning that
21 you're a problem solver - open up Sandyland Beach. We
22 need to have access to Sandyland Beach. It's been a de
23 facto private beach since 1929. What I'm hearing from the
24 people I'm working with this, and this is one of the
25 reasons frankly why I'm working with them, is they are

1 willing and able to increase access. They're not saying
2 go away public, but they're saying, okay, meet us in the
3 middle. Let's find a reasonable solution to this, and I
4 think it's vertical access, I mean, at Sandyland. I think
5 the solution here is clear and I hope we can get to that.

6 But I also think that the fees here need to be
7 more consistent. I would align myself with Lisa's
8 statement about making sure that these fees are consistent
9 for everybody. And I don't think that's been the case
10 here.

11 So I will end. If any of you have questions for
12 me later, I'm around until the end of this discussion at
13 least. Thank you very much.

14 CHAIRPERSON YEE: Great. Thank you, Dr. King,
15 for being here.

16 MS. WEINBERG: Our next speaker is available on
17 Zoom. He's Lance Dore our expert submerged land
18 appraiser.

19 CHAIRPERSON YEE: Okay. Nate, can we have her
20 come on.

21 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:
22 Sure. Lance, you should be able not to unmute
23 yourself and begin your comments.

24 Lance, you're still muted. If you can unmute
25 yourself, please.

1 MR. DORE: Gotcha now. Are we good there?

2 CHAIRPERSON YEE: Yes, we can hear you.

3 MR. DORE: Okay. Good. Can you see me?

4 CHAIRPERSON YEE: Not yet.

5 MR. DORE: Okay. There we go.

6 CHAIRPERSON YEE: There you are.

7 MR. DORE: Okay. Good. Thank you, Madam Chair
8 and commissioners. I'm the appraiser that worked for the
9 Casa Blanca estate homeowners association. I have been
10 doing appraisal work for 40 years and I've actually done
11 work with the State Lands Commission for their benefit.

12 Just as a quick overview, I have a comparison
13 chart that I submitted, if you can bring that one up, that
14 will show some of the differences you're going to see
15 between the two appraisals. I want to highlight a few of
16 the relevant areas when that comes up.

17 (Thereupon a slide presentation).

18 MR. DORE: Thank you very much.

19 Appraisers are beholden to abide by uniform
20 standards of professional appraisal practice. It's a
21 federal law done by Montoya Act many years ago. And all
22 states basically abide by those policies and procedures
23 and for that matter law.

24 So I'm only going to highlight a couple of the
25 different aspects here in the appraisals. I've labeled

1 them as TDG, The Dore Group, that's me, and the State
2 Lands Commission. So if you'll go down to the one where
3 it talks about inspection, you'll note that I inspected
4 both the subject property and all the comparables. It is
5 reported in the State Lands Commission appraisal update
6 that none of the properties were inspected. The subject
7 was not inspected. The comparables were not inspected.

8 So just based on the lack of inspection by the
9 State Lands Commission, they would have no reference or
10 ability to make any kind of comparison between what the
11 subject is and the comparables. No inspection was done.

12 A highest and best use is a critical component in
13 any appraisal analysis. The State Lands Commission
14 highest and best use conclusion, which determines the
15 selection of comparables, used as a highest and best use
16 as residential use, that it could be developed. We're
17 talking about a rock revetment. My conclusion was
18 submerged land which is what it is. The State Lands
19 Commission appraisal showed that the zoning was a 10R1.
20 That is, in fact, incorrect. That is the adjacent use
21 next door. The actual resi -- zoning is a DR1.8. This is
22 important, because the densities are different. And I
23 won't go into the technical aspects of it, but when the
24 densities are different, the high -- the lower -- the
25 higher the density, the higher the value.

1 Average lot size I won't debate too much.

2 Another critical component here is that my
3 appraisal was what we call self-contained or full
4 narrative. This is generally what's required by all State
5 agencies for independent appraisals for proper review and
6 support. The State Lands Commission appraisal was what's
7 known as a restricted appraisal. This is a very limiting
8 analysis, which -- and I quote from the footnotes which
9 is referenced in the definition of market value, and I'm
10 quoting here from the Lands Commission appraisal. It
11 says, "Because of the restricted and limited analysis,
12 consequently the appraisal cannot technically comply with
13 the uniform standards of professional appraisal practice
14 as it relates to the definition of market value".

15 Now, what that tells me is that the State Lands
16 Commission appraisal made up a value. It wasn't based on
17 market value. It says it wasn't technically a market
18 value, so I don't honestly know what the State Lands
19 Commission appraisal is.

20 Going for -- going down a little bit talking
21 about the comps, the State Lands Commission testimony
22 earlier is incorrect. They indicated they used vacant
23 land sales as comparables. That is incorrect. Every
24 single comparable that the State Lands Commission used in
25 their appraisal was improved land. They had residential

1 improvements on them and then they made deductions for the
2 contributing factor of the houses.

3 All of my appraisal comps were vacant land. It's
4 very easy to skew values if you're trying to make
5 additional comparisons trying to allocate improvement
6 values to try to get down to a land value. Very poor
7 methodology.

8 If we go down to the very lower part of the
9 comparison, just to highlight a couple things, and I'll
10 wrap up here in a second, my discount from the -- what we
11 call the submerged, or the upland, was 90 percent, and the
12 State Lands Commission was 75 percent. The State Lands
13 Commission appraisal says that the State Lands Commission
14 has used discounts up to 75 percent. That is also
15 incorrect. The State Lands Commission in previous
16 agreements have used discounts up to 95 percent.

17 The last point I want to make, other than the
18 large disparity between the annual rent that I concluded,
19 which is 34,500, and the State Lands Commission, which
20 was, you know, roughly 300,000, was simply what I call a
21 comparison of rationality. And that is the State Lands
22 Commission value of the revetment area, which is
23 unbuildable, is \$2,870,000. The average home price in
24 Carpinteria today with a house is \$1,471,000. There's
25 just no rational support for the conclusions from the

1 State Lands Commission appraisal, nor is it supported
2 based on USPAP.

3 And my last parting remark, the appraisal that
4 was done by the appraiser for the State Lands Commission
5 was what is known as a certified residential appraiser.
6 That qualification or that designation by State law does
7 not allow the State to appraise these types of properties,
8 because it exceeds the experience level and value that is
9 required.

10 And that wraps up my conclusion. If you have any
11 questions, feel free to ask.

12 CHAIRPERSON YEE: Thank you very much for your
13 comments.

14 MS. WEINBERG: Thank you. Now, we'd like for you
15 to hear from the individual homeowners.

16 CHAIRPERSON YEE: Okay.

17 MS. WEINBERG: The first is Ms. Jane Defnet

18 EXECUTIVE OFFICER LUCCHESI: So, Madam -- through
19 the Chair.

20 CHAIRPERSON YEE: Please.

21 EXECUTIVE OFFICER LUCCHESI: Just to be clear,
22 the -- I believe the team presentation has concluded.

23 CHAIRPERSON YEE: Has completed, yes.

24 EXECUTIVE OFFICER LUCCHESI: The time -- the 30
25 minutes have expired.

1 CHAIRPERSON YEE: Yes.

2 EXECUTIVE OFFICER LUCCHESI: Now, we're moving on
3 to individual property owners --

4 CHAIRPERSON YEE: Correct.

5 EXECUTIVE OFFICER LUCCHESI: -- who you have the
6 discretion, but generally three minutes each.

7 CHAIRPERSON YEE: Exactly, yes.

8 EXECUTIVE OFFICER LUCCHESI: Thank you.

9 MS. DEFNET: Good afternoon.

10 CHAIRPERSON YEE: Good afternoon.

11 MS. DEFNET: And I'm hoping we get six minutes
12 with my husband and I combined.

13 My name is Jane Defnet. My husband Bruce and I
14 purchased lot 1 and lot 2 in the Casa Blanca development
15 in 1994. We've been homeowners there for 28 years.

16 Lot 1 is located behind lot 2, as you saw when
17 Lisa showed the slide, and remains an undeveloped lot.
18 Our cottage is on lot 2 and it was built in 1927. The
19 architect was the renowned George Washington Smith. Our
20 cottage is 1,700 square feet and has two bedrooms.

21 Although we have the option to build a much
22 larger home on the property, we chose not to in order to
23 preserve the historical significance of the home. The
24 County historical landmark pool house and our cottage are
25 the only original structures on the property.

1 Fortunately, the rock revetment protects them both.

2 Our little beloved beach house has witnessed many
3 changes on Sandyland Beach since 1927, but the biggest one
4 has been the incredible lateral drift of the sand when the
5 Santa Barbara Harbor was constructed. It's our
6 understanding the rock revetment, which was put in long
7 before our HOA existed, has stopped more of the sand from
8 leaving, otherwise there would be much less of Sandyland
9 Beach for the public to enjoy.

10 Bruce and I manage some rental property we own.
11 Therefore, we are familiar with leases and how the State
12 and County mandate how much a landlord can raise rent on a
13 tenant. We understand these laws were put in place to
14 treat renters fairly, and we respect the legal rights of
15 our tenants.

16 You can imagine our total dismay when we received
17 the proposed lease from State Lands staff on Monday. We
18 were shocked and so upset, we simply could not believe
19 what we were reading. When we finally had the courage to
20 do the math, we were horrified. Since we own two lots,
21 our annual share would be almost \$65,000 now, about
22 \$575,000 in a year, and then another 250,000, plus every
23 year thereafter for eight more years, compared to the zero
24 rent we have been paying all these years. This is
25 inconceivable to us.

1 As a striking comparison, our adjacent neighbor
2 in the Sandyland HOA pays zero rent to State Lands for the
3 seawall in front of their house. Their lease was
4 negotiated with State Lands a few years ago for a \$125 a
5 year, which Santa Barbara County pays. How can our house
6 share a property line with their house, and our share of
7 proposed rent to State Lands for a 10-year lease is at
8 least \$2,640,000, while they pay rent of zero?

9 And what would we be paying rent for? Mostly
10 submerged land that may or may not be under the rock
11 revetment, plus back rent, plus a penalty for not putting
12 a walkway in that we cannot get a permit for. We think
13 our homeowners association has gone above and beyond to
14 reach a global settlement involving vertical access. That
15 is why we are appearing before you today. Please do not
16 approve this lease and let us continue to negotiate until
17 we can reach an equitable and fair solution.

18 Thank you.

19 CHAIRPERSON YEE: Thank you.

20 MR. DEFNET: Good afternoon. Can you hear me
21 okay?

22 CHAIRPERSON YEE: Yes.

23 MR. DEFNET: Good afternoon. My name is Bruce
24 Defnet. Jane and I -- who you just -- Jane just spoke of
25 course. Jane and I drove seven hours yesterday to have

1 the chance to speak for these three minutes. That's how
2 extremely important we believe this meeting is to us.
3 You've heard all the facts and the figures from the HOA
4 attorneys and experts.

5 I'd like to focus on the big picture of what is
6 being asked of our small HOA composed of ourselves and six
7 members. As Jane said, we bought our cottage almost 30
8 years ago with the knowledge of what the fixed costs would
9 be. Thanks to the State of California and Proposition 13,
10 we know our property taxes would go up slightly every
11 year, and that's fair. It means that seniors like
12 ourselves would not be taxed out of their homes. Now, we
13 are faced with the opposite situation from the State of
14 California. Our HOA is being put on -- put in an
15 impossible situation that we never could have predicted or
16 planned for.

17 Personally, we currently pay \$16,000 annually in
18 property taxes for our house and the lot combined. Along
19 with the insurance, maintenance, and repairs, this is how
20 we budget our expenses. And now we are informed that we
21 need to sign a lease increasing the -- increasing what we
22 have always paid zero rent for to an exorbitant yearly
23 amount totaling at least 2,640,000 over a 10-year period
24 just for our share.

25 What are we supposed to do, sell our property?

1 Who would buy a two bedroom house and a vacant lot knowing
2 that you'd have these exorbitant yearly payments, and
3 after five or 10 years could increase more.

4 Casa Blanca Homeowners Association has worked
5 diligently the last five years to propose a better
6 alternative to public access to the beach. We have come
7 up with a solution. It would be a path to the beach on
8 association common area along the property lines between
9 our -- our house -- our two lots that we own. It will be
10 expensive for the homeowners association to build, but the
11 path will result in an incredible public benefit, and this
12 will be money well spent, directly to enhance the
13 recreational value of the beach for California residents.

14 We need more time to get the final pieces
15 connected. This will require negotiation and cooperation
16 from all parties. Thank you for the opportunity to speak.

17 CHAIRPERSON YEE: Thank you for your comments.

18 MS. WEINBERG: Our next speaker is on Zoom.
19 Property owner Kiran Pande.

20 CHAIRPERSON YEE: Okay. Nate.

21 EXECUTIVE OFFICER LUCCHESI: And through the
22 Chair, Chair Yee?

23 CHAIRPERSON YEE: Yes.

24 EXECUTIVE OFFICER LUCCHESI: We can -- Lisa, we
25 can call the public commenters --

1 CHAIRPERSON YEE: Yes.

2 EXECUTIVE OFFICER LUCCHESI: -- from here on out.

3 MS. WEINBERG: Sorry.

4 EXECUTIVE OFFICER LUCCHESI: No worries. No
5 worries.

6 Yeah. Nate, go ahead.

7 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

8 Hi, Kiran. You should be able to unmute yourself
9 and begin your comments.

10 MS. PANDE: Okay. Can you hear me?

11 CHAIRPERSON YEE: Yes, we can.

12 MS. PANDE: Okay. Thank you, Madam Chairperson
13 and honorable commissioners. My name is Kiran Pande and
14 I'm speaking on behalf of lot 4 of Casa Blanca. My
15 understanding is that Casa Blanca is currently engaged in
16 good faith negotiations with three government entities
17 that have been described earlier. The decision in front
18 of you today is really whether you enable a negotiated
19 solution to continue forward or whether you decide to
20 pursue the costly and lengthy litigation route. The
21 public will benefit the most if an equitable resolution
22 between all parties that is based on fairness is achieved
23 sooner rather than later.

24 If you do not have 100 percent certainty that the
25 State owns the land or that increasing the annual payment

1 from \$0 to over a million dollars will be upheld in
2 litigation, you really must consider continuing this
3 agenda item.

4 It is truly shocking as a homeowner that a
5 State's agency staff can unilaterally without negotiation
6 change a lease rate of \$0 to effectively over a million
7 dollars a year in just the course of a couple weeks, when
8 the current lease has been in effect for 30 years. The
9 fact that are our adjacent neighbor Sandyland just
10 negotiated a lease with your staff for \$125 annual rent
11 shows the absurdity of the proposed new lease for Casa
12 Blanca. The financial consequences to the seven Casa
13 Blanca lot owners is disastrous. The lease itself causes
14 an overnight devaluation. It makes the properties
15 unsellable.

16 At the same time, it imposes a financial burden
17 beyond our capacity to meet. So we can't afford to keep
18 our house with the new financial encumbrances, and at the
19 same time the new lease makes it impossible to sell. How
20 is that justified and can you, commissioners, in good
21 conscience call that fair?

22 Let me cut to the chase, Casa Blanca and State
23 Lands have agreed to disagree about the boundary line
24 issue for the past three decades. Obviously, a dispute of
25 this magnitude cannot be determined unilaterally by State

1 Lands staff, but requires mediation by an independent
2 third party. So either the parties move forward with such
3 mediation or the parties continue to agree to disagree and
4 keep the current lease which remains in effect at a \$0
5 rent.

6 While the three different government agencies
7 work with Casa Blanca on a resolution, I request you
8 continue this agenda item to provide adequate time for
9 that to be worked out through constructive negotiation and
10 mediation in good faith. And again, it's important to
11 emphasize that the public will benefit the most if an
12 equitable resolution between all parties that is based on
13 fairness is achieved sooner rather than later.

14 Thank you for your consideration.

15 CHAIRPERSON YEE: Thank you for your comments.
16 Thank you. Any other public members on this?

17 Yes, Nate.

18 EXECUTIVE OFFICER LUCCHESI: I believe so.

19 CHAIRPERSON YEE: Yes.

20 EXECUTIVE OFFICER LUCCHESI: I suggest we should
21 call on Nate to identify.

22 CHAIRPERSON YEE: Yes.

23 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

24 Madam Chair Yee, I'm showing that Courtney
25 Warren-Fishkin is with you guys in person.

1 CHAIRPERSON YEE: Yes, she is approaching us.
2 Thank you.

3 DR. WARREN-FISHKIN: Thank you. My name is Dr.
4 Courtney Warren-Fishkin.

5 And I am here really to plead with you to work
6 with us. This is obviously a very complicated situation
7 that we're in that is going to involve the cooperation of
8 three governmental agencies that have a tremendous amount
9 of power in comparison to our little HOA, which is seven
10 homeowners, you, the Coastal Commission, and the County of
11 Santa Barbara. I am here really to ask for your help.

12 My family and I bought our home in Casa Blanca in
13 2014. And at the time, we had no indication that anything
14 was amiss. There was nothing on my title report for any
15 violations. We had a \$0 lease that was attached to our
16 CC&Rs. I easily obtained permits from all relevant
17 agencies to repair my home. There was no indication that
18 anything was wrong.

19 So you can imagine my shock and utter terror,
20 along with my lovely neighbors, when in 2017, we were
21 served with a letter saying that we had been in violation
22 of the Coastal Act for not building a walkway that we had
23 no permits to build. I had absolutely no idea.

24 And since that time, every member of our HOA has
25 worked diligently to try to figure out what happened, how

1 did we get in this situation, and how can we find a
2 solution? Because there -- it was very clear from the
3 beginning of working with the Coastal Commission that we
4 were never going to get a permit to build anything in the
5 easement location that the County had accepted that we had
6 included in our offer to dedicate.

7 So we've been trying to creatively find a
8 solution that will work for us and for all public
9 agencies, so that we can produce a walkway that works to
10 serve the public benefit.

11 So I am not a lawyer. I am just tax paying
12 Californian here who is a homeowner who is desperately
13 trying to find a reasonable and fair solution to a problem
14 that I cannot fix without your help.

15 Please help us do that.

16 Thank you.

17 CHAIRPERSON YEE: Thank you. Our next speaker,
18 please?

19 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

20 For our next public comment, we have Susan Jordan
21 who is with us virtually.

22 CHAIRPERSON YEE: Okay.

23 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

24 Susan, you may unmute yourself.

25 MS. JORDAN: Okay. Can you hear me? And I'm

1 trying to start my video, but it's not letting me.

2 CHAIRPERSON YEE: That's all right. We can hear
3 you, Susan.

4 MS. JORDAN: Okay. I'm going to make a very
5 brief -- okay, now they've asked me to start my video.

6 Okay. Thank you.

7 CHAIRPERSON YEE: There you go.

8 MS. JORDAN: Okay. Great. Okay. I'm going to
9 make a brief comment on this item before I turn it over to
10 Laura Walsh of the Surfrider Foundation to delve into the
11 details. I have reviewed the staff report. I have
12 listened to the homeowners speak. I also live in this
13 area and I am very familiar with this location.

14 And, you know, over years of seeing issues like
15 this arise on the coastline up and down the state, I have
16 found it is not uncommon -- in fact, it's all too common
17 for private landowners to believe that what lies in front
18 of them belongs to them. This happened at Broad Beach,
19 where wealthy landowners believed that they could block
20 the public from enjoying the beach in front of their
21 homes. They even went so far as to hire guards who
22 patrolled the beach on buggies to warn people away. I
23 mean, there becomes this sense of entitlement and
24 ownership, and this lack of recognition, and still a
25 dispute that this land in front of these homes belongs to

1 the public, and a certain sense of entitlement that a zero
2 rent should prevail.

3 I mean, they talk -- their representatives talk
4 about coming to some kind of reasonable solution, but
5 veiled within those comments is clearly a sense of we have
6 zero rent, we should have zero rent moving forward, nor do
7 we agree that the public owns the land in front of here.

8 Not to mention the fact that the revetment was
9 put waterward forward into the ocean and then backfilled,
10 and then that becomes the quote/unquote for their private
11 use.

12 I -- it's very disturbing to me to listen this,
13 not like I haven't heard it a lot of times before from
14 different -- in different areas, but I really feel that
15 this is a hard decision for your Commission, in the sense
16 that many people come to believe that what sits in front
17 of them belongs to them. It does not. This is -- they
18 have private property. This land belongs to the public.
19 This revetment has had negative impacts both on public
20 access on the beach and these owners -- you know,
21 different times that -- for how long they've lived there,
22 but they come to enjoy the public's land as their private
23 benefit. And it is really time to change the course here
24 and make them responsible.

25 I mean, if you go back and look at the history

1 here, there is a very clear violation here. There was a
2 promise for that revetment to put a walkway. It was
3 understood that public access was necessary and required.
4 They can make all kinds of excuses for why that didn't
5 happen. It didn't happen. It was their responsibility.
6 It was -- it was, (inaudible).

7 CHAIRPERSON YEE: Thank you.

8 Our next speaker, Nate.

9 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

10 Chair Yee, our next speaker joining us virtually
11 is Laura Walsh.

12 CHAIRPERSON YEE: All right.

13 MS. WALSH: I think I've got slides, if anyone
14 can pull those up.

15 CHAIRPERSON YEE: Okay. Do we have Ms. Walsh's
16 slides?

17 (Thereupon a slide presentation).

18 CHAIRPERSON YEE: Go ahead, Laura.

19 MS. WALSH: Great. Great. Thank you. Good
20 afternoon, commissioners. My name is Laura Walsh. I'm
21 here representing the Surfrider Foundation. We protect
22 public beaches for all members of the public who use them.
23 Unfortunately, we are all too familiar with this scenario
24 of property owners monopolizing the public beach for their
25 private benefit.

1 Next slide, please.

2 --o0o--

3 MS. WALSH: But of the concerning coastal
4 armoring cases we come across every year, the permit
5 before you is really upsetting, especially as we heard
6 numerous times the word "public benefit" being applied to
7 this revetment, which is a mischaracterization to say the
8 least.

9 Next slide, please.

10 --o0o--

11 MS. WALSH: Here, we have public land that has
12 been illegally occupied for at least the last 19 years
13 that there's been no permit for this revetment. And this
14 photo shows one of the benefiting luxury villas flanked by
15 the revetment that has caused for 50 years and continues
16 to cause the disappearance of the precious public beach
17 and beach access all around it and I'd like to just pause
18 and reflect on whether or not this appears to have a
19 public benefit priority.

20 Next slide, please.

21 --o0o--

22 MS. WALSH: The appraisal from the applicant for
23 this property posited that a square foot of the public
24 real estate that's been occupied is worth price of a lunch
25 salad at Little Dom's, which is a local restaurant. And

1 this is not a good faith starting point for negotiating
2 away our tidelands. The real value of this land is clear.
3 At least one of the properties benefiting from this riprap
4 is listed as a luxury rental unit on a website that
5 appears to brag about just how difficult public access is
6 in this location.

7 Next slide, please.

8 --o0o--

9 MS. WALSH: So we very strongly support staff in
10 charging future rent, back rent, and obtaining Public
11 Trust compensation for this lease to the extent that
12 they're able. And if anything, we feel that the figure
13 should be adjusted upwards. The rent is too low. Even
14 staff's number, the 75 percent utility discount for the
15 revetment, this is revetment that clearly exists to
16 protect private property. So that's a very high discount,
17 and without it, the calculation is closer to \$1.3 million
18 dollars annually.

19 Given the statute of limitations, we're also
20 talking about 15 years that more like \$24 million that,
21 you know, we'll probably not get paid in full. So there's
22 already a lot of compromise there. Second, we appreciate
23 the use of the real estate valuation method to estimate
24 required compensation for the public. This component is
25 so necessary. Like Susan said, regardless of what's been

1 going on and the responsibility that different people feel
2 has been left out to dry, there's no public access in the
3 area, and that -- the public needs to be compensated for
4 what's been taken away.

5 And finally, we note that the calculations for
6 both the rent and compensation numbers are unduly low
7 because staff is suggesting relying on the 1964 mean high
8 tide line. That's the best available estimate, but it's
9 also 60 years old. And sea level rise has shifted the
10 public tide line landward.

11 And on that sea level rise topic, the climate
12 change adaptation lease provisions we find absolutely
13 critical to this. California relies on this Commission to
14 protect our narrow coastal spaces and value our tidelands
15 appropriately and take their occupation seriously. We ask
16 that you uphold this responsibility today and apply the
17 most appropriate rent and Public Trust compensation
18 figures to this decision.

19 Thank you.

20 CHAIRPERSON YEE: Thank you very much for your
21 comments.

22 Nate, our next speaker, please.

23 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

24 Madam Chair, we have no additional public
25 comments for this item.

1 CHAIRPERSON YEE: Thank you very much.

2 I want to thank everyone who has come before the
3 Commission on this item, but I'm going to turn it to staff
4 maybe just to help level set a number of issues, if I
5 could.

6 EXECUTIVE OFFICER LUCCHESI: Yeah, of course,
7 Chair Yee. Thank you.

8 First, I'd like to introduce our Assistant
9 Executive Officer, Colin Connor, to address some of the
10 points made around the appraisal methodology.

11 CHAIRPERSON YEE: Sure.

12 EXECUTIVE OFFICER LUCCHESI: And then I will
13 cover some of the rest of the points that were made that I
14 want to make sure we can respond to.

15 CHAIRPERSON YEE: Okay. Can I just add a couple
16 points --

17 EXECUTIVE OFFICER LUCCHESI: Yeah, please.

18 CHAIRPERSON YEE: -- to be sure they're covered.

19 We've heard a lot about consistency. I just want
20 to be sure we address that issue, one, and then two, I
21 think the issue around just the values -- the associated
22 values attendant to the revetment itself, I want to just
23 kind of talk about that. I think there's a lot of
24 reference to the revetment about where the benefit of that
25 lies. And so I want to just be sure we're understanding

1 how we ought be to looking at that from a valuation
2 perspective.

3 And then what I will say just kind of at the
4 outset is that for me at least a consistency issue in
5 terms of a starting point. And this is -- this has --
6 this is not dispositive of what we've heard today, but
7 there is this really basic issue about any of these
8 applicants that have been before the Commission occupying
9 public lands for private use without compensating the
10 public. I think that is kind of the threshold issue we're
11 trying to grapple with. And so I just wanted to kind of
12 use that as our overarching frame and then you and Connor
13 can kind of just touch upon those level set issues.

14 EXECUTIVE OFFICER LUCCHESI: Yeah, for sure.
15 Definitely.

16 COMMISSIONER KOUNALAKIS: Madam Chair. Madam
17 Chair, could I add a couple of things --

18 CHAIRPERSON YEE: Please. Please.

19 COMMISSIONER KOUNALAKIS: -- for staff to respond
20 as they respond to the speakers?

21 CHAIRPERSON YEE: Yes.

22 COMMISSIONER KOUNALAKIS: I -- can you also tell
23 us when is the first time that it was conveyed in writing
24 that the lease terms would have such a steep increase? I
25 think we heard that from some of the speakers that it was

1 only at Thanksgiving that they first heard of the
2 magnitude of the size of the compensation for the lease.
3 And I'd just like to -- because it seems like these
4 conversations have been going on a long time. And so I
5 would really like to know when -- if that's true, if they
6 had no idea that they would be, in order to have this
7 lease, looking at numbers of this -- you know, this change
8 from the last lease to this one?

9 And then the second thing is there was a point
10 raised about asking for compensation for the last five
11 years. If they were operating under a lease for the last
12 five years, how can we -- is it retroactive, as we heard
13 from the HOA attorney or is there something else going on?
14 Was there a lag in the lease that allows it. I'd just
15 like to hear our attorney respond to that. So those are
16 my questions. Thank you.

17 CHAIRPERSON YEE: Thank you, Commissioner.

18 EXECUTIVE OFFICER LUCCHESI: We will cover all of
19 those --

20 CHAIRPERSON YEE: Great.

21 EXECUTIVE OFFICER LUCCHESI: -- different
22 questions and issues that were raised by the
23 Commissioners. So first, I'd like to introduce Assistant
24 Executive Officer Colin Connor to just highlight some
25 points relating to the appraisal --

1 CHAIRPERSON YEE: Appraisal.

2 EXECUTIVE OFFICER LUCCHESI: -- and valuation
3 methodology.

4 CHAIRPERSON YEE: Great. Thank you.

5 ASSISTANT EXECUTIVE OFFICER CONNOR: Thank you.
6 Chair Yee, commissioners, my name again Colin Connor,
7 Assistant Executive Officer, former staff appraiser here.
8 I'd like to start first with thanking Mr. Dore to point
9 out -- pointing out all the differences between the
10 appraisals. There are differences. I'm not going to
11 delve into all of them. I'm going to highlight the ones
12 that are, I think, the most important and also some
13 misunderstandings that Ms. Dore may have.

14 First, I think I want to clarify when he talks
15 about the appraiser -- staff appraiser being a certified
16 residential appraiser. I used to be a certified general
17 appraiser. The whole State licensing came out of the
18 savings and loan crisis of the late '80s. And so
19 basically that -- the intent of the licensing was to have
20 controls over the appraisals involved with federal related
21 transactions, meaning federally insured transactions.
22 This is not that, so -- as far as I know anyway, this is
23 not that. And our appraiser -- our staff appraiser has
24 been doing this work for eight years, so he does have
25 considerable experience on coastal appraising.

1 Let's see a couple other things I think that are
2 important to note are that Mr. Dore says that all our
3 sales are improve sales. They are. Acknowledged. And
4 the reason why we use those sales are that we prefer to
5 stay in the location -- the general location. You know,
6 the old real estate phrase location, location, location.
7 And by doing that, we -- you know, we obviously start
8 looking for vacant lot sales in the area. Could not find
9 any. So our choices then were to extend looking for
10 coastal or, you know, oceanfront lot sales elsewhere,
11 which is what Mr. Dore did.

12 The advantage to our method is we don't have to
13 make adjustments for location. And oftentimes those
14 adjustments are subjective. We are taking sales from the
15 immediate area. Yes, they are improved sales. Then we
16 look at what the assessor has allocated the improved value
17 for those sales, and we take that out to get back to a
18 land value.

19 The assessors' offices are typically -- they have
20 people who specialize in certain geographic areas, certain
21 property types. They are experts in those locations in
22 those counties. So we feel very comfortable in relying on
23 their allocations of land and improvement values. And we
24 did follow up with them as a matter of fact, but -- so,
25 you know, that's -- in my mind, that's very key, because

1 we no longer have to make all these adjustments for
2 location or other things, because we're relying on the
3 experts to help us with those things.

4 I will point out that Mr. Dore said that all of
5 his sales were unimproved. From his own appraisal, it
6 looks like four of them have improvements on them. And
7 the pictures that he showed of those comparable sales, you
8 know, indicate that.

9 I'm not sure if he took out the value of -- the
10 contributory value of the appraisals, because it doesn't
11 look like it. It looks like he's using the overall value
12 of the property sale, land, and improvements. So that's
13 another thing.

14 I will say -- and I'm not going to delve too deep
15 in all the appraisal nuances, but a key component here is
16 we recognize that this land is different than the upland,
17 but we have to have a starting point. The starting point
18 is residential lot values here. This revetment protects
19 those residential lots. So we use that as the starting
20 point. And this is something where Mr. Dore and our staff
21 appraiser agree on the starting point, residential lots.

22 It's then -- we have some issues with the -- his
23 concluded value. But I think the -- one of the bigger
24 items to note here is the discount. And the discount is
25 really intended to reflect the difference between a normal

1 buildable residential lot and this -- like in this case,
2 the revetment. The revetment is, you know, a narrow
3 shape, irregular shape.

4 And so what we're doing is we're taking that
5 starting point, the residential land value, then we're
6 applying a discount to reflect those differences. But
7 we're also taking into account as Kelly noted in his
8 presentation, that there is a benefit to this land being
9 used by the adjoining upland. So this is a major point of
10 departure. We think it's -- we're recognizing those
11 differences, but we're also recognizing some value.
12 Hence, we arrived at a discount of 75 percent. Mr. Dore
13 used a 90 percent discount. And what is interesting about
14 that, in his appraisal, in his highest and best use, he
15 noted that the revetment is an integral part of this -- of
16 the development. And then he goes on to say when he's
17 assigning his 90 percent discount that there's a low
18 interdependency between the two, between the revetment,
19 the subject site, and the adjoining upland. Those don't
20 mesh. I would posit that the former is more important,
21 that it is an integral part of this, and hence a lower
22 discount. No, excuse me -- yes, a lower discount.

23 I think those are some of the key things that I
24 would point out. I will add, as part of our process, we
25 reached out to the assessor's office. We wanted to kind

1 of confirm, if you will, our concluded values. They
2 responded that the -- in this area, that they think the
3 unimproved land area, these lots, are worth anywhere from
4 20 to 40 million dollars per acre. Now, what that
5 apply -- what that equates to on a price per square foot
6 basis is \$459 to \$918 per square foot. We arrived at 320
7 per square foot. Mr. Dore, through his process and
8 discounting, arrived at something significantly lower.

9 And I am prepared to answer any questions.

10 CHAIRPERSON YEE: Questions or comments,
11 commissioners, on this aspect?

12 Ms. Lucchesi.

13 EXECUTIVE OFFICER LUCCHESI: Great. So first,
14 I'll start with this and I'll probably end with it too.
15 We, as staff, certainly recognize the significance of
16 this. We recognize the significance of this to the
17 individual property owners and the homeowners association.
18 We also recognize the significance of this to the public.
19 And so that is the job that we have as staff is to look at
20 these issues through the eyes of the public, because we're
21 managing public lands.

22 So with that, I wanted to first talk about the
23 timing issues. This is something I think that Chair Yee
24 has raised and certainly Commissioner Kounalakis has
25 raised. We first notified the homeowners association

1 representatives of the potential for a significant
2 increase in rent in March -- on March 24th, 2021, where
3 based on our calculations at the time which included a
4 smaller lease premises site, we conveyed that we would be
5 looking at an annual rent of \$198,900 per year for the
6 occupation of State property by the revetment. That has
7 obviously changed, based on an increase in the lease
8 premises, but that's when we first notified the
9 property -- or excuse me the homeowners association
10 representatives.

11 Now, with that said, the revised lease -- or,
12 excuse me, the lease -- the draft lease that we sent to
13 them for the first time that included the new amounts and
14 all the specific lease terms was, in fact, conveyed to
15 them the day before Thanksgiving as their attorney
16 representative -- represented.

17 And similarly, we sent them a revised draft lease
18 that actually reduced our initial proposed rent and made
19 some other changes to the lease terms based on a Friday
20 meeting with them -- or, excuse me, a couple days before
21 that.

22 And so they did get a final draft lease on Monday
23 from us. So we understand and can -- and -- understand
24 their perspective that the timing is very, very conflated
25 between when they received this information and our

1 hearing date today.

2 With that said, as we've talked about the statute
3 of limitations and going back for unauthorized occupation
4 of State tidelands, because we are limited by law by how
5 far we can go back, that time period rolls on. And so the
6 longer that we delayed entering in -- or bringing this to
7 the Commission, the impacts and losses to the public based
8 on the use of their land continues to be delayed. And so
9 that was a very significant element in our consideration
10 of bringing this to you on such short timeframe from the
11 homeowners' perspective.

12 In addition to that, there's been a lot of
13 conversation around the holdover provision. And that is
14 the fundamental kind of dispute or issue that was raised,
15 that -- there is no unoccupied occupation, because we've
16 been in holdover this entire time. That is something we
17 disagree with with the representatives. The lease
18 terminated in 2003. The consideration for that lease was
19 the public use and benefit as it related to the public
20 walkway that was first dedicated by the homeowners
21 association and then the next component was to actually
22 build the walkway.

23 We completely understand the history involved
24 here. We are not involved in that enforcement action.
25 That is between the Coastal Commission, and the County,

1 and the homeowners association. But regardless of the
2 reasons why, the consideration was not ever fully
3 realized. So we think in that instance in the first
4 place, terminates any expectation of holdover.

5 Second, they were required to submit proof of
6 insurance during the lease term, and even, you know,
7 assuming they were in holdover -- during holdover. And we
8 did not receive that proof of insurance either. So some
9 of the terms that needed to be complied with by the
10 homeowners association were not complied with to be able
11 to continue that holdover tenancy.

12 Now, I do want to just clarify, we never, through
13 our communications, identified the homeowners in default.
14 We just were explaining that we didn't think the holdover
15 tenancy existed, because of the failure to fully realize
16 the consideration and also the submittal of the insurance
17 requirements, and documents.

18 So I wanted to make that clear.

19 Moving on to consistency. So a couple of
20 different things. I wanted to just add on a little bit to
21 what Colin was mentioning with the appraisal and some of
22 the points that Mr. Dore was making. From a consistency
23 standpoint, when we look at how we approach rental rates
24 for non-water-dependent or private uses of State
25 tidelands, and we look at our methodologies and the

1 ultimate per square foot price, and we look at Solana
2 Beach or we look at Huntington Harbor, those price per
3 square feet undiscounted is, at Solana Beach, \$46.80 per
4 square feet. At Huntington Harbor, it's \$41.22 per square
5 feet, again undiscounted.

6 The undiscounted rate for Casa Blanca, as we're
7 proposing, is about \$28 a square foot. Discounted is at
8 \$7.20 a square foot. So we think, you know, to a large
9 extent in the methodology, we're being very consistent.
10 To a lesser extent, the -- you know, the -- how we've
11 calculated rent for the Casa Blanca lease is much lower
12 than what we have charged in other areas.

13 With the -- and I do want to address the two
14 examples that were raised by the homeowners association
15 representatives. First, with Sandyland or Sand Point,
16 this is the beach just directly down coast of the Casa
17 Blanca revetment. That is true in 2017, I believe, the
18 Commission authorized a 10-year lease to the County of
19 Santa Barbara for the continued use of State land for that
20 rock revetment. There are significant factual and legal
21 differences that set up that authorization versus what
22 we're dealing with here at Casa Blanca.

23 First, it's not the same revetment wall. The
24 County built and created an assessment district for the
25 rock revetment in front of Sand Point. They were the

1 applicant. They're a public agency. And that was a
2 history we had to deal with through the settlement of
3 potential litigation with Sand Point.

4 Second, it's built and assessed by the County --
5 excuse me -- and the science revolving around the impacts
6 that these rock revetments have on public lands, on public
7 use and recreation, and other Public Trust values have
8 become more and more clear and overwhelming. And so we're
9 using the best available science right now to develop this
10 recommendation before you.

11 Second, the State and the State Lands Commission,
12 along with other partner agencies, have made significant
13 progress in adopting various principles, implementation
14 plans, guidelines relating to sea level rise, the climate
15 crisis, and protecting valuable Public Trust resources
16 since that authorization in 2017 for Sand Point. And that
17 is also what has been guiding us as we develop this
18 recommendation. And finally, in terms of the difference,
19 that was a settlement of litigation with Sand Point.

20 The one thing that has remained the same between
21 those two instances is that we are relying on the same
22 best evidence of the mean high tide line just prior to the
23 rock revetments being built. And that is the 1964 mean
24 high tide line. So that is a level of consistency that we
25 have maintained. And the other inconsistencies that were

1 raised is because it's just different factual, legal, and
2 policy considerations that have elapsed over those
3 times -- over that time. Excuse me.

4 Next, I'm going to turn it over to Seth to
5 quickly describe the differences between this proposed
6 lease and what was authorized at Broad Beach in Malibu.

7 CHIEF COUNSEL BLACKMON: Thank you, Jennifer.

8 Commissioners, the Broad Beach -- the
9 characterization of the Broad Beach project by Ms.
10 Weinberg is just not accurate. I worked on this project
11 back in 2016, and I think the comparables here that are
12 important are, number one, we gave a lease that authorized
13 placement of sand over a 23-acre location, which would
14 have a public benefit. But if anybody would like to go
15 back and look at the lease, there are variable rental
16 rates in that lease that are very clear.

17 We are charging rent -- the \$329,000 of rent and
18 unauthorized occupation in that instance for an occupation
19 of 1.16 acres of public tidelands, so the revetment is out
20 there. It's a 4,100-foot long revetment. Approximately
21 1.16 acres of the total 3.02 acres was actually
22 encroaching. And that was the number that our surveyors
23 worked with to determine what the appropriate rental rate
24 would be. Just to put that in perspective, this was an
25 August 9th, 2016 decision, where we set rent over 1.16

1 acres at 329,000 and some change dollars per year. That
2 did not include the fact that when and if Broad Beach was
3 ultimately able to actually put sand on the beach and do
4 the renourishment project, which was a privately funded
5 project, including multiple vertical access easements, it
6 would be the creation not just of a wider beach, but an
7 entire foredune, and system, and ecosystem that would be
8 being paid for by the -- by the private homeowners.

9 I agree that it's a larger group, but I think
10 that as far as basic comparisons go in terms of size of
11 the actual encroachments and the assessment of our
12 valuation for that encroachment, it's very consistent.
13 And like I said, this was six years prior, where we
14 ultimately determined that \$329,000 per year was necessary
15 for 1.16 acres of encroachment.

16 There's a lot of other items obviously inside of
17 the Broad Beach project that differ as well and I'll just
18 highlight those very quickly. I think first and foremost
19 is the fact that Broad Beach actually did develop a
20 geologic hazard abatement district and created the ability
21 to actually do the tax assessments across the board for
22 their homeowners. I will say there were a number of
23 homeowners who had fought this and litigated it, which has
24 created other problems. But ultimately to this date, the
25 Broad Beach Geologic Haz -- Geologic Hazard Abatement

1 District has continued to prevail. But again, we start
2 getting into factual and legal differences that I think do
3 not allow for kind of an apple to apple comparison.

4 But again, getting back to kind of consistency on
5 how we've applied these on these larger projects that
6 are -- have one primary role, which is the protection of
7 private property, we identified that this is, you know,
8 the appropriate methodology. And it's -- like I said, it
9 is consistent.

10 Jennifer.

11 EXECUTIVE OFFICER LUCCHESI: So there's also been
12 conversations about the public benefit aspect of this
13 entire item. So I wanted to just parse that out a little
14 bit more, so we can -- maybe it's a little bit easier to
15 understand.

16 It is true that the Commission has the discretion
17 to reduce or eliminate monetary consideration, if there is
18 public benefit and use as part of the proposed lease and
19 the terms. And that's something that's in the full
20 discretion of the Commission to evaluate. That was
21 essentially what was considered as part of the prior
22 lease, which included not just the offer to dedicate,
23 which the property -- the homeowners association did
24 grant, but also to build the walkway. As we've mentioned,
25 that was never fully realized and there's a lot of

1 different considerations that are not controlled by the
2 homeowners association necessarily that have contributed
3 to that. However, with that said, that is a dispute
4 that's being litigated outside of the State Lands
5 Commission. We are not a party to that dispute.

6 The -- what we understand to be the resolution of
7 that settlement negotiation is that vertical access
8 easement or dedication. I don't know if they've actually
9 come to an agreement on the mechanism by which that access
10 would be granted. That would provide, you know, if all
11 the pieces fell into place, important public -- vertical
12 public access to the Sand Point -- or Sandyland Beach
13 area. And we see the potential in that, which is exactly
14 why we built that in as an alternative to the monetary
15 deposit of the impacts of Public Trust resources of
16 \$749,000. I know there was some reference to it being
17 vague in terms of what it would mean to be an irrevocable
18 commitment.

19 And we're happy to build that out or to have a
20 better understanding of that, but we intentionally left
21 that vague to give us flexibility to work with the
22 homeowners association, because we understand how complex
23 and nuanced those negotiations are, and then also the
24 regulatory process to actually implement it. So we wanted
25 to make sure that in good faith we could work with them to

1 achieve that benefit and address that term in the lease
2 giving us maximum flexibility to do so.

3 But going back to our original presentation,
4 there are -- the monetary components of the rent versus
5 the impacts of Public Trust resources are really
6 significant. We were characterizing it based on academic
7 research that it's the market versus non-market or market
8 and non-market consideration. And we believe that the
9 resolution that includes the public access dedication
10 vertical public access dedication would be a benefit to
11 replace the impact -- or address -- not replace, address
12 the impacts to Public Trust resources, the loss of
13 recognize, the loss of access, and that calculation.

14 What we don't agree with is utilizing that same
15 access, dedication, or easement to also reduce or
16 eliminate the monetary rent for the occupation of State
17 property. And I think this gets me to my -- leads me to
18 some of my last points I want to make. They also mention
19 a public benefit associated with this rock revetment
20 protecting the railroad, some businesses, and maybe a
21 historical landmark structure within the Casa Blanca
22 enclave development.

23 The historical landmark building is not open to
24 the public, as far as we understand it to be. And so
25 while we understand and respect this historic nature of it

1 and the landmark designation, we don't see the public
2 benefit associated with that, because the public isn't
3 able to access it, or see it, or view it, and enjoy it,
4 and appreciate it.

5 We also believe that the railroad line and the
6 businesses are so far inland that the revetment might have
7 an incidental benefit of protecting those -- that
8 infrastructure, but it's primary purpose and the reason it
9 was built and continues to be operated, and maintained,
10 and extended is to protect those private property on the
11 upland.

12 And so what we have here is what used to be a
13 long stretch of beach that could be accessed. I know
14 there's been a lot of conversation about people aren't
15 going to walk that far. And some people might, but some
16 others might want to jog along the beach. It's less than
17 a mile from the upcoast vertical access easement, or they
18 might want to, you know, send their dogs down there.
19 There's a lot of reasons why people would want to access
20 the entire coastline. And that rock revetment, you saw
21 pictures, breaks that. It breaks the beach and you cannot
22 access that area from the upcoast.

23 And so with that aspect, we're really -- like I
24 started, you know, our response, looking at this from the
25 eyes of the public. What -- what's the impact of their

1 property being occupied by rocks to protect private
2 property owners -- or excuse me, private property
3 residence -- residential structures. And then not just
4 the occupation, but as we have seen in the presentation
5 and the science is overwhelming that these rock revetments
6 hard armoring eats up beaches and creates impacts that go
7 way beyond the physical occupation of public tidelands.

8 And so that's the balance we're trying to strike
9 here. And it is very, very, very difficult, because of
10 how long the revetment has been authorized to be there or
11 has been there without monetary payment for the occupation
12 of public lands. And so we get that kind of jarring
13 effect of it. But at the same time, we don't see as staff
14 how we can continue on with that same approach, given
15 we're charged with being stewards of Public Trust
16 resources and managers of public lands.

17 So with that, I'll turn it back to the Chair for
18 any further questions.

19 CHAIRPERSON YEE: Yeah, appreciate the staff
20 covering a number of those issues that were raised with
21 the testimony. I have a couple more questions, then I
22 will turn it to my colleagues. The effect of the
23 revetment with respect to it's exacerbating beach erosion
24 and also the likelihood that that loss will likely not
25 ever be recovered, as we look forward in time.

1 And I want to speak to this issue about whether
2 to continue this matter or not. To me, it's one that I
3 don't know that it's going to be any less painful frankly
4 to think about all the issues attendant to what we've
5 heard today by putting the matter over. And I do really
6 want to thank the representatives of the -- of the
7 association as well as the property owners.

8 It is a -- our jurisdiction is clear with respect
9 to our responsibility at this Commission. And the reason
10 I mention the timing of this is that I also wanted to kind
11 of get your sense about the request about coordinating
12 with the other entities about the walkway issue and just
13 what can be done.

14 I see the issues as being separate in some
15 respects, but I also am very pained by the fact that this
16 is going to create some financial hardship for some of the
17 property owners. And so maybe some comments about the --
18 any role that this Commission has with respect to the
19 coordinating effort on that issue. And then secondly,
20 what options there are with respect to financial hardship
21 and the ability to pay.

22 EXECUTIVE OFFICER LUCCHESI: Certainly. So with
23 regards to the resolution of the Coastal Act violations
24 that are ongoing with the three parties --

25 CHAIRPERSON YEE: Um-hmm.

1 EXECUTIVE OFFICER LUCCHESI: -- like I said we
2 are not a party to that.

3 CHAIRPERSON YEE: Right.

4 EXECUTIVE OFFICER LUCCHESI: And we also saw this
5 as a separate issue in the sense of the Commission
6 authorizing a lease for the rock revetment under any terms
7 would not necessarily have any kind of substantive impact
8 on the negotiations and the ultimate resolution over
9 alleged Coastal Act violations.

10 With that said, we also realize that there's this
11 public access element that does link that process with our
12 lease. And so we tried to account for that in the
13 lease --

14 CHAIRPERSON YEE: Right.

15 EXECUTIVE OFFICER LUCCHESI: -- term by providing
16 alternatives and options. Now, with regards to what we
17 can do, we can continue to be kind of on the outside,
18 encouraging them to find a solution and be a facilitator
19 in that way. We could also -- there's also ways to change
20 the lease term, so that the \$749,000 doesn't kick in until
21 later to give more time to resolve. We think we've
22 accommodated that just in the flexibility language, but
23 that is within the Commission's discretion in terms of
24 making a decision today.

25 And so those are the two options that I think of

1 right now to both address the financial hardship and then
2 the process by which the Coastal Act violations or alleged
3 violations are being addressed.

4 Additionally, just overall on the financial
5 hardship, we -- I find it meaningful to look at this in
6 like a package deal, right? And there's four elements to
7 this package. There's the unauthorized occupation going
8 back five years, a little over \$1.2 million. You have the
9 rent moving forward for the term of the lease per year.
10 You have the impacts to Public Trust resources, which
11 could be accommodated through public access agreements.
12 And then you have the bond requirement, which is also a
13 cost to the homeowner's association.

14 There are -- the Commission obviously, as the
15 decision-makers, has the discretion to address all four of
16 those buckets or categories. I think that you have heard
17 from the homeowners association and the property owners
18 themselves about their belief of the holdover provision
19 and then being there -- consistent holdover lease in
20 effect. And that might be persuasive to address the
21 unauthorized occupation, from a decision-making
22 perspective, not a legal perspective.

23 Similarly, with the bond, we understand that's an
24 added cost and that's something that the Commission could
25 also make adjustments to in terms of phasing that bond or

1 liability protection, phase that in to get up to the
2 \$860,000 or whatever the third-party consultant
3 determines, as provided in our proposed lease.

4 I think as we've mentioned throughout our
5 presentation and delib -- responding to questions, the
6 rental amount per year and then the impacts of Public
7 Trust resources are really founded in a methodology for
8 our appraiser that we have used throughout the state. If
9 we want to give into different ways to address that, we
10 can certainly do that, but we feel very confident about
11 the consistency of how we've applied rental amounts
12 throughout the state for similarly situated situations.

13 And similarly, as I've mentioned numerous times,
14 the science is so clear and overwhelming on the impacts
15 these revetments, or hard armoring, has on trust resources
16 and public access, that -- but that we think the \$749,000
17 is very reflective and reasonable and may be even
18 conservative in terms of valuing those non-market impacts
19 to resources.

20 With that said, we've already, like I mentioned,
21 accounted for --

22 CHAIRPERSON YEE: Right.

23 EXECUTIVE OFFICER LUCCHESI: -- the public access
24 to try to eliminate that monetary cost. So that's how I
25 see the options in front of the Commission to both, you

1 know, take into consideration and factor in all the points
2 that the homeowners association has made and the property
3 owners have made, not just here in their public
4 presentation, but also in all the written materials that
5 have been submitted. And just to put a fine point on
6 that, those are all part of the public record --

7 CHAIRPERSON YEE: Yes.

8 EXECUTIVE OFFICER LUCCHESI: -- the
9 administrative record, and have been sent to all three
10 Commissioners and their staff for review prior to today's
11 hearing.

12 CHAIRPERSON YEE: Thank you. Thank you, Ms.
13 Lucchesi. Let me turn to my fellow commissioners.

14 Commissioner Miller.

15 ACTING COMMISSIONER MILLER: Thank you. Just a
16 brief question on the timing on the two issues, the
17 unauthorized occupation and the bond. I think those were
18 the two that you said could be phased in over time. Did I
19 understand that correctly? At what time periods and how
20 have we seen those phased in in the past?

21 EXECUTIVE OFFICER LUCCHESI: Well, for the bond,
22 we could -- there's all kinds of different ways. We could
23 start -- the proposed term that we're looking at is 10
24 years, so we could start with an \$86,000 bond in year one
25 and increase it each year until we get to \$860,000 towards

1 the end of the year. So something that consistently
2 increased through the year to get to that total amount
3 that we have identified or we also have a term in the
4 proposed lease that has a third-party consultant, I
5 believe, could take a look at the actual cost. That's our
6 best estimate based on the information that we have at
7 this time. So that could be phased in, you know, in an
8 equal manner every year as we get up to 860,000.

9 ACTING COMMISSIONER MILLER: And I don't fully
10 understand what the third-party consultant would do with
11 the amount. Sorry.

12 EXECUTIVE OFFICER LUCCHESI: So the \$860,000 for
13 the bond amount is what staff has concluded as the best
14 estimate of what it would cost to remove the rock
15 revetment, if the homeowners association failed to comply
16 with its terms or decided it didn't want to be a lessee
17 any more and the State was responsible for managing that
18 revetment or removing it. So that's -- was our best
19 estimate. But we also understand, we don't know it all
20 and we'd like to have a consultant come in. And this is a
21 consistent practice we have throughout the State --

22 ACTING COMMISSIONER MILLER: Right. Right.
23 Right. Yep.

24 EXECUTIVE OFFICER LUCCHESI: -- so to get a
25 better sense. And it could be lower.

1 ACTING COMMISSIONER MILLER: Right so this would
2 be the verification, but --

3 EXECUTIVE OFFICER LUCCHESI: Yeah.

4 ACTING COMMISSIONER MILLER: -- if we wanted to
5 extend it over a certain period of time, we could do it,
6 and divide the total amount by 10 and then increase the
7 fund every year.

8 EXECUTIVE OFFICER LUCCHESI: That's correct

9 ACTING COMMISSIONER MILLER: Okay. Perfect. And
10 then for the unauthorized occupation.

11 EXECUTIVE OFFICER LUCCHESI: For the unauthorized
12 occupation, there is, you know, a number of options before
13 the Commission. You can wave it in total. You could --
14 we could go back a certain number of years to when they
15 submitted their lease application. So there's different
16 ways to kind of skin that cat, if you will.

17 ACTING COMMISSIONER MILLER: Thank you.

18 EXECUTIVE OFFICER LUCCHESI: Um-hmm.

19 CHAIRPERSON YEE: Thank you, Commissioner Miller.
20 Commissioner Kounalakis.

21 COMMISSIONER KOUNALAKIS: Thank you, Madam Chair.
22 I guess I'd just like to start by saying to the -- to the
23 residents, having heard the anguish and frustration,
24 because this may be the only instance that you have been
25 personally engaged in around the issue of public access,

1 but to those of us who work in this realm of coastal
2 protection, combating climate change, and inequities of
3 the past around access to underserved communities, the
4 issue of public access to our beaches is something that
5 has -- it's a very, very big deal.

6 And I just think it's important that regardless
7 of the outcome of today and regardless of what happens
8 going forward that when Ms. Lucchesi says that this
9 unauthorized occupation breaks the beach, that is a very,
10 very significant thing to those of us who've been tasked
11 with the protection of 500 miles of California coastline
12 and the importance of elevating public access in a way
13 that for a long time people could get away with taking
14 that access away from ordinary Californians.

15 And so -- so I just wanted to start with that,
16 that in this process going forward, understanding the
17 magnitude of this issue to the public and to those of us
18 who are charged with protecting the public interest I
19 think is going to be important.

20 Having said that, I have served on this
21 Commission for four years, and this is a really
22 complicated lease. And it seems to me that when we have
23 really complicated leases, as a Commissioner, I've had
24 more time to understand the elements that underpin them.
25 And while I have enormous confidence in our staff, we've

1 met two times in the last few days about this, many of my
2 questions were answered and I became much more comfortable
3 with them, but there were other elements that are raised
4 today that I just feel that I would like to have more time
5 to understand before taking a vote on this.

6 So, I would ask -- and I -- Chair Yee, I know
7 this is your last meeting, and -- you know, and I
8 understand if the other two commissioners feel differently
9 about this, but I'm just not ready to vote on this. And
10 since the applicants are asking for a continuance, even
11 continuance of one meeting, not to unduly delay this
12 decision, I just am not ready to take a vote on it.

13 So I would either ask to continue to the next
14 meeting, so we can spend a little more time -- I can spend
15 more time with staff fully understanding some of the
16 elements of this and so that the lessee would have a
17 little more time to work with you as well.

18 So again, I put that out there. I may be alone
19 on this. But if we do vote, I will abstain.

20 CHAIRPERSON YEE: Thank you very much,
21 Commissioner Kounalakis. Let me just ask Commissioner
22 Miller, any thoughts on this. I'll just say -- I will
23 just offer that I think the issues are the issues that
24 we've identified. And Jennifer, thank you for laying out
25 I think what really the four points are that we're trying

1 to, you know, wrap our arms around. And for enumerating
2 some of the options that we may have on a -- on a couple
3 of those.

4 And I guess from my perspective and just looking
5 at the -- really the role and responsibility of this
6 Commission with respect to determining fair compensation,
7 it is -- I mean, I feel that our responsibility is pretty
8 well defined, as far as what our role is. In terms of the
9 other aspects of what the applicant wants to explore with
10 regard to the walkway issue, with -- which -- or with
11 parties outside of this Commission, I appreciate the role
12 that we can play in certainly trying to encourage and be
13 sure that those conversations continue to happen.

14 I guess what I'm trying to say is I don't know
15 that the situation gets better if we postpone this issue.
16 The issues are what they are. And, in fact, I think the
17 delay may actually be more detrimental from a valuation
18 perspective, in terms of how we're looking at particularly
19 the impact to public trust resources.

20 So I'm going to respectfully just -- I'm going to
21 respectfully ask that we look at trying to come to a
22 decision today that at least hardens where we are and
23 maybe can then begin to continue the conversation on some
24 of the flexibility issues around a couple of the elements
25 that you've put forth.

1 Commissioner Miller.

2 ACTING COMMISSIONER MILLER: Thank you, Madam
3 Chair. And to the residents, I sincerely am -- understand
4 that your first interaction with government here is
5 complicated, so I sincerely appreciate you being here, and
6 your comments sincerely make a difference.

7 I do think on the -- I would be ready to support
8 the lease terms today. I do think the two terms, and I
9 don't exactly how to do this, Madam Chair, so I defer to
10 you --

11 CHAIRPERSON YEE: Um-hmm.

12 ACTING COMMISSIONER MILLER: -- and the team.
13 The two terms that I do think -- to the extent we can
14 provide flexibility with what we've done before, I
15 especially think, given some of the points made, and I --
16 I sincerely hope this feels like deference to your points
17 and to where you are, that extending the timelines of the
18 bonds and -- I don't entirely -- I just am -- how -- what
19 we do with unauthorized occupation. It seems to me like
20 going back to the original lease application, at least --
21 at least accounts for some of the time value of where
22 these residents have -- where the beginning of this
23 understanding was, at least recognizes the importance
24 that -- in the role we play of protecting public access,
25 which is far and away our most important, but also the

1 economic impact that this will have, and how we stretch
2 that out a little bit. So I think -- I don't exactly know
3 how to -- how to make this motion, because I also don't
4 want to negotiate a lease on the fly.

5 CHAIRPERSON YEE: Right, from the dais. Right.

6 ACTING COMMISSIONER MILLER: So I guess my
7 suggestion, Madam Chair, is to support the lease, but what
8 I'd like the staff to come back with potentially in
9 January, February -- at our next meeting is -- are
10 adjustments to those two provisions that I -- that I do
11 think are important. I certainly don't want to make a
12 recommendation today, because I don't feel like I have the
13 ability on that due diligence. I don't know if that makes
14 sense to you at all or if I'm -- or if you have any
15 interest in that?

16 CHAIRPERSON YEE: I think maybe the way to do it
17 would be to look at accepting the terms before us today
18 and expressing flexibility with respect to those two
19 elements. And I don't know, Ms. Lucchesi, if that's
20 something that then you would come back to the Commission
21 with at a later time or do you need that spelled out
22 today?

23 EXECUTIVE OFFICER LUCCHESI: No. So I -- there's
24 two options. I could come up with a motion right now that
25 I think would be reflective of what Commissioner Miller is

1 expressing and the Commission could then deliberate over
2 that. Alternatively, you could defer action, but be very
3 specific and -- about the direction and that direction
4 could be voted on.

5 So that's -- but then the lease would be brought
6 back to the Commission at our first meeting in the new
7 year.

8 CHAIRPERSON YEE: Um-hmm.

9 EXECUTIVE OFFICER LUCCHESI: So those are the two
10 options. And I can start with the first option to see how
11 that might -- you know, how you might hear that, and
12 understand that, and how comfortable you are, and then we
13 can talk about the next option too.

14 CHAIRPERSON YEE: Okay. Why don't you go ahead
15 and maybe offer the first option.

16 EXECUTIVE OFFICER LUCCHESI: Yeah, definitely. I
17 just want to confirm the date of the application that was
18 submitted. Okay. So maybe we can just pause for a
19 second.

20 As we clarify that, the motion would be to adopt
21 staff's recommendation with the changes to the proposed
22 lease terms. As it relates to the paragraph relating to
23 unauthorized occupation, the unoccupied -- occu -- excuse
24 me, unauthorized occupation of State property would be
25 calculated between the date the application was submitted,

1 which was May 15th, 2020 to the five-year mark of today's
2 Commission meeting. So it would be -- the unauthorized
3 occupation amount would be calculated between May 15, 2020
4 and then going back then two, two and a half years,
5 whatever the five years from now back is, right? Five
6 years. Today back five years.

7 CHAIRPERSON YEE: Back five years.

8 EXECUTIVE OFFICER LUCCHESI: Yeah.

9 In a addit -- say that again? No, it's too
10 confusing.

11 (Laughter).

12 EXECUTIVE OFFICER LUCCHESI: We'll come up with a
13 date. Give me one second.

14 Then for the term relating to the bond and
15 liability protection, the motion would be to change that
16 to phase in in an equal amount per year of the lease term
17 until we get to the amount of \$860,000 in a bond amount or
18 whatever the third-party consultant hired by the
19 homeowners association determines in that respect.

20 CHAIRPERSON YEE: I have a question.

21 EXECUTIVE OFFICER LUCCHESI: Yes.

22 CHAIRPERSON YEE: So with respect to this
23 adjustment to the date for the unauthorized occupation --
24 and maybe it's this question just kind of generally. Have
25 we -- have we ever made that kind of consideration in the

1 past --

2 EXECUTIVE OFFICER LUCCHESI: Yes.

3 CHAIRPERSON YEE: -- and are we setting
4 precedent?

5 EXECUTIVE OFFICER LUCCHESI: We are not setting
6 precedent.

7 CHAIRPERSON YEE: Okay. All right. Thank you.
8 Yeah, please.

9 ACTING COMMISSIONER MILLER: Is that true for
10 both provisions, Ms. Lucchesi?

11 EXECUTIVE OFFICER LUCCHESI: Yes.

12 ACTING COMMISSIONER MILLER: Okay. Thank you.

13 CHAIRPERSON YEE: All right. Okay. So, Ms.
14 Lucchesi has suggested an option for a motion that I feel
15 comfortable making.

16 ACTING COMMISSIONER MILLER: I feel comfortable
17 with the motion. I would like the dates to be really
18 specific --

19 EXECUTIVE OFFICER LUCCHESI: Yeah.

20 ACTING COMMISSIONER MILLER: -- in this motion,
21 because I'm not --

22 EXECUTIVE OFFICER LUCCHESI: Let me -- I have the
23 dates. I can revise that.

24 ACTING COMMISSIONER MILLER: Okay. I'm sorry.
25 Thank you.

1 EXECUTIVE OFFICER LUCCHESI: Let me revise a
2 suggested motion, that the Commission authorizes staff's
3 recommendation as detailed in the staff report before you
4 with the modification to the paragraph in the lease
5 addressing unoccupy -- unauthorized occupation of State
6 lands. And that is to be calculated between December 9th,
7 2017 and May 15th, 2020. In addition, changes -- there --
8 changes to the paragraph dealing with bond and liability
9 protection, that the bond amount of \$860,000 can be built
10 up in equal installments over time over the term of the
11 10-years lease to either 860,000 or to the amount that the
12 consultant that's hired by the homeowners association
13 determines for removal cost.

14 CHAIRPERSON YEE: All right. So I will reflect
15 that in my motion.

16 ACTING COMMISSIONER MILLER: Great. Thank you.
17 And then I'd just like the third part of the motion, Madam
18 Chair, if you're amenable --

19 CHAIRPERSON YEE: Yes.

20 ACTING COMMISSIONER MILLER: -- to be that we
21 continue to work together on creating the opportunities
22 for public access. And that obviously would allow for
23 revisiting.

24 CHAIRPERSON YEE: Right.

25 ACTING COMMISSIONER MILLER: I understand we

1 don't have any control over that per se, because it's
2 not -- we're not the decision-making body, but just to
3 have the -- at least the collaboration in terms of the
4 issues around permitting and dealing with our sister
5 agencies around the state. And I would make myself
6 available for that assistance as well.

7 EXECUTIVE OFFICER LUCCHESI: Yes. So I would --
8 I would reflect that. There's two ways to reflect that.
9 One is to actually extend the date in the lease --
10 proposed lease, by which they would have to -- the
11 monetary deposit would be triggered.

12 ACTING COMMISSIONER MILLER: Um-hmm.

13 EXECUTIVE OFFICER LUCCHESI: You could extend
14 that out another year or two years, at your discretion.
15 Alternatively, the direction from the Commission could be
16 that we -- you direct staff to engage fully in the
17 conversations and the resolution that's being discussed
18 between the Coastal Commission, and the County, and the
19 homeowners association, to encourage and incentivize a
20 timely resolution that's reasonable, taking into -- I do
21 want to just reflect that taking into account as the
22 homeowners association representatives were describing
23 that it not just, but fully realize meaningful acc --
24 vertical access, it will take other entities --

25 CHAIRPERSON YEE: Right.

1 EXECUTIVE OFFICER LUCCHESI: -- to grant rights
2 to be able to do that.

3 So I want to make that clear. We tried to make
4 that clear in the proposed lease, in terms of the
5 commitment to irrevocably dedicate or commit to public
6 access at that -- what's in their control.

7 CHAIRPERSON YEE: Um-hmm.

8 EXECUTIVE OFFICER LUCCHESI: But I would want to
9 reflect that too in the motion.

10 CHAIRPERSON YEE: And that's the same provision
11 of the lease that currently has some flexibility language
12 in it --

13 EXECUTIVE OFFICER LUCCHESI: That's right.

14 CHAIRPERSON YEE: -- because of the recognition
15 that we don't have.

16 EXECUTIVE OFFICER LUCCHESI: Yeah, the homeowners
17 association and the property owners don't have full
18 control over the entire --

19 CHAIRPERSON YEE: Control over the -- exactly.

20 EXECUTIVE OFFICER LUCCHESI: -- process to fully
21 realize meaningful public access vertically at that site.

22 CHAIRPERSON YEE: I think I would prefer just to
23 have that be a direction to the staff.

24 ACTING COMMISSIONER MILLER: Yeah, I think that
25 makes sense. And then, if necessary, the staff could

1 actually bring that provision of it -- the separate
2 provision back, if it ever became necessary. Okay.

3 CHAIRPERSON YEE: Okay. So let me reflect all
4 that in a motion and is there a second?

5 ACTING COMMISSIONER MILLER: I'll second

6 CHAIRPERSON YEE: Okay.

7 Further discussion, commissioners?

8 COMMISSIONER KOUNALAKIS: Madam Chair.

9 CHAIRPERSON YEE: Please, yes.

10 COMMISSIONER KOUNALAKIS: I'll just -- I'll just
11 say that we talk about precedence, but we're making some
12 pretty significant modifications to the lease at the dais
13 without engaging the lessee. And we are leaving elements
14 of the lease open and approving it. I'm concerned that
15 this short -- relatively short time frame is breaking
16 other kinds of precedent.

17 And so I would just say, again, I -- I'm not
18 comfortable voting on this now and I'm just -- I'm just
19 concerned at the timeline of this, and that we tend to
20 give adequate time for our big decisions. And this --
21 this just really gives me pause.

22 CHAIRPERSON YEE: Thank you, Commissioner. And I
23 understand that. I think we're -- and this is difficult,
24 by all means. I don't -- I really appreciate the property
25 owners being here and really outlining for us their

1 perspective on all of this. I do think this is a matter
2 where the terms don't get better with the passage of time,
3 but for what we have made adjustments for today.

4 COMMISSIONER KOUNALAKIS: And may I just say,
5 it's not that the terms would get better with the passage
6 of time, but that considering what we are looking at with
7 this action in terms of ongoing disputes, that making sure
8 as commissioners that we have -- you know, if what just
9 came before us has required us to ask for certain elements
10 to be left open, that to me says that this is not -- that
11 we have not gone through enough process as commissioners
12 to fully evaluate all of the elements of what are being
13 included in this to make sure that they are all consistent
14 with precedent.

15 We haven't had, in my view, enough time to kick
16 the tires on all of these elements. It's something that
17 is complicated. And that in the process, doing that, it's
18 not just a mere passage of time, it's part of the process.
19 And so I am concerned that we are doing this without what
20 we usually do, which is give ourselves that additional
21 time to ask the questions and to answer them, especially
22 in terms of what we're talking about now, which is
23 approving a lease without even coming to a conclusion
24 about one very major element of it.

25 CHAIRPERSON YEE: I don't know that what we've

1 just described has left much open. But I will say that
2 I'm very sanguine about what the responsibility of this
3 commission is and that is to try to reach a point of what
4 constitutes fair compensation. And this -- and really the
5 bottom line here is that we have seen this applicant, as
6 well as applicants in other similar cases, occupying
7 public lands for a fairly lengthy period of time for
8 private use without any compensation to the public.

9 And I don't know how else to talk about how core
10 and central that is to the mission of this Commission and
11 our responsibility in terms of seeking fair compensation.
12 But I think the motion that was made and how we adjusted
13 it, I don't believe left much open. If anything, I think
14 it really provided some flexibility or hopefully some more
15 flexibility for the property owners going forward. But, I
16 mean, that's just kind of my perspective.

17 And this is a -- this is a tough case. And these
18 are the cases I don't particularly relish in having to
19 decide, but we are commissioners that have a duty to look
20 at how we ultimately determine fair compensation for
21 private use of public land.

22 So we have a motion and a second before us. Ms.
23 Lucchesi, you want to call the roll, please.

24 EXECUTIVE OFFICER LUCCHESI: One second.

25 Chair Yee, I'm not sure we heard a second.

1 COMMISSIONER MILLER: Oh, I seconded it.

2 CHAIRPERSON YEE: Yes. Commissioner Miller had a
3 second.

4 EXECUTIVE OFFICER LUCCHESI: Thank you. Thank
5 you.

6 All right. Commissioner Miller?

7 ACTING COMMISSIONER MILLER: Aye.

8 EXECUTIVE OFFICER LUCCHESI: Commissioner
9 Kounalakis?

10 COMMISSIONER KOUNALAKIS: Abstain.

11 EXECUTIVE OFFICER LUCCHESI: Chair Yee?

12 CHAIRPERSON YEE: Aye.

13 EXECUTIVE OFFICER LUCCHESI: The motion passes
14 with two votes and one abstention.

15 CHAIRPERSON YEE: Okay. Thank you very much.
16 Thank you to all of our presenters on this matter. It's
17 one where I'm sure we're all leaving not feeling
18 completely satisfied, but it does, I think, continue
19 the -- continue the actions that we'll need to happen in
20 order to get to the ultimate goal of determining fair
21 compensation. So let's -- appreciate everybody's input.

22 Let's take a five-minute recess, if we could.
23 Thank you.

24 (Off record: 2:41 p.m.)

25 (Thereupon a recess was taken.)

1 (On record: 2:53 p.m.)

2 CHAIRPERSON YEE: All right. Let's reconvene.
3 We are now moving on to Item 70 -- and I'm sorry, excuse
4 me, 71, relating to the South Coast Water District
5 application for general lease.

6 And we do have a presentation on this.

7 Good afternoon.

8 PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: Good
9 afternoon.

10 (Thereupon a slide presentation).

11 PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: Good
12 afternoon, Commissioners. My name is Drew Simpkin and I
13 will be presenting staff's presentation for Agenda Item
14 71.

15 Next slide, please.

16 --o0o--

17 PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: The
18 Doheny Ocean Desalination Project is located in the City
19 of Dana Point in Orange County. Portions of the project
20 within the Commission's jurisdiction are adjacent to the
21 Doheny State Beach Campground, which is owned and managed
22 by the California Department of Parks and Recreation.

23 Next slide, please.

24 --o0o--

25 PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: The

1 applicant, the South Coast Water District, or District, is
2 a public agency that provides potable water, recycled
3 water for irrigation, and wastewater services to
4 approximately 35,000 residents, 1,000 businesses, and two
5 million visitors per year in South Orange County. The
6 District's service area includes the communities of Dana
7 Point, South Laguna Beach, and areas of San Clemente, and
8 San Juan Capistrano.

9 Next slide, please.

10 --o0o--

11 PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: As
12 background, beginning in 2003, the Municipal Water
13 District of Orange County, or MWDOC, began studying the
14 feasibility of using seawater desalination in south
15 coastal Orange County's water supply portfolio. Over the
16 past 20 years, the MWDOC and the District have prepared
17 feasibility studies and technical studies regarding the
18 use of ocean desalination in Orange County.

19 On December 8th, 2005, the Commission authorized
20 a general lease public agency use to the MWDOC for the
21 construction and installation of a test slant well at
22 Doheny State Beach. In 2017, the slant well casing was
23 decommissioned and destroyed.

24 Next slide, please.

25 --o0o--

1 PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: In
2 2017, the District completed a water reliability study,
3 which identified existing and future water reliability
4 concerns, including system reliability, the ability to
5 meet water needs during seismic disruption, and supply
6 reliability during extended drought when imported and
7 local water supplies are limited. The study also compared
8 five other water supply projects with the proposed
9 project.

10 Next slide, please.

11 --o0o--

12 PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: The
13 Doheny Ocean Desalination Project ranked highest in system
14 and supply reliability, resilience to seismic events, and
15 climate change. The project also ranked highest in
16 retaining a high level of local control over the project.

17 Next slide, please.

18 --o0o--

19 PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: The
20 District currently imports the majority of their water
21 supply and anticipates an 11 percent increase in water
22 demand and seven percent population growth over the next
23 25 years.

24 Next slide, please.

25 --o0o--

1 PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: The
2 Doheny Ocean Desalination Project will have an initial
3 capacity of five million gallons per day. The components
4 of the project within the Commission's jurisdiction are
5 limited to five subsurface slant wells that will draw
6 ocean water from offshore below the seafloor, shown as the
7 light blue lines extending offshore of Doheny State Beach
8 Campground and a concentrated brine disposal system, and
9 the use of an existing wastewater ocean outfall, which
10 will be discussed later in the presentation.

11 The desalination facility will be located on the
12 District's existing San Juan Creek upland property shown
13 in green.

14 Next slide, please.

15 --o0o--

16 PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: The
17 approved project as described in the Final Environmental
18 Impact Report assumed construction within Doheny State
19 Beach, including areas north and south of San Juan Creek
20 Lagoon referred to as the north day use area and the south
21 day use area, depicted in purple.

22 The installation of slant wells was also
23 initially proposed adjacent to the north day use area,
24 shown as the purple lines extending offshore. During
25 discussions with California State Parks, State Parks Staff

1 suggested a modified project that would limit construction
2 at Doheny State Beach to incur entirely within the Doheny
3 State Beach Campground area.

4 The modified project avoids all construction and
5 operational impacts within the north day use area and the
6 San Juan Creek Lagoon, reducing the construction footprint
7 from 32 to nine acres, a roughly 70 percent reduction in
8 the area affected by the project within Doheny State
9 Beach.

10 Additionally, slant well pods A, B, and C are no
11 longer proposed.

12 Next slide, please.

13 --o0o--

14 PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: Based
15 on the modified project, the entire Doheny Beach
16 Campground is needed for staging due to the compressed
17 estimated 18 to 24 month schedule. Therefore, State Parks
18 will take the closure as an opportunity to restore
19 campground facilities with appropriate modernized
20 facilities consistent with State Parks objectives and the
21 Doheny State Beach general plan policies. Campground
22 restoration would include water, power, and sewer hook-ups
23 for individual camp sites, safety improvements to the
24 existing bicycle and pedestrian path that runs adjacent
25 and through the campground, and replacing the existing

1 amphitheater/fire pit and kiosk area with an appropriate
2 interpretation/education area.

3 Next slide, please.

4 --o0o--

5 PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: The
6 five subsurface slant wells under the proposed lease would
7 originate from two to three wellheads located within
8 Doheny State Beach campground and south of San Juan Creek
9 Lagoon. The wellheads themselves are outside the
10 Commission's jurisdiction shown as the dashed red line.
11 The slant wells will extend approximately 970 feet
12 waterward of the wellheads and terminate 75 to 130 feet
13 beneath the seafloor.

14 Next slide, please.

15 --o0o--

16 PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: The
17 wells will be constructed using a dual rotary drilling
18 method. This method provides a large diameter cased bore
19 hole inside which the well is constructed and gravel
20 packed before the outer casing is then extracted. Once
21 installed, the wells would be developed, which involves
22 pumping out sand and other debris.

23 Next slide, please.

24 --o0o--

25 PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN:

1 Process brined from the desalination plant would
2 be discharged through the existing San Juan Creek ocean
3 outfall, which is owned and operated by the South Orange
4 County Wastewater Authority, or SOCWA, of which the
5 District is a member agency. The outfall extends from
6 Doheny State Beach and terminates 2.2 miles offshore.

7 The brine from the desalination plant would be
8 blended in the outfall pipeline with existing wastewater
9 streams. Mixing desalination brine with existing
10 wastewater treatment plant flow, or commingled discharge,
11 is the preferred discharge method consistent with the
12 State Water Board's Ocean Plan amendment.

13 The SOCWA has applied to the Commission to
14 terminate their existing lease for the San Juan Creek
15 ocean outfall and obtain a new lease to allow for the
16 continued use of the outfall, including the disposal of
17 brine from the proposed desalination facility. That item
18 will be considered as a separate agenda item, Item 52.

19 Next slide, please.

20 --o0o--

21 PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: The
22 discharge of wastewater and brine is under the exclusive
23 jurisdiction of the San Diego Regional Water Quality
24 Control Board. On March 9th, 2022, the regional board
25 issued a new NPDES permit to SOCWA which allows for the

1 discharge of brine from the desal project. The regional
2 board's review and issuance of the NPDES permit ensures
3 that the composition of wastewater and brine discharge
4 meets the State's water quality standards. The order also
5 requires an offset for the impacts from the brine
6 discharge by creating approximately seven and a half acres
7 of wetland mitigation.

8 Next slide, please.

9 --o0o--

10 PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: The
11 District also proposes to install an Acoustic Doppler
12 Current Profiler as part of a larval fish study required
13 as part of the regional board's order. The profiler would
14 be a seafloor mounted upward looking system that will
15 periodically measure and record ocean current speed and
16 direction throughout the water column.

17 Next slide, please.

18 --o0o--

19 PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: The
20 District believes the project will reduce its dependency
21 on imported water, secure a reliable drought-proof water
22 supply. Together with recycled water and groundwater, the
23 project would provide the District approximately 92
24 percent of its water supply through local sources and
25 provide the opportunity to meet emergency water demands

1 from other local agencies.

2 Next slide, please.

3 --o0o--

4 PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: The
5 District certified the Final Environmental Impact Report
6 in 2019 and adopted a Mitigation Monitoring and Reporting
7 Program. As a CEQA responsible agency, staff then posted
8 an addendum in November 2022 that evaluated the modified
9 project activities that would occur on or affect State
10 Lands.

11 Staff recommends revisions to the Final EIR's
12 greenhouse gas, or GHG, emissions and tribal mitigation
13 measures. The proposed tribal monitoring mitigation would
14 incorporate the results of the District's continued tribal
15 consultations and require the District to contact other
16 culturally affiliated tribes and retain a tribal monitor,
17 if requested.

18 Next slide, please.

19 --o0o--

20 PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: The
21 District's adopted GHG mitigation includes carbon offset
22 purchases to help achieve net carbon neutrality for the
23 project. Since 2019, however, the Golden Door II legal
24 case has underscored the need for mitigation measures to
25 have enforceable permanent standards and objective

1 criteria to ensure that GHG reductions from offset credits
2 are actually achieved. Staff recommends revising the GHG
3 mitigation measures to be consistent with recent court
4 guidance.

5 The proposed changes provide specific and
6 comprehensive criteria for GHG credit purchases and
7 prioritize purchases from the project region. In
8 addition, staff will obtain reporting information to
9 gather needed data on the GHG credit market.

10 At this point, I will pass the presentation over
11 to the Commissioner's Environmental Justice and Tribal
12 Liaison who will cover tribal cultural resources and
13 environmental justice.

14 ENVIRONMENTAL JUSTICE LIAISON RAMIREZ: Thank
15 you, Drew, and good afternoon, Madam Chair and
16 Commissioners. I will be --

17 Next slide, actually, first.

18 --o0o--

19 ENVIRONMENTAL JUSTICE LIAISON RAMIREZ: Thank
20 you. So staff conducted a review of the tribal
21 consultation done by the District and the Coastal
22 Commission staff. The final EIR found that impacts to --
23 and anticipated tribal cultural resources could result
24 from activities occurring on or affecting State lands.
25 However, the District adopted two mitigation measures in

1 response. One of them is providing worker awareness
2 training, and the second is construction, monitoring, and
3 protocols to stop work if tribal cultural resources are
4 discovered.

5 The Final EIR -- after the Final EIR
6 certification, the District held tribal consultations with
7 that Juaneño Band of Mission Indians - Acjachemen Nation
8 (Lucero Group), and the Acjachemen Nation (Belardes
9 Group). As a result of this consultation, the District
10 agreed to retain a tribal monitor representing the tribal
11 nations to be present during deep excavations with the
12 authority to halt construction if tribal cultural
13 resources or materials are encountered.

14 In November 2022, the District emailed and called
15 the Gabrieleño Band of Mission Indians - Kizh Nation and
16 the Gabrielino-Tongva Tribe of the San Gabriel Band of
17 Mission Indians to determine their interest in the project
18 and to provide any requested information. Since the
19 District is continually engaging the tribes, staff has
20 made further modifications to Mitigation Measure
21 Cultural -- to Cultural Resources 2 requiring the District
22 to contact other culturally affiliated tribes, and if
23 requested retain additional tribal monitors.

24 Next slide, please.

25 --o0o--

1 ENVIRONMENTAL JUSTICE LIAISON RAMIREZ: The
2 Commission's Environmental Justice Policy provides a
3 structure for Commission -- the Commission to consider
4 outcomes that are fair and uplift the voices of
5 historically marginalized communities. Based on staff's
6 analysis of the proposed project, staff partnered with the
7 California Coastal Commission to do environmental justice
8 outreach holding a number of engagement meetings with
9 local environmental justice stakeholders.

10 Although the District conducted outreach as part
11 of their CEQA requirements in the EIR process, concerns
12 still remain. Some of the main concerns raised by
13 stakeholders include the lack of materials made available
14 in Spanish, the highly technical language used in
15 communications with the public, and the lack of meaningful
16 tribal outreach and engagement. The environmental justice
17 stakeholders appreciated that a public water district is
18 undertaking this project and that it is smaller in scale
19 than other recent desalination projects. However, they
20 expressed concern about the increase in water costs for
21 low-income residents in the District's service area.

22 To address this concern, staff has included a
23 lease provision requiring the District provide a copy of
24 the Low-Income Ratepayer Impacts Assessment Report
25 required by the California Coastal Commission Coastal

1 Development Permit special condition 15. The report will
2 include a study that identifies low income in limited in
3 English proficiency customers in the District's service
4 area. The report will also include recommendations on fee
5 civil waste to reduce cost burdens on low-income customers
6 and also how the District will incorporate these into its
7 operations.

8 Additionally, as discussed earlier, the lease
9 includes provisions to help assure that expenditures on
10 greenhouse gas credits do not contribute to an undue
11 burden on ratepayers, particularly low-income customers.

12 Next slide, please.

13 --o0o--

14 ENVIRONMENTAL JUSTICE LIAISON RAMIREZ: And now I
15 will turn it over to Drew.

16 PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: In
17 conclusion, staff recommends issuance of a 20-year lease
18 to the District with the terms outlined in the lease. I'd
19 also just like to take this opportunity to touch on agenda
20 Item 52 that includes the ocean outfall that would be used
21 by the District to discharge brine from the project.

22 As previously mentioned, the outfall is leased
23 and operated to the South Orange County Wastewater
24 Authority, which the District is a member agency. The
25 proposed action before the Commission is the termination

1 of an existing general lease public agency permit, and the
2 issuance of a general lease public agency use for the
3 existing 57-inch diameter ocean outfall pipeline and
4 ballast rock.

5 As stated earlier, the outfall extends 2.2 miles
6 offshore of Doheny State Beach. The outfall currently
7 discharges brine-treated groundwater and secondary-treated
8 wastewater from several regional water district
9 facilities, including SOCWA's, Santa Margarita Water
10 District, Moulton Niguel Water District, City of San
11 Clemente, and the South Coast Water District. The
12 applicant is not proposing any changes to the existing
13 outfall pipeline. However, they are requesting
14 authorization to allow for the discharge of additional
15 brine associated with South Coast Water District's Doheny
16 Desalination Project.

17 Therefore, staff is recommending termination of
18 the existing lease and the issuance of new 30-year lease
19 with the terms outlined in the lease.

20 Next slide, please.

21 --o0o--

22 PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: And
23 that concludes staff's presentation. Staff is available
24 to answer any questions. And representatives from South
25 Coast Water District and South Orange County Wastewater

1 Authority are in attendance.

2 CHAIRPERSON YEE: Great. Thank you very much,
3 Drew.

4 Ms. Lucchesi.

5 EXECUTIVE OFFICER LUCCHESI: Yeah. I just wanted
6 to clarify what's before the Commission right now --

7 CHAIRPERSON YEE: Yes.

8 EXECUTIVE OFFICER LUCCHESI: -- and then also
9 provide a little insight into public comment. So there
10 are two items before the Commission at this moment. One
11 is the Item 71 for the Doheny Desalination Project itself.
12 And then as you will recall, Consent Item 52 that Drew was
13 just referencing and providing a presentation on as well
14 was removed from the consent agenda and moved to the
15 regular agenda, because we do have we believe somebody
16 still on for public comment there.

17 CHAIRPERSON YEE: Right.

18 EXECUTIVE OFFICER LUCCHESI: So my recommendation
19 is to take public comment for Item 71 first --

20 CHAIRPERSON YEE: Yes.

21 EXECUTIVE OFFICER LUCCHESI: -- and the move on
22 to Item 52. And then through the Chair, you can decide
23 whether you want to take both items up at once or one
24 versus the other, that sort of thing. We can work through
25 those depending on the deliberations.

1 CHAIRPERSON YEE: Okay.

2 EXECUTIVE OFFICER LUCCHESI: And then as it
3 relates to Item 71, the South Coast District -- the Water
4 District, the applicant has asked for 10 minutes to
5 provide their presentation. And then after that, it looks
6 like we do have an Assembly Member who would like to
7 approach the Commission and make some comments. So we'll
8 call on that Assembly Member first and then State Parks
9 Director Armando Quintero is here, and then we'll move on
10 from there.

11 CHAIRPERSON YEE: Okay. That sounds fine.

12 So why don't we focus on Item 71 presently. And
13 before we do that to members of the public, let me see if
14 Commissioners Kounalakis or Miller have any questions or
15 comments at this time?

16 COMMISSIONER KOUNALAKIS: No, Madam Chair.

17 CHAIRPERSON YEE: Great. Thank you very much.

18 So Nate, let's turn to members of the public on
19 this item, item 71 -- oh, I'm sorry, we'll hear from the
20 South Coast Water District first and the District will
21 have 10 minutes.

22 Good afternoon.

23 MR. SHINTAKU: Good afternoon. Thank you, Chair
24 Yee and Commissioners. Congratulations to you, Chair Yee.
25 Thanks for being a solid role model for the API community

1 and everyone else out there, so...

2 I'm Rick Shintaku, General Manager of South Coast
3 Water District.

4 (Thereupon a slide presentation).

5 MR. SHINTAKU: We do have one Board member on the
6 call and it's Vice President Doug Erdman who's on this
7 call. I have my team here to answer some technical
8 questions as well. And I'll go through this 10-minute
9 presentation pretty quickly.

10 Next slide, please.

11 --o0o--

12 MR. SHINTAKU: So first of all, I do want to
13 thank Executive Director Lucchesi and staff. Excellent to
14 work with and this has been a very good process.

15 The need for the project, you can see that ocean
16 desal is an essential component of the water supply
17 portfolio and we'll get into that a bit more. And it also
18 implements the preferred technologies for intake and
19 discharge to avoid or minimize marine impacts pursuant to
20 the California Ocean Plan.

21 Next slide, please.

22 --o0o--

23 MR. SHINTAKU: So the project is consistent with
24 Governor Newsom's State Water Strategy, especially in new
25 water, local water supply sources, and diversification of

1 supplies. And it's also consistent with the State Lands
2 Commission mission statement, as you all know very well.

3 Next slide, please.

4 --o0o--

5 MR. SHINTAKU: So we didn't just start with ocean
6 water desal. This District has been committed for the
7 last 40 plus years in recycling and conservation. To
8 situate you on that chart that you're looking at, at the
9 far top of this screen is a Aliso Creek Beach. If you're
10 familiar with that, it's near coast highway, the
11 closest -- or it's in South Laguna Beach, I should say, on
12 Coast Highway in Aliso Creek area. So a mile inland from
13 Aliso Creek Beach is the coastal wastewater treatment
14 plant. And South Coast Water District discharges our
15 sewage to two treatment plants, this being one of them.
16 And for many years, we've been busy building out our
17 recyclable water network, as you see that extends all the
18 way to the harbor and pretty much throughout our entire
19 service area.

20 We currently recycle 70 percent of the sewage
21 that we put into the coastal treatment plant with plans to
22 recycle 100 percent of that sewage in the next 10 to 15
23 plus years.

24 Next slide, please.

25 --o0o--

1 MR. SHINTAKU: We've also invested in brackish
2 groundwater recovery. So we don't have a robust
3 groundwater basin, like in North Orange County. In fact,
4 our groundwater basin is near the San Juan Creek area, if
5 you're familiar with that. It's near the harbor, just
6 north of the Dana Point Harbor area. And it's not even
7 considered a groundwater basin. It's a subterranean
8 stream, so very quick moving, very low capacity, high
9 salinity. So we've actually developed a well and a
10 groundwater treatment plant using very similar technology.
11 And that provides roughly 700 to 900 acre feet a year of
12 our potable drinking water supplies.

13 In regards to water use efficiency, our residents
14 have been leaders in this. Since the last drought period,
15 they were conserving upwards of 30 percent versus the 2013
16 levels. And you can see the stats as they're related to
17 the key compliance milestones by the State with the 142
18 overall GPCD and the 50 overall GPCD on the second bullet
19 there.

20 Our District has invested -- significantly
21 invested in an aggressive rebate program specifically
22 replacement of turf with drought tolerant landscaping.
23 Our drought outreach program has been very effective and
24 we've had -- we have a water saver recognition award, so
25 that people can show and demonstrate their landscapes at

1 their home that conserve significant water.

2 We also have a very aggressive water waste
3 response program, where our staff goes out at 6, 6:30 in
4 the morning and canvasses the area for any overwatering
5 that may be happening. And we also double check that with
6 an automated meter reading technology throughout our
7 entire service area to ensure that there's not excessive
8 leaks that are going on. We also lead by example in terms
9 of water loss control.

10 So our water system -- so this is our specific
11 system, loses roughly four percent water -- four percent
12 water. And that is actually the lower -- lowest water
13 system loss in Orange County, as you see out there. Our
14 board was also very vested in stormwater capture. And
15 back in 2016, our board committed to 20 percent of Santa
16 Margarita's stormwater capture rubber dam project. That
17 project is currently on pause trying to address
18 environmental issues. But that's the commitment our board
19 made.

20 Next slide, please.

21 --o0o--

22 MR. SHINTAKU: So Drew showed -- Drew showed you
23 a version of this portfolio. But basically you see right
24 now we're heavily dependent on Metropolitan water, the 73
25 percent in the exhibit to the left, with 14 percent coming

1 from recycled water and 13 percent from the ground -- the
2 brackish groundwater basin that I mentioned earlier. Our
3 board just very recently passed our very own Integrated
4 Water Resources Plan. And in that plan, you see that
5 portfolio to the right, that is our roadmap for the
6 future. And you can see 32 percent of that being ocean
7 water desal, 26 percent now of Metropolitan water, which
8 would make us a lot better in terms of sustaining out --
9 catastrophic outages that may happen in our imported water
10 supplies. And we've also dedicated the green, 15 percent
11 to indirect and direct potable reuse to the future. So
12 that's roughly 13 -- or 15 percent of our overall
13 portfolio that you see there.

14 Next slide, please.

15 --o0o--

16 MR. SHINTAKU: You're very familiar with the
17 statewide risks with the levees from State -- from
18 Northern California and the Colorado River drought that
19 we're seeing right now. The figure to the right is more
20 localized. So the top of the figure is Yorba Linda in
21 Orange County -- North Orange County. The bottom of the
22 figure is South Orange County, specifically Dana Point or
23 our service area in the very south of the figure.

24 Between -- so the Diemer Filtration Plant, Met's
25 final treatment plant before water comes to South Orange

1 County, is near that one that you see there. And between
2 there, the imported water feeders cross five major fault
3 lines. And if one of these fault lines were to rupture,
4 we could be out of water for 60 days plus. So that's what
5 our regional wholesaler is asking us to plan for. We have
6 roughly 11 days that we've invested in emergency storage.
7 So we fall quite a bit short and so do our neighbors.
8 They're roughly in the 10 to 20 days of emergency storage.
9 And that's why we're really looking hard at this project.

10 Next slide, please.

11 --o0o--

12 MR. SHINTAKU: This is the rendering of the
13 Doheny desal project. This is set on 10 acres of land
14 that we own in fee and you could see the proximity to the
15 beach.

16 Next slide, please.

17 --o0o--

18 MR. SHINTAKU: This is a timeline. So this is --
19 project has been 18 years in the making and we're here at
20 the third major permit, as you're very well aware, and it
21 took a village to raise this project. You know, it
22 started back in '04 with MWDOC leading the charge with
23 various South Orange County agencies. Metropolitan kicked
24 in some funding for us to really evaluate the
25 environmental impacts of pumping from a slant well out

1 there. And then we've been very busy in achieving
2 financial grants and low interest loans there.

3 Next slide, please.

4 --o0o--

5 MR. SHINTAKU: So this is a bird's-eye view of
6 the project. What you see in green is the 10 acres that
7 you saw in the rendering. So the District owns that 10
8 acres. And you can see what makes this project very
9 enticing from a regional standpoint. Just north of there
10 you see the joint transmission main and the water
11 importation pipelines. So that -- those two pipelines
12 distribute imported water throughout South Orange County.
13 And you can see we don't have all of those costs to put
14 water into those regional pipelines. And that really
15 helps us keep this project cost effective.

16 The geology is also wonderful out there. You see
17 the four blue lines there and those would be the four
18 wells that we would need for this five MGD project. As
19 Drew mentioned, it is concentrated in the campground for
20 an 18- to 24-month period. The other major benefit of
21 this project is you can see that -- the long blue line
22 that extends throughout the figure. Well, that's the
23 existing wastewater ocean outfall that goes two miles out
24 to the ocean. And it actually bisects our site, so we're
25 able to put the brine directly in there, commingling it,

1 which is the environmental and regulatory preferred
2 alternative and -- to that outfall.

3 We also have existing energy capacity, but we're
4 also dedicating a third of an acre to an alternative
5 energy pad out there at our site along with research and
6 development, because this site is robust enough to handle
7 a five MGD project or more.

8 Next slide, please.

9 --o0o--

10 MR. SHINTAKU: So this project has been fortunate
11 to get bipartisan elected official support, as you see
12 there on the slide. I mentioned the environmental and
13 regulatory support for the slant wells, for the commingled
14 discharge of brine and the net carbon neutrality that our
15 board has committed to. State and federal grant funding
16 support, we're currently at 32.4 million in combined State
17 and federal grant funding. We're in the process of
18 applying for another 7.6 million to get us to 40 million
19 hopefully by project start. And we also are qualified for
20 WIFIA. So that would at least take care of our 49 percent
21 of our loan. We're in the process of applying for State
22 revolving fund drinking water loan as well.

23 Community support, potential partners, letters of
24 interest. So significant letters of support as you have
25 seen in your package there. Letters of interest in terms

1 of working with us to partner on this project have come
2 from the City of San Clemente, Laguna Beach County Water
3 District, and recently the Eastern Municipal Water
4 District which is located inland, but they're interested
5 in a paper transfer, and that would require working with
6 Metropolitan on a policy issue there.

7 Next slide, please.

8 --o0o--

9 MR. SHINTAKU: So this is the rough timeline. We
10 mentioned DPR earlier. So we looked and we actually
11 contracted with DUDA, the University of California, and
12 Trestle Technologies to do a ocean water augmentation
13 concept study, a fancy word for blending a DPR project
14 with a ocean water desal project. And that study went to
15 our board very recently. And that project has very much
16 potential in the future, as a next phase of project when
17 the DPR technology is fully permitted.

18 We're working on partnership education right now.
19 Right now, our district needs two MGD of the five, but
20 there's significant economies of scale, if we build the
21 five MGD project. And there's also major needs that it
22 needs to fulfill in South Orange County, because of our
23 vulnerabilities there. If all goes straightforward from
24 this Commission permit hearing, this project could be
25 active roughly in the 2027, 2028 time frame.

1 Next slide, please.

2 --o0o--

3 MR. SHINTAKU: So what we did in the middle of
4 the pandemic - this was in May of 2020 - we had FM3 survey
5 our customers. And basically, 74 percent favor the
6 project after a brief description. It went up to 80
7 percent after further description. And then FM 3 hit them
8 with some really hard critical statements, including the
9 uncertainty of the economy during the pandemic, shouldn't
10 South Coast be recycling even more, shouldn't they even
11 work more on conservation. And that favor rating went to
12 72 percent. So it gave our board a good glimpse of the
13 support that we had from the community to build this
14 project.

15 As part of that survey, they also asked
16 willingness to pay. So you see the figure to the right,
17 that 78 percent were willing to pay \$5 more per month, and
18 that ranged down to 63 percent willing to pay \$15 more per
19 month. If we build this project at a five MGD scale and
20 we took two MGD of that and partners took the other three,
21 the rate impact to our average single-family household
22 would be roughly \$2.38 more per month for this new
23 drought-proof supply. If we did it on our own, it would
24 be substantially more, \$7 more per month. And that's why
25 our board has put us on this path to get partners and work

1 through this project.

2 Next slide, please.

3 --o0o--

4 MR. SHINTAKU: So -- excuse me -- in summary,
5 this project does implement the best available site,
6 design, technology, and mitigation for the California
7 Ocean Plan to avoid or minimize environmental impacts.
8 It's essential in meeting South Orange County's water
9 supply and system reliability gaps in a cost effective
10 manner, a fancy way of saying drought and emergency gaps
11 there. It provides resiliency to climate change. It
12 enhances public access and Public Trust uses and is
13 consistent with the State's water supply planning and
14 environmental policies. And the ask that we have here is
15 that we greatly appreciate the staff's recommendation to
16 approve the lease.

17 However, we're bringing up a potential
18 modification that we'd like to bring up to extend the term
19 to 30 years to align with the San Juan Creek ocean outfall
20 lease, Item 52, and encourage the Commission's approval of
21 the lease agreement. The other main reason why we're
22 looking for the 30 days -- or, I'm sorry, the 30 years is
23 to align better with the overall project life, which is
24 roughly 30 years for the project. So that -- I just
25 wanted to bring that up as a potential for discussion.

1 And that would conclude my presentation. Thank you so
2 much for the time.

3 CHAIRPERSON YEE: Thank you very much for the
4 presentation and really appreciate you relating Item 52 to
5 your presentation. Thank you.

6 Let me just see, shall we proceed with other
7 public comment?

8 Okay. Let me see, Nate, any public speakers on
9 Item 71?

10 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

11 Yes, Madam Chair. At this time, I would like to
12 invite Assemblywoman Laurie Davies to make her comments.

13 CHAIRPERSON YEE: Great.

14 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

15 Ms. Davies, you may now unmute yourself and begin
16 your comment.

17 ASSEMBLYMEMBER DAVIES: Great. Thank you so
18 much. Can you hear me?

19 CHAIRPERSON YEE: Yes, we can. Thank you.

20 ASSEMBLYMEMBER DAVIES: Well, good afternoon. As
21 the State Assemblywoman representing Dana Point, I'm here
22 to speak to the Commission today in strong support of the
23 Doheny ocean desalination project. Dana Point, San
24 Clemente, and other South Orange County areas are relying
25 on imported water to provide 90 percent of their supply.

1 Responsible projects like this one are critically needed.
2 It will enable South Coast Water District to further
3 diversity its water, sport, supply portfolio, reducing its
4 independence on imported water and from stressed Colorado
5 River, especially import during these times of historical
6 drought.

7 I am pleased with SCWD's willingness to work with
8 California State Parks regarding locations of project
9 wells impact to State campgrounds during construction, and
10 creation of mutual beneficial experiences
11 post-construction. The project will enhance water
12 reliability for the region. And I am pleased with SCWD's
13 efforts to be innovative and partner with State and other
14 local agencies in effort to build a diverse portfolio of
15 water projects that responsibly meet the needs of our
16 community.

17 I urge the Commission to vote in support of their
18 land lease today. Thank you so much for your time.

19 CHAIRPERSON YEE: Thank you, Assemblymember
20 Davies for joining us and your comments.

21 ASSEMBLYMEMBER DAVIES: My pleasure.

22 CHAIRPERSON YEE: Our next speaker, Nate.

23 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

24 Thank you, Madam Chair. Joining us in person is
25 Armando Quintero.

1 CHAIRPERSON YEE: Good afternoon.

2 CALIFORNIA STATE PARKS DIRECTOR QUINTERO: Good
3 afternoon, Madam Chair and commissioners. It's a pleasure
4 to be here. And I have to say that I commend the local
5 State Parks staff that for a number of years has been
6 working cooperatively with the South Coast Water District
7 staff. And my interactions with our team and the South
8 Coast Water District team has been absolutely outstanding.
9 And I do think that the current proposal is going to have
10 great benefits for the public.

11 And the -- during the construction period, the
12 team at State Parks has identified another area where
13 people will be able to camp. So the offset will not be a
14 serious impact on public access in that area. And I've
15 been to that -- the Doheny Beach a couple times. And it
16 is a busy place. And I think that the benefit of creating
17 a more sustainable water supply and having the State Park
18 as a partner for me is a -- is a great reminder that parks
19 are much more than recreation spaces. They actually
20 should be, I believe, multi-benefit public lands. And I
21 think that this is an extraordinary demonstration of a
22 project that really fits the bill especially at this time
23 in the human time scale in what we're experiencing now.

24 So I just extend my full endorsement for this
25 project approval.

1 CHAIRPERSON YEE: Okay. Thank you very much.

2 CALIFORNIA STATE PARKS DIRECTOR QUINTERO: Okay.

3 Thanks.

4 CHAIRPERSON YEE: Nate, our next speaker, please.

5 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

6 Our next public comment will come from Charles
7 Busslinger who is joining us in person.

8 CHAIRPERSON YEE: Okay. Good afternoon.

9 MR. BUSSLINGER: Good afternoon, Commission.

10 Charles Busslinger, District Engineer for the Municipal
11 Water District of Orange County, or MWDOC. On behalf of
12 MWDOC, I'm pleased to convey our strong support for the
13 Doheny Ocean Desal Project. MWDOC is a member agency of
14 the Metropolitan Water District of Southern California.
15 And through Metropolitan and our 27 member water agencies,
16 we provide imported water to 2.4 million residents of
17 Orange County.

18 As you are aware, California is directly
19 experiencing the impacts of climate change on our water
20 supplies. In response to that, Orange County has strong
21 water use efficiency and water recycling programs going
22 on. Water use efficiency programs in collaboration with
23 member agencies such as South Coast Water District
24 continue to improve water use efficiency county-wide.

25 Orange County also has strong water recycling

1 programs with -- such as our award-winning Orange County
2 Water District groundwater replenishment system, which
3 this next year is moving to the completion of its final
4 expansion, which will move to recycling 130 million
5 gallons per day of wastewater. Basically, all of the
6 wastewater that is available in Central Orange County.
7 South Orange County agencies, including South Coast Water
8 District, are also taking great strides in recycling as
9 much water as they possibly can. And as you just heard
10 from General Manager Shintaku, they are also moving
11 towards recycling 100 percent of their wastewater
12 supplies.

13 However, despite all of these efforts, South
14 Orange County continues to rely heavily on imported water.
15 So we need to continue to adapt in order to maintain a
16 reliable water system to meet the challenges of climate
17 change. The Doheny Ocean Desalination Project will
18 provide new high quality water, which is resilient to both
19 climate change and drought. It will also do so in an
20 environmentally sensitive manner using slant well
21 technology, as you heard previously, which was initially
22 initiated by MWDOC over 15 years ago at Doheny State
23 Beach.

24 Your consideration of actions on the Doheny
25 Desal -- Ocean Desalination Project today is critical in

1 supporting both quality of life and the economy within the
2 region. This project will enable South Coast Water
3 District to further diversify its water supply portfolio
4 with local supplies to reduce dependence on stressed
5 imported water. We strongly urge your approval of the
6 staff recommendation with the provisions added by General
7 Manager Shintaku for this essential water resilience
8 opportunity.

9 Thank you.

10 CHAIRPERSON YEE: Thank you. Thank you for your
11 comments. Our next speaker, please.

12 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

13 Chair Yee, next we have Glenn Farrel who is
14 joining us in person.

15 CHAIRPERSON YEE: Okay. Good afternoon.

16 MR. FARREL: Hey, good afternoon, Madam Chair --

17 CHAIRPERSON YEE: Nice to see you.

18 MR. FARREL: -- and commissioners, I'll just say
19 personally, individually as a California resident, just
20 express great appreciation to you, Madam Chair, for your
21 tremendous leadership for the State of California. Thank
22 you very much.

23 CHAIRPERSON YEE: Thank you.

24 MR. FARREL: I'm looking forward to the next
25 chapter for you.

1 CHAIRPERSON YEE: Thank you.

2 MR. FARREL: I'm Glenn Farrel, Executive Director
3 of CalDesal, which is a statewide association focused on
4 advancing ground -- brackish desalination, ocean
5 desalination, and salinity management opportunities in the
6 State.

7 As you all know very well, California is
8 experiencing increasingly extreme weather conditions, less
9 predictable precipitation patterns followed by longer and
10 more frequent droughts and dry periods and hot periods.
11 Climate change, as we're seeing in real-time, is reducing
12 the reliability of our precipitation and snowpack, on
13 which our State relies.

14 As a result, California is entering a newer era
15 of water management. And the State's water managers are
16 really being forced to re-examine the way they plan for a
17 water resilient future that's very different from past
18 methodologies.

19 As Mr. Shintaku highlighted in his presentation,
20 the Governor and his administration have provided very
21 clear signals through the Water Resilience Portfolio, the
22 Water Supply Strategy released in August, and in other
23 venues as well that diversifying the State's water
24 portfolio through an all-of-the-above approach to water
25 sustainability, which includes continued focus on water

1 conservation, water use efficiency, water recycling, but
2 that also includes responsible desalination where it makes
3 sense is the only way for California to navigate through
4 ongoing and prolonged drought conditions and a changing
5 climate.

6 Desalination's ability to grow the water supply
7 pie in the face of this unrelenting drought as a valuable
8 attribute that should be a strong component in our State's
9 effort to improve drought resiliency and sustainability.

10 We strongly encourage your approval of the staff
11 recommendation for the Doheny Desalination Project lease
12 on your agenda today with the South Coast Water District
13 proposed lease extension term of 30 years to protect the
14 quality of life and economy within the Orange County
15 region in a manner that has been demonstrated to use the
16 best available site, design, technology, and mitigation
17 measures feasible to protect the marine life while
18 protecting that region's quality of life and its economy.

19 Thank you.

20 CHAIRPERSON YEE: Thank you, Mr. Farrel.

21 Nate, our next speaker, please.

22 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

23 Thank you, Chair Yee. We'd like to invite Amber
24 Baylor to make her comments to the Commission.

25 CHAIRPERSON YEE: Good afternoon.

1 MS. BAYLOR: Good afternoon. And thank you for
2 the opportunity to comment. And congratulations, Chair
3 Yee, for your service. Thank you for that.

4 I'm Amber Baylor. I'm the Director of
5 Environmental Compliance for the South Orange County
6 Wastewater Authority, items 52 and 53, on your agenda
7 today. I'm on -- I'm in behalf of Betty Burnett, who is
8 our General Manager. And we would just like to issue our
9 strong support for the Doheny Desal Project on Item 71.
10 So thank you for the opportunity to comment.

11 CHAIRPERSON YEE: Thank you.

12 Our next speaker, Nate.

13 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

14 Chair Yee, our final in-person speaker is Warren
15 Teitz.

16 CHAIRPERSON YEE: Okay.

17 MR. TEITZ: Great. Thank you. It's Warren
18 Teitz, but I'll take it.

19 (Laughter).

20 MR. TEITZ: Good afternoon. Thank you for the
21 opportunity to comment today. And Chair Yee,
22 congratulations on your retirement and thank you for your
23 public service.

24 CHAIRPERSON YEE: Thank you.

25 MR. TEITZ: My name is Warren Teitz. I'm

1 representing the Metropolitan Water District of Southern
2 California today to strongly urge you to support approval
3 of the permit today.

4 Metropolitan is the primary wholesaler in
5 Southern California. We sell water to 26 member agencies
6 like MWDOC, who you just heard from, who then in turn sell
7 it to South Coast. Our water supplies support 19 million
8 people, a one trillion dollar economy, roughly half the
9 State of California. Our major supplies are from the
10 Colorado River and from the State Water Project. We're
11 the largest State water contractor taking water from the
12 State Water Project.

13 But what people don't realize is that half the
14 water supplies in Southern California are local, local
15 groundwater, local recycling, local stormwater. And
16 Metropolitan has invested over \$1.5 billion in
17 conservation, recycling, and groundwater cleanup, to
18 support our local supplies, but we need to do more. We
19 need -- we need more projects like South Coast Doheny
20 Ocean Desal Project.

21 You can't open a paper without reading about our
22 extreme drought. The State -- we've already had two
23 extreme years of drought and we're about potentially to
24 face a third. And on the Colorado River we're facing 20
25 years of drought. People are calling it long-term

1 aridification. And we have yet to feel the full impact of
2 that aridification on our supplies in Southern California.

3 So the Doheny Desal Project is one of the
4 potential solutions. I won't go into how it checks all
5 the boxes on the ocean plan. You already heard from South
6 Coast and from your staff. But I want to talk about the
7 local benefits and the regional benefits. So locally you
8 heard how it diversifies South Coast and South Orange
9 County's local supplies, 80 percent -- or 90 percent
10 dependent on Metropolitan, and this helps reduce that
11 dependency. For -- from a regional perspective, from
12 Metropolitan's perspective, that represents an area where
13 we don't have redundancy in our distribution system. And
14 so you heard Rick talk about that how it -- earthquakes,
15 all the faults that it crosses over.

16 From a regional perspective whether independent
17 supplies like desalination help us manage our imported
18 water supplies and other supplies more effectively. In
19 wet years, we can store our water, in dry years we can --
20 don't have to pull as much out of storage.

21 So for these reasons, we urge the Commission to
22 support the permit approval today. And thank you.

23 CHAIRPERSON YEE: Thank you very much.

24 Nate, any other speakers on this item?

25 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

1 Yes, Chair Yee. Joining us virtually is Karl
2 Seckel.

3 CHAIRPERSON YEE: Okay.

4 MR. SECKEL: Thank you very much, Commissioners
5 and Chair Yee. Karl Seckel. I'm an elected director from
6 Municipal Water District of Orange County. You heard from
7 our district engineer earlier.

8 I have a unique perspective on this project.
9 I've been associated with it for about 20 years. I was
10 previously a staff member at Municipal Water District of
11 Orange County and helped work on the preliminary
12 feasibility work beginning in the early 2000s and up
13 through about the year 2014. Since that time South Coast
14 has taken the project on, I have continued to follow it
15 and I'm extremely impressed with the thoroughness and
16 consideration that they have provided to the project, put
17 it in the proper context and perspective for improving the
18 supply reliability and resilience to their service area
19 and also with assistance to South Orange County.

20 So my issue today would be to urge your support
21 of this effort. And I look forward to a successful
22 conclusion of this meeting. And thank you very much for
23 your time and participation today. And thank you.

24 CHAIRPERSON YEE: Thank you.

25 Nate, our next speaker, please.

1 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

2 Our next speaker is Evelyn Charming.

3 MS. EVELYN: Hello. Can you hear me?

4 CHAIRPERSON YEE: Yes, we can.

5 MS. EVELYN: Okay. So I just want to correct
6 you. My name is actually Charming Evelyn. Charming is my
7 first name, Evelyn is my last name. And I am the Chair of
8 the Water Committee for Sierra Club Angeles Chapter.

9 Commissioners, good afternoon. And Commissioner
10 Yee, I want to thank you for your service and I wish you
11 the best with your future endeavors.

12 I thank the staff for taking the time to reach
13 out to Sierra Club and listen to our point of view on the
14 environmental justice effects of the proposed Doheny Ocean
15 Desal Plant. The staff report states that approving this
16 project is in the best interest of the state. I question
17 that statement. How can that be when the State legally
18 asks us to use 55 gallons of water per day per individual.
19 While the service areas for South Coast Water District is
20 142 gallons per day. Yet, we just heard the GM say that
21 they save 30 percent. 30 percent, yet, they still use 142
22 gallons per day. The math doesn't add up.

23 AB 1157 asks us all to limit our use within the
24 next 10 years to 42 gallons per day. Of note, the GM said
25 that they recycle 70 percent of their -- of their sewage

1 and plan on doing 100 percent. Yet, there is discharge to
2 the ocean. And they plan on using recycled water to
3 commingle with their brine discharge. And their own urban
4 water management plan has no future plans for stormwater
5 capture.

6 So I really wanted to draw your attention to
7 that, since he pointed that out. That actually is not the
8 truth of the matter and it's in black and white. The
9 staff report also speaks of the undue high pollution
10 burden in the area, and acknowledge these burdens may
11 result in health impacts, such as asthma and
12 cardiovascular disease.

13 The same data showed high exposure to diesel
14 particulate matter, high traffic density, and close
15 proximity to solid waste facilities, clean-up sites,
16 hazardous waste, and impaired waterbodies. Though
17 mentioned really, these effects are seen as minuscule when
18 they really are not to those that are feeling the burden.

19 Approving this project does nothing to actually
20 ask South Coast Water District to be responsible, neither
21 are they being held accountable for their water waste.
22 This should be made a provision if this is to be approved.
23 We are under no illusions of the political pressure that
24 entities such as yours and the CCC are under to approve
25 projects such as these. However, we have a responsibility

1 to nature and the people who are affected.

2 We ask that in the future, projects such as these
3 are not reviewed in silos, but accumulative impacts to
4 nature, science, people, alternatives, need for water, and
5 legislation. The State Water Board will have DPR
6 legislation finalized next year. Every other water agency
7 has pivoted to pure water projects. SCWD is going
8 backward not forward. And where are the residents? There
9 is not one resident speaking in favor of this project
10 today. Where is the public voice?

11 Thank you for your time.

12 CHAIRPERSON YEE: Thank you, Ms. Evelyn.

13 Nate, our next speaker, please.

14 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

15 Chair, our next speaker is Scott Kibbey.

16 MR. KIBBEY: Madam Chair and commissioners, good
17 afternoon. My name is Scott Kibbey. I'm the South Sector
18 Superintendent of the Orange Coast District for California
19 State Parks. I oversee the park operations at Doheny, San
20 Clemente, and San Onofre State beaches.

21 Orange Coast District of California State Parks
22 is supportive of South Coast Water District's Doheny Ocean
23 Desalinization Project and our partnership with them to
24 enhance the outdoor camping opportunities at Doheny State
25 Beach referenced earlier by Mr. Simpkin. The camping

1 opportunity enhancements have been planned with South
2 Coast Water District in accordance with the 2004 amendment
3 to Doheny State Beach's general plan and Environmental
4 Impact Report.

5 I'd be happy to answer any questions from the
6 Commission regarding local public access impacts
7 associated with Doheny Ocean Desalinization Project and
8 our plans to offset those impacts.

9 Thank you.

10 CHAIRPERSON YEE: Thank you.

11 Our next speaker, Nate.

12 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

13 Our next speaker, Madam Chair, is Lanaya
14 Alexander.

15 CHAIRPERSON YEE: Okay.

16 MS. ALEXANDER: Good afternoon, Madam Chair and
17 commissioners. Thank you for your time this afternoon.
18 My name is Lanaya Voelz Alexander and I'm the Assistant
19 General Manager of Planning, Engineering, and Construction
20 at Eastern Municipal Water District in Western Riverside
21 County.

22 I am here to support and encourage your support
23 of the proposed Doheny Ocean Desalination Project before
24 you today. Eastern Municipal Water District has a history
25 of implementing and supporting unique and diverse water

1 supply projects, such as the implementation of our own
2 inland desalters, with our third facility having come
3 online earlier this year.

4 Eastern Municipal Water District supports the
5 Doheny Desalination Project, because it addresses a
6 critical need, not only within the local communities in
7 South Orange County, but also throughout the region
8 through potential partnerships, like the one that Eastern
9 Municipal Water District is currently exploring.

10 This project provides a new water source, which
11 can effectively drought-proof the region and is sorely
12 needed in the current times, given the status of the State
13 Water Project system and the Colorado River. However, the
14 benefits reach beyond that, as it comes with the added
15 feature of being environmentally responsible by utilizing
16 preferred intake and discharge technologies of subsurface
17 water collection and blended discharge through existing
18 treated wastewater outfalls.

19 To summarize EMWD supports the project, because
20 it provides for a new drought-proof supply to South Orange
21 County and beyond. It meets environmental targets, and it
22 has been well vetted over the past eight years with
23 stakeholders throughout the local area, region, and state.
24 I thank you for your time.

25 CHAIRPERSON YEE: Thank you very much.

1 Our next speaker, Nate.

2 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

3 Our next speaker is a Stacy Taylor.

4 MS. TAYLOR: Good afternoon, Madam Chair, and
5 commissioners, and staff. On behalf of Mesa Water
6 District, where I've been working for over 12 years,
7 currently as the Water Policy Manager, I want to express
8 very strong support for the Doheny Desal Project for three
9 key reasons. One, the water is needed. It's needed to
10 offset less available imported water with local reliable
11 water for the region and beyond. Second, Doheny Desal is
12 environmentally sound, and third, it is supported by water
13 users, nonprofits, tribes, government officials. We urge
14 approval of this essential project.

15 Thank you so much and thank you, Madam Chair, for
16 your leadership and service to this state.

17 CHAIRPERSON YEE: Thank you very much.

18 Our next speaker.

19 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

20 Madam Chair, our next speaker is Keith Van Der
21 Maaten -- Van Der Maaten, excuse me.

22 MR. VAN DER MAATEN: Thank you. Can you hear me?

23 CHAIRPERSON YEE: Yes, we can.

24 MR. VAN DER MAATEN: Thank you, Chair Yee. My
25 name is Keith Van Der Maaten. I'm the General Manager of

1 the Laguna Beach County Water District. We are a
2 neighboring water agency to the applicant and face the
3 same challenges as the South Coast Water District in
4 providing a long-term sustainable water supply for our
5 residents. And we recently submitted a letter of interest
6 to partner with south coast on that project.

7 Each desal project that has or will come before
8 the various key State agencies like the State Lands
9 Commission will have its own set of unique challenges.
10 But a common challenge and often a stumbling block for
11 desal projects is the inability of the project to
12 effectively meet environmental justice goals and
13 requirements. In fact, in recent history, we've often
14 seen, particularly in front of the Coastal Commission
15 desal permit applicants from for-profit organizations that
16 have failed to adequately address EJ issues and choose to
17 fight against the people of the state versus spending
18 those energies towards finding appropriate solutions.

19 But that's not the project before you today.
20 Before you today is an application from a public agency
21 willing to accept and do what the State Lands Commission
22 requires and what the people of the state require to do
23 desal the right way. The project before you today
24 represents the model approach for a desal project that has
25 long been sought. As outlined in the staff report, this

1 project is consistent with the Commission's environmental
2 justice policies and builds upon existing water use
3 efficiency and conservation measures to augment the water
4 supply.

5 Approval of the lease shows that we are serious
6 about helping Californians with their water supply
7 challenges as we face and will continue to face drought
8 and water shortages, while remaining steadfast in
9 approving desal projects consistent with EJ policies, and
10 the effective stewardship of the Public Trust resources.
11 We ask that you please vote yes on approving a lease for
12 this project.

13 Thank you.

14 CHAIRPERSON YEE: Thank you very much.

15 Our next speaker, please.

16 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

17 Madam Chair, our next speaker is Penny Elia.

18 MS. ELIA: Thank you. Good afternoon.

19 CHAIRPERSON YEE: Good afternoon.

20 MS. ELIA: And thank you, Madam Chair, for all of
21 your wonderful service. I'm the Chair of the Save Hobo
22 Aliso Task Force for the Sierra Club. The Sierra Club has
23 consistently opposed the proposed Doheny Desal Project for
24 many reasons. But this afternoon, I am focusing on one
25 area that the staff report doesn't touch on, and that's

1 South Coast Water District's ongoing inability to
2 comprehend the need for water conservation.

3 Instead of developing water conservation
4 programs, they have pushed for an unwanted and unneeded
5 desal project. I don't hear anyone from the public
6 speaking and talking about how great all this is. I feel
7 I have a very good working relationship with Rick
8 Shintaku, but I hope we can agree to disagree on South
9 Coast Water District's ability to help conserve water and
10 implement recycled water programs.

11 While I applaud all of the programs he outlined,
12 I truly don't see the on-the-ground results he outlined in
13 his presentation. And I'm up at 6 a.m. when his trucks
14 are supposedly out and about. I am also a resident of
15 South Laguna, a community that has been deprived of a
16 voice for over 25 years.

17 The Sierra Club Water Committee has submitted a
18 lengthy letter detailing South Coast Water District's
19 allowance of water waste to both the Coastal Commission
20 and your staff. We have included photos that show years
21 of water waste with no attempt on the part of South Coast
22 Water District management to curb this water waste,
23 including implementation of recycled water, which is in
24 great supply, and regularly discharged to the ocean,
25 because it is simply not used, even in the case of roaring

1 fires in our hillsides.

2 In the case of the Coastal Commission, we have
3 noted that South Coast Water District is once again
4 applying for a coastal development without any thought to
5 water conservation. Next week, the Commission will hear
6 an item involving a new sewer lift station. Within the
7 development proposal, South Coast Water District has
8 included the construction of a maintenance vehicle wash
9 and storage garage, yes, a car wash. In a telephone
10 conversation with the District's project manager
11 yesterday, she verified that potable water would be used
12 to wash the district's fleet of maintenance vehicles,
13 citing that recycled water, which is at the ready in this
14 location, would not be good for the vehicles. This
15 represent thousands of gallons of potable water being
16 sprayed on a fleet of trucks for goodness sakes.

17 This same fleet of sparkling clean vehicles
18 splashes through runoff water in the streets of their
19 District year after year, decade after decade without ever
20 attempting to curtail this waste. These maintenance
21 vehicles out on the streets of the District on daily basis
22 should be the eyes and ears of South Coast Water District.
23 They should be part of the solution, not another way for
24 the District to allow water waste.

25 We implore you to require South Coast Water

1 District to implement strict water conservation policies
2 for their ratepayers and themselves. And if I just please
3 may finish up. I believe that Charming Evelyn gave you
4 the numbers, the real numbers. And we will continue to
5 pose -- oppose these desal projects, because we know the
6 wasteful scenario that's occurring not only in this water
7 district, but the water district of every single person
8 that has spoken there today in support of this project.

9 Please demand conservation. Thank you very, very
10 much.

11 CHAIRPERSON YEE: Thank you for your comments.
12 Thank you.

13 Our next speaker, Nate.

14 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

15 Our next speaker is Nancy Okada.

16 MS. OKADA: Hi. Can you hear me?

17 CHAIRPERSON YEE: Yes, we can.

18 MS. OKADA: Okay. Great. Yes, I just wanted to
19 echo the comments of the other speakers and saying that
20 this really -- the Water District is really not taking
21 an -- the opportunity to focus on conservation by building
22 a desal plant, that this -- they really need to look at
23 the resources that they have are finite and they need to
24 really focus on conservation instead of building more
25 desal plants.

1 And I'm in Northern California and we're
2 concerned about up here saving our water. And, you know,
3 you guys do a great job down there, but desal plants are
4 not the answer. We really need to look at our
5 environmental footprint and live within that means. So
6 thank you and I hope you make right decision.

7 Thanks.

8 CHAIRPERSON YEE: Thank you very much.

9 Our next speaker, Nate.

10 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

11 Madam Chair, I'm seeing one final Zoom hand
12 raised from Robert Roy van de Hoek.

13 CHAIRPERSON YEE: Okay.

14 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

15 Mr. van de Hoek, you can unmute yourself.

16 MR. VAN DE HOEK: Okay. Hello. Can you hear me?

17 CHAIRPERSON YEE: Yes, we can.

18 MR. VAN DE HOEK: Okay. Good afternoon,
19 Commissioner Yee, and Lieutenant Governor Kounalakis. I
20 had a great time educating you on two tours to coastal
21 wetland in Los Angeles County and will always be grateful
22 for your time coming to those field trips. My name is
23 Robert Roy van de Hoek and I'm an independent
24 environmental scientist with degrees from two universities
25 in environmental biology and in hydrology. And I have

1 worked for more than 40 years as a public servant in
2 federal government, State government, county government,
3 and city government positions, always linked to the
4 environment and science.

5 As a scientist, and I know that you -- as
6 commissioners, you're not scientists, but you like to use
7 the best available science. And I want to cast some doubt
8 on all of these engineers, and scientists, and policy
9 people of government agencies that spoke to you, came in
10 person, and they have an agenda. And they have -- they
11 have to follow the money as that little phrase goes. So
12 you have to have doubt in anything they're saying, because
13 they're motivated by their salaries and the benefits that
14 will happen by approving this desal plant.

15 So that's not even science and doesn't require
16 you to be scientists or use best available science, but it
17 just requires you to be aware to ask the salaries and know
18 where the money is coming from.

19 I noticed (inaudible) came remotely probably
20 because of budget, and car, and transportation issues.
21 And they were both with the Sierra Club. And they're not
22 scientists either, but they are educating themselves, and
23 they have knowledge on conservation and precedence. And
24 they have good data. I've reviewed some of what they've
25 researched, and then combined with my own research

1 studying up and down the state of California, I am very
2 aware that these desal plants are really bad to -- for the
3 natural and physical environment in many types of ways.

4 Of course, the brine in the outfall makes a dead
5 zone in the ocean where the pipeline enters into the sea.
6 That's just a small part. Also, the footprint, these
7 desal plants are built at sea level. And with sea level
8 rising, it's hard to say how much longer these desal
9 plants would be able to function with the rate that
10 climate is changing and we're not meeting any of the
11 environmental protocols from the United Nations and other
12 organizations that are showing us the hard reality that
13 sea level is rising.

14 I can already see from the photos that there's
15 industrialization happening on the coast, which means that
16 countless opportunities for restoration of species has
17 been lost. And lastly, the State Parks is totally also
18 corrupt on this issue, because having these campgrounds
19 impacts the environment and will be mostly for the wealthy
20 people to use for camping and access.

21 And just to wrap up, I'm an expert on State Parks
22 ecology and policy and how campgrounds left and right up
23 and down the state, although providing access, have been
24 very detrimental to the ecology of riparian areas
25 (inaudible.)

1 Okay. Thank you.

2 CHAIRPERSON YEE: Thank you very much for your
3 comments.

4 Nate, any -- our next speaker.

5 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:
6 I think we'll be moving on to Item 2 -- 52, Madam
7 Chair.

8 CHAIRPERSON YEE: Okay. Sounds fine.

9 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:
10 In person, we have Amber Baylor joining us.

11 CHAIRPERSON YEE: Okay.

12 MS. BAYLOR: Hi again. I just wanted to take the
13 opportunity to thank staff for their work on -- throughout
14 this lease application. It has been very smooth and very
15 responsive. So I wanted to thank Drew for his efforts and
16 his staff here today. So thank you for consideration of
17 this item and appreciate the support.

18 Thank you.

19 CHAIRPERSON YEE: Thank you.

20 Our next, please, on Item 52.

21 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:
22 And joining us virtually, we have Charming
23 Evelyn.

24 CHAIRPERSON YEE: Okay.

25 MS. EVELYN: Hello again. Am I being heard?

1 CHAIRPERSON YEE: Yes, we can hear you, Ms.
2 Evelyn.

3 MR. EVELYN: Okay. Thank you. And I'll keep it
4 shorter this time, because this concerns the outfall and
5 brine discharge. And I just wanted to say that we cannot
6 always mitigate our way out of every situation. The fact
7 that they're asking for an extra 10 years on this lease
8 for the outfalls, and they will be adding more brine to
9 the outfalls means that we are definitely -- we will be
10 definitely creating more of a mitigated disaster in that
11 particular area.

12 And I really ask you to think about that, because
13 there already is a problem in that particular area.
14 Yesterday, I spoke of someone who was surfer who actually
15 got very sick, very ill from bathing in the water over
16 there. And so I just ask you again, commissioners, to
17 take a pause and take a harder look at this. And I agree
18 with the speaker who just spoke in that everyone who is
19 there for this, they are from an agency. There is no one
20 there representing the public right now. And you are also
21 supposed to be representing the public. So I ask you to
22 take a step back and also take a look at that and the
23 outfalls, double brine being discharged in the same area
24 is definitely not good for our oceans.

25 Thank you for your time today.

1 CHAIRPERSON YEE: Thank you very much, Ms.
2 Evelyn.

3 Our next speaker, Nate.

4 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:
5 Madam Chair, our next speaker is Robert Roy van
6 de Hoek.

7 Mr. van de Hoek, you may unmute yourself.

8 MR. VAN DE HOEK: There is a two-step process
9 here to unmute, but can you hear me?

10 CHAIRPERSON YEE: We can hear you.

11 MR. VAN DE HOEK: Okay. Just a quick
12 clarification before starting my three minutes, I'm
13 surprised I'm called -- have we moved to Item VIII,
14 general public comment now?

15 CHAIRPERSON YEE: No, we are on Item 52, which is
16 the --

17 MR. VAN DE HOEK: Still related to the desal
18 plant?

19 CHAIRPERSON YEE: Item 52 is the South Orange
20 County Waste Water Authority item related to the --

21 MR. VAN DE HOEK: Okay. I already made a
22 comment.

23 CHAIRPERSON YEE: Okay.

24 MR. VAN DE HOEK: I'll pass on making a comment
25 on that, but I want to speak when we get to number VIII,

1 general public comment.

2 CHAIRPERSON YEE: All right. We will get back to
3 you. Thank you.

4 Our next speaker on Item 52, please.

5 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:
6 Chair Yee, we have no more speakers on this item.

7 CHAIRPERSON YEE: Okay. Thank you very much,
8 Nate. Let me just turn to Commissioners Kounalakis and
9 Miller about -- with any questions or comments on either
10 of these items?

11 None from Commissioner Miller.

12 Commissioner Kounalakis none.

13 COMMISSIONER KOUNALAKIS: Apologies. Sorry, no.
14 No comments. Thank you.

15 CHAIRPERSON YEE: That's all right. That's all
16 right. Okay. Thank you. So we have both of these items
17 before us. I think we will take them up separately.

18 Item 71, first, let me just say thank you for all
19 of the public comment. And before we move to a motion on
20 this, and I am going to support this, I want to thank the
21 staff and frankly all of our agencies who have worked on
22 this. We've seen a number of these desal projects, or at
23 least I and my team have seen about three of them this
24 year. And I will say this project, among the three, just
25 stands out as one that's just been very well thought out.

1 And as we look at across all three of them, there
2 are some common themes that arise across all of them.
3 Obviously, the case for the demand for the water, looking
4 at really trying to quantify as best as we can costs and
5 affordability, addressing energy consumption, emissions,
6 certainly the appropriate siting, and the integration of
7 existing conservation efforts. I think all of those have
8 been highlighted relative to this project.

9 I do want to say that I hope that we have
10 heightened the expectation with respect to going forward,
11 just more robust engagement with our environmental justice
12 communities and our tribal communities, as was stated by
13 our environmental justice team member.

14 This is -- this is important. I think this is --
15 the stewardship is shared and I hope that we can expect
16 that going forward that there are some provisions put in
17 place for -- to facilitate that. But I just want to
18 highlight that aspect of it, because we frankly saw it
19 lacking in some of the other projects. This project is of
20 the scale that I think really makes sense, and for all the
21 other factors that I mentioned makes a lot of sense.

22 With respect to just this project also, because I
23 know that there is a statewide effort to look at
24 developing some statewide guidelines and standards for how
25 we look at these all going forward, I hope that this

1 project can provide a starting point for some of the
2 considerations to be made about how we look at desal
3 projects for the State of California, understanding that
4 all -- each will be unique. But certainly the factors I
5 just mentioned should really be themes that run across all
6 projects as we think about desalination being part of our
7 water toolkit going forward for the state of California.

8 So with that, I would entertain a motion.

9 ACTING COMMISSIONER MILLER: I'll move approval.

10 CHAIRPERSON YEE: Okay. We have a motion by
11 Commissioner Miller to allege --

12 COMMISSIONER KOUNALAKIS: Second.

13 CHAIRPERSON YEE: -- approve the project, second
14 by Commissioner Kounalakis.

15 Without objection, such will be the order.

16 Thank you very much everyone for your comments on
17 this. Thank you, Commissioners.

18 Now, we'll move on to the companion measure, Item
19 52. And this is the proposal before us from the South
20 Orange County Wastewater Authority to terminate the
21 existing lease and to -- and an application for a new
22 lease of 30 years in duration for the wastewater outfall
23 and I believe -- and the ballast rock I think was the --
24 were the two.

25 Any concerns around that?

1 Okay.

2 ACTING COMMISSIONER MILLER: Move approval.

3 CHAIRPERSON YEE: Okay. Motion by Commissioner
4 Miller.

5 I will second that motion.

6 COMMISSIONER KOUNALAKIS: Second.

7 CHAIRPERSON YEE: Okay. Thank you, Commissioner
8 Kounalakis.

9 Without objection, that item is also approved.

10 Thank you very much, everyone.

11 Okay. We now will move on to the other two items
12 that were pulled off consent.

13 Item 46 and this is an application for a general
14 lease, from the Los Cerritos Wetlands Authority. And I
15 believe we had a speaker on this item.

16 EXECUTIVE OFFICER LUCCHESI: That's correct. So
17 I'll just briefly introduce the item.

18 CHAIRPERSON YEE: Okay, please.

19 EXECUTIVE OFFICER LUCCHESI: So this is a
20 application for a new lease with the Los Cerritos Wetlands
21 Authority to conduct debris cleanup, invasive species
22 abatement, and then also allow for access for escorted and
23 supervised public education programs, and restoration work
24 conducted by the Los Cerritos Wetlands Stewardship Program
25 as part of the restoration proposed at -- in the Los

1 Cerritos wetlands conceptual restoration plan, and other
2 ancillary maintenance activities. I wanted to note that
3 this -- there was a prior lease authorizing these very
4 same activities that recently expired. So this is a new
5 lease to continue these activities. And we're happy to
6 answer any questions that may arise.

7 CHAIRPERSON YEE: Okay. Very well. Thank you.
8 Any questions from commissioners on this item?

9 Okay. Seeing none, Nate any public speakers on
10 Item 46?

11 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:
12 Yes, Chair Yee. I have one hand raised from
13 Marcia Hanscom.

14 CHAIRPERSON YEE: Okay.

15 MS. HANSCOM: Hello. Can you hear me?

16 CHAIRPERSON YEE: Yes, we can.

17 MS. HANSCOM: Great. Thank you. Marcia Hanscom.
18 I'm actually here for Item VIII, but I have to speak on
19 this. I did not see this on the agenda, but I am very,
20 very concerned about any approvals for any leases related
21 to this project site at Los Cerritos Wetlands.

22 This is not a restoration. For some reason, we
23 have -- wetlands restoration has become a greenwashing
24 term on the Southern California coast. I don't know why
25 or who is pushing all of this, but did you know that this

1 supposed restoration is adding an additional 46 wells --
2 oil wells that would be producing 24,000 barrels of oil a
3 day. This is unbelievable that it is being touted by the
4 State of California as a restoration when it is not.

5 It is -- it is the enabling of an oil company to
6 continue -- not only continue, but to add oil drilling on
7 our Southern California coast. This is unacceptable and I
8 just have to speak up because this has to change. This --
9 somehow the amount of bond money allowed enable --
10 enabling these sorts of projects to happen is just
11 shocking, and the public needs to know about it and I
12 would urge you to not approve this.

13 Thank you.

14 CHAIRPERSON YEE: Thank you very much.

15 Our next speaker on this item.

16 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

17 Yes, Chair. I have Lydia Ponce joining us
18 virtually. Lydia, if you could please raise your Zoom
19 hand so we can identify you.

20 And we will come back to you, but our next
21 speaker will be Robert Roy van de Hoek in the meantime.

22 CHAIRPERSON YEE: Okay.

23 Mr. van de Hoek, are you speaking on Item 46?

24 MR. VAN DE HOEK: Now --

25 CHAIRPERSON YEE: We can you. You're breaking up

1 a little bit.

2 MR. VAN DE HOEK: Hello.

3 CHAIRPERSON YEE: And you have some -- you're
4 echoing, but are you speaking on Item 46?

5 MR. VAN DE HOEK: Yes.

6 CHAIRPERSON YEE: Okay.

7 MR. VAN DE HOEK: Yes, I am. Yes, I am.

8 CHAIRPERSON YEE: All right. You have some
9 background noise that you may have to mute, but we can
10 hear you.

11 MR. VAN DE HOEK: I'm here. Hello. Can you hear
12 me now?

13 CHAIRPERSON YEE: We can hear you.

14 MR. VAN DE HOEK: Hello.

15 CHAIRPERSON YEE: We can hear you.

16 MR. VAN DE HOEK: Okay. Great And my name is
17 Robert -- okay. Thank you. My name is Robert Roy van de
18 Hoek and I'm an environmental scientist. And I was
19 invited by the oil company at Cerritos Wetlands two times
20 to have a tour. And to sit in a meeting. And they were
21 trying to convince me to join their side that their oil --
22 their new revised -- their new plans for the oil well they
23 want to do on their private land, and that they were
24 working with this so-called Cerritos conservation type of
25 quasi-State public entities.

1 And what I learned is the amount of money that
2 (inaudible) been giving to different environmental groups,
3 including the Audubon Society. And I've been a past
4 president. I was an environmental scientist, but I
5 volunteered to be a president of a (inaudible) chapter.
6 And I learned that this is what's (inaudible) -- the oil
7 companies in Long Beach -- this one particular oil company
8 in Long Beach is manipulating these different
9 environmental organizations. And they're manipulating the
10 State of California's different agencies, including the
11 Coastal Commission. And they're doing this now to you at
12 the State Lands Commission.

13 And when I say they're offering the public
14 educational, you have to re-listen to that in the fine
15 print. It's only certain educational organizations that
16 get to do that and they are going to be saying how
17 wonderful the restoration is. If you're an independent
18 educator or with an organization, that is
19 changing (inaudible) -- also critical thinking skills, and
20 how to use science, and think about science, and to follow
21 the money as part of that in environmental science. You
22 really need to know. You know the movement now in
23 science, where you have to -- at the bottom of your
24 peer-reviewed paper, you have to say who funds your
25 research.

1 But in this gray literature science, you never
2 have to say who's funding you and how many -- how much
3 money you're getting from the side at -- and it's -- we
4 have a real mess. And I think the State Lands Commission
5 needs to get to the bottom of this. You're probably about
6 the last chance as a State agency to look into this and
7 understand that. And I don't see my time where I'm --
8 have I reached my three minutes?

9 CHAIRPERSON YEE: I have not heard the bell yet,
10 but you have 33 seconds left.

11 MR. VAN DE HOEK: Oh, thank you. There it is. I
12 see the clock now. So just to wrap up, when I toured the
13 Cerritos Wetlands and I was allowed to go on the private
14 property there, it was just amazing how much biodiversity
15 was there and how carbon storage and carbon sequestration
16 is working really well there. And the area now
17 (inaudible) change for at least the next 50 to 100 years,
18 because of the jetties and levees. And it would be a very
19 bad mistake to start to remove those jetties -- remove any
20 of the jetties, or levees, or let seawater coming in.

21 It's in a beautiful condition right now. And
22 they say it's degraded, but it's really not. And the
23 people getting paid to say it's degraded, you need to
24 follow the money. Thank you.

25 CHAIRPERSON YEE: Thank you very much.

1 Our next speaker, Nate.

2 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

3 Madam Chair, coming back to Lydia Ponce, I was
4 not able to locate her in the attendee list, so at this
5 time, we have no further comments on this item.

6 CHAIRPERSON YEE: Okay. Very well. Thank you.

7 Commissioners, we have Item number 46 before us.
8 Any questions or comments on this?

9 ACTING COMMISSIONER MILLER: No. Move approval.

10 CHAIRPERSON YEE: Okay. We have a motion by
11 Commissioner Miller to approve.

12 ACTING COMMISSIONER DURLAO: Second.

13 CHAIRPERSON YEE: Second by - thank you, Dr.
14 Durlao -- Commissioner Durlao.

15 Without objection, such will be the order.

16 Thank you very much.

17 And then we have Item 66, it was also removed
18 from the consent calendar. And this is a matter relating
19 to the City of Long Beach for a expenditure from the
20 tideland oil revenue.

21 Ms. Lucchesi, do you want to introduce the item?

22 EXECUTIVE OFFICER LUCCHESI: Yes, certainly.

23 I just want to reflect for the record that Dr.
24 Matthew Durlao --

25 CHAIRPERSON YEE: Yes.

1 EXECUTIVE OFFICER LUCCHESI: -- now sitting in as
2 Lieutenant Governor and Commissioner Kounalakis's
3 alternate.

4 CHAIRPERSON YEE: Thank you.

5 EXECUTIVE OFFICER LUCCHESI: So great. Yes, Item
6 66, I'm just pulling it up now. This is a request for the
7 State Lands Commission to review a proposed tideland oil
8 revenue expenditure in an amount not to exceed 10.575
9 million dollars by the City of Long Beach for 18 capital
10 improvement projects on and adjacent to legislatively
11 granted sovereign land in the City of Long Beach. As the
12 Commission has seen these types of requests for review
13 before, the State's tidelands in the City of Long Beach
14 have been granted to the City of Long Beach to manage on
15 behalf of the State. And the revenues included in that
16 are the oil operations, including the West Wilmington oil
17 production operation and the THUMS islands oil production
18 operation. And the revenues generated from those
19 operations are the tidelands oil revenue.

20 Pursuant to statutory framework, the City is
21 allowed to spend that oil revenue on Public Trust lands or
22 on adjacent lands for purposes outlined in the statutory
23 framework. The statutes require the City to submit those
24 proposed expenditures for the Commission's review solely
25 for consistency with that statutory framework. No other

1 discretionary action is allowed pursuant to those
2 statutes. And the Commission has a certain number of days
3 to review those and make any determinations about
4 inconsistency.

5 So staff's recommendation here, after reviewing
6 these 18 capital improvement projects and the proposed
7 expenditures, is that we didn't find any evidence of
8 inconsistency of these projects with the statutes
9 governing this -- these transactions.

10 CHAIRPERSON YEE: Great. Thank you very much.
11 Questions or comments, members -- or
12 commissioners?

13 Okay. Seeing none, do we have any public comment
14 on Item 66?

15 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:
16 Madam Chair, we no longer have any public
17 comments on this item.

18 CHAIRPERSON YEE: Okay. Very well. Thank you.

19 ACTING COMMISSIONER MILLER: Move approval.

20 CHAIRPERSON YEE: Okay. We have a motion by
21 Commissioner Miller.

22 ACTING COMMISSIONER DURLAO: Second.

23 CHAIRPERSON YEE: Seconded by Commissioner
24 Dumlao.

25 Without objection, that motion carries.

1 Thank you.

2 Ms. Lucchesi, what is our next order of business?

3 EXECUTIVE OFFICER LUCCHESI: Our next item of
4 business is our second general public comment period.

5 CHAIRPERSON YEE: Okay. Very well.

6 So at this time, if anyone wishes to address the
7 Commission on any matter that is not on today's agenda,
8 please come up to the podium or raise your hand. I will
9 call on those who are here in person first. And next, we
10 will move on to those joining us virtually.

11 So Nate, I will turn to you. If you'll call on
12 the first person who'd like to make a public comment.

13 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

14 Madam Chair, we have Marcia Hanscom.

15 CHAIRPERSON YEE: Okay.

16 MS. HANSCOM: Honorable commissioners, Marcia
17 Hanscom. I neglected to say earlier, I'm a longtime
18 Sierra Club elected leader and also here speaking now
19 related to Defend Ballona Wetlands. And I want to just
20 say a couple of things that have come to light in the last
21 couple of months. First, I want to say thank you so much,
22 Chair Yee, for your service to the people of California,
23 both here on the State Lands Commission and in your other
24 roles as State Controller. So many important commissions
25 that you have jurisdiction over.

1 And thank you for listening to us related to the
2 Ballona Wetlands. We hope you will listen more, because
3 we have uncovered some additional information. As some of
4 you know, we believe, and there's evidence to believe,
5 that SoCalGas and Sempra have a great interest and will
6 benefit greatly from the so-called restoration, really a
7 destruction of every bit of habitat at the Ballona
8 Wetlands Ecological Reserve, remaking it -- remaking it so
9 that it will -- it will actually give some benefits --
10 quite a bit of benefits to SoCalGas, as they want to put
11 new infrastructure, new fossil fuel infrastructure into
12 the ground, so they can keep their gas storage facility
13 going.

14 And one of their lobbyists recently told LA City
15 Council Member Paul Krekorian that they now have this new
16 idea for what they are calling Green Hydrogen, and which
17 it is not we are finding, he looked him -- this lobbyist
18 looked him in the eye and told him they intended to use
19 hydrogen to keep the methane flowing for as long as
20 possible.

21 And that is a big concern. I know that
22 Lieutenant Governor Kounalakis attended and actually led
23 the California delegation to last year's Council[SIC] of
24 Parties. And it was very interesting the issues that have
25 been brought up for this entire last year from scientists

1 about the importance of knowing that methane is one of the
2 biggest contributors to climate impacts now. It's
3 understood how much bigger it is. We need to get off of
4 gas now. And instead, SoCalGas is trying to use this
5 State funded multi-million dollar operation calling it a
6 restoration, so they can keep their gas storage facility
7 going, bring in hydrogen, blend it with methane, and keep
8 that operation going, when it should be closed down.

9 You own part of the land at Ballona where they
10 want to do this project. And we are still looking at your
11 Memorandum of Understanding that says that you are
12 required -- the State Lands Commission is required to have
13 final discretionary authority approval of the project. So
14 we believe this needs to come to the State Lands
15 Commission and have a full public hearing.

16 Thank you.

17 CHAIRPERSON YEE: Thank you very much, Ms.
18 Hanscom.

19 Nate, our next speaker, please.

20 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

21 Our next speaker is Mary-Ann Warmerdam, whom I'm
22 not seeing in the attendance list. Ms. Warmerdam, if you
23 could raise your hand, we'll come back to you.

24 In the meantime, we have Ms. Melodie Chrislock

25 MS. CHRISLOCK: Hello. Melodie Chrislock. I am

1 the Director of Public Water Now here on the Monterey
2 peninsula. And I wanted to -- I represent about 4,000
3 CalAm ratepayers. I wanted to update your Commission on
4 the current problems we are having with CalAm and its
5 desal situation.

6 It appears that the Coastal Commission's
7 conditional approval for CalAm's desal plant has
8 emboldened CalAm to block the Pure Water Monterey
9 expansion project. They are now refusing to sign the CPUC
10 approved agreement for a water purchase agreement. And
11 the project cannot move forward. It can't get financing.
12 It can't be built without them agreeing to buy this water,
13 which they are now refusing to do.

14 We've got a situation here where we have a
15 monopoly -- regulated monopoly that doesn't look like it's
16 being regulated. We're not sure if the CPUC will compel
17 them to sign this, but they could force our community into
18 rationing. They've already delayed this by about three
19 years, and they're continuing to delay it.

20 I know you've recently, you know, looked at the
21 Doheny project. And I wanted to point out the differences
22 between that project and CalAm's project. They're about
23 the same size. They both use slant well technology. But
24 the Doheny project cost about \$140 million. CalAm's
25 estimated to be about \$426 million. They've already spent

1 about \$140 million and we have nothing to show for it.
2 They've spent as much as Doheny spent on their whole
3 project, and we still have nothing to show for it.

4 This company is one that cannot be trusted. They
5 lie consistently to our elected representatives. They
6 divide and conquer by turning ag and the urban users
7 against each other. It's just been a really ugly
8 situation here, and we are desperate for this expansion
9 water. Our potable recycled project is operating
10 beautifully and the expansion would give us plenty of
11 water for 30 years without desal. CalAm is doing
12 everything it can to stop the expansion, because it knows
13 that with the expansion, we won't need it's desal plant.

14 So when this comes before you, eventually, I hope
15 you will really look into this. There are some very
16 problematic areas, environmental justice, the fact that
17 this water would cost probably 8 to 10 thousand dollars an
18 acre foot. Whereas, Doheny's water was less than \$2,000
19 an acre foot.

20 Why? CalAm can't answer that. Why is this water
21 so expensive?

22 Thank you very much for your time.

23 CHAIRPERSON YEE: Thank you for your comments.

24 Nate, our next speaker, please.

25 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

1 Madam Chair, our next speaker is Robert Roy van
2 de Hoek.

3 CHAIRPERSON YEE: Mr. van de Hoek, are you on?
4 Okay. Nate, why don't we return back to him.

5 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:
6 Let's see.

7 CHAIRPERSON YEE: Our next speaker.

8 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:
9 Madam Chair, I'm seeing no other speakers. I
10 think Mr. van de Hoek has now joined us.

11 CHAIRPERSON YEE: Okay. Mr. van de Hoek, you
12 have three minutes.

13 MR. VAN DE HOEK: Okay. Thank you. Okay. Thank
14 you again for the opportunity to speak under general
15 public comment. My name is Robert Roy van de Hoek. And
16 again, I'm an environmental scientist and (inaudible)
17 academically trained and worked professionally for over 40
18 years in various government levels, as in various types of
19 environmental science.

20 The previous speaker Marcia Hanscom mentioned the
21 Ballona Wetlands. And that's what I wish to speak on as
22 well. And I wanted to let you know that that's in Los
23 Angeles County, California. And in the City of Los
24 Angeles, and two State agencies own land there, and the
25 federal government owns the Ballona River Estuary and the

1 levees, and has an agreement with the County of Los
2 Angeles.

3 I want to focus on how the water -- seawater and
4 mixed with ocean -- with fresh water, so it sometimes
5 brackish, sometimes it's (inaudible) in summer. The full
6 moon and new moon in tides, the water level rises to 9.5
7 feet above sea level, which comes to within a half a foot
8 of a 10-foot wall that stops the ocean from going into
9 this so-called fresh water marsh at Playa Vista.

10 And it's -- I mean, it's not -- it's the State of
11 California's land under the State Lands Commission. And
12 there's no signage that says it's State lands. It makes
13 it sound like Playa Vista owns in and that they're doing a
14 wonderful thing on having this fresh water marsh. But
15 nothing could be further from the truth. Playa Vista is
16 homeowners and a development corporation. And they pay a
17 certain percentage of their property tax, a fee, that goes
18 to the management -- the private management of your public
19 land.

20 And it's kind of a trespassing and occupancy
21 issue, because they do not allow the public to walk onto
22 this public land, unless you agree with their project,
23 which is to be as a fresh water marsh, they want it to be,
24 because they have to treat the polluted runoff from all
25 the housing and streets of the Playa Vista development.

1 And they hired Edith Reid, a PhD, who is making huge
2 amounts of (inaudible). It's a biased thing. Everything
3 is okay and the report is to your State Lands Commission.
4 And Catherine Tyrrell is the homeowner at Playa Vista,
5 who's the -- a member of what's been created by the State
6 Lands Commission and the conservancy for the Ballona Fresh
7 Water Marsh.

8 And everything is going wrong there. It's a big
9 mess. The trees are dying, because there's salt water
10 intrusion. More than a hundred trees have died. These
11 are native trees and they should never have been there to
12 begin with, because you can't grow fresh water trees where
13 you have a salt marsh, and they attempt to suppress the
14 water by using recycled water --

15 CHAIRPERSON YEE: Mr. van de Hoek, your -- Mr.
16 van de Hoek, your time has expired.

17 Thank you for your comments.

18 MR. VAN DE HOEK: Could I ask for an
19 investigation -- (inaudible) investigation of this.

20 Thank you.

21 CHAIRPERSON YEE: Thank you.

22 Nate, our next speaker.

23 ASSOCIATE GOVERNMENTAL PROGRAM ANALYST DOZIER:

24 Madam Chair, there are not further comments.

25 CHAIRPERSON YEE: Okay. Very well. Thank you.

1 That concludes our second public comment period.

2 Let me just check with our commissioners, if
3 there are any questions or comments at this time.

4 Okay. Seeing none.

5 Before I turn it back to Ms. Lucchesi, let me
6 just say to everyone here thank you for your patience. I
7 know we kind of drove right through the agenda. But a
8 full agenda, we wanted to be sure that we heard from all
9 members of the public. And before I turn it back to Ms.
10 Lucchesi, and certainly before adjournment, I'd like to
11 just thank my high team for the tremendous support of the
12 work here on this Commission. Deputy Controller Kunkel,
13 thank you very much for covering all three of our
14 commissions this year. Quite a hefty workload this year.

15 And of course, all of the Deputy Controllers who
16 I've had the opportunity to -- with whom, I've had the
17 opportunity to serve during my tenure, and a special
18 tribute and really remembrance to Deputy Controller Anne
19 Baker. Thank you.

20 With that, Ms. Lucchesi, what is our next order
21 of business?

22 EXECUTIVE OFFICER LUCCHESI: Our next order of
23 business is closed session. And I would like to just do
24 some Report out on that.

25 CHAIRPERSON YEE: Sure.

1 EXECUTIVE OFFICER LUCCHESI: Regarding Item 67 on
2 the open session calendar, Government Code section 11126
3 subdivision (c)(7) allows a State body to discuss real
4 property negotiations in closed session provided that
5 before the closed session the State body in open session
6 identifies the real property concern and the person or
7 persons with whom the negotiator may negotiate.

8 In accordance with this requirement, I announce
9 that the Commission will conference in closed session with
10 its real property negotiators regarding a lease amendment
11 or other agreement for the extended use of the
12 infrastructure on State lands related to the continued
13 operation of the Diablo Canyon Power Plant in San Luis
14 Obispo County. The negotiations will be conducted with
15 Pacific Gas and Electric Company. For additional
16 information, you can check out our agenda posted on our
17 website.

18 CHAIRPERSON YEE: Great. Thank you, Ms.
19 Lucchesi. So at this time, we will now adjourn into
20 closed session. Are we staying here or are we --

21 EXECUTIVE OFFICER LUCCHESI: We're going to
22 adjourn into a new room.

23 CHAIRPERSON YEE: New room. Okay. Very well.
24 Thank you.

25 EXECUTIVE OFFICER LUCCHESI: Oh, follow Kim. She

1 knows where we're going.

2 CHAIRPERSON YEE: All right. Very good.

3 (Off record: 4:33 p.m.)

4 (Thereupon the meeting recessed

5 into closed session.)

6 (Thereupon the meeting reconvened

7 open session.)

8 (On record: 4:58 p.m.)

9 CHAIRPERSON YEE: Okay. Thank you. The

10 Commission is reconvening in open session. Let me just

11 report that the Commission met in closed session. And Ms.

12 Lucchesi, do we have anything to report?

13 EXECUTIVE OFFICER LUCCHESI: Yes. Pursuant to

14 Government Code section 11126 subdivision (c)(7), the

15 Commission met in closed session with its real property

16 negotiators regarding a lease amendment or other agreement

17 for the extended use of the infrastructure on State Lands

18 related to the continued operation of the Diablo Canyon

19 Power Plant in San Luis Obispo County.

20 Thank you.

21 CHAIRPERSON YEE: Great. Thank you very much.

22 Let me just see if there's any other business to

23 come before the Commission?

24 EXECUTIVE OFFICER LUCCHESI: No.

25 CHAIRPERSON YEE: Seeing and hearing none, we are

1 adjourned. Thank you, everyone.

2 (Thereupon the California State Lands

3 Commission meeting adjourned at 4:58 p.m.)

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CERTIFICATE OF REPORTER

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I, JAMES F. PETERS, a Certified Shorthand Reporter of the State of California, do hereby certify:

That I am a disinterested person herein; that the foregoing California State Lands Commission meeting was reported in shorthand by me, James F. Peters, a Certified Shorthand Reporter of the State of California;

That the said proceedings was taken before me, in shorthand writing, and was thereafter transcribed to the best of my ability, under my direction, by computer-assisted transcription.

I further certify that I am not of counsel or attorney for any of the parties to said meeting nor in any way interested in the outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of December, 2022.

JAMES F. PETERS, CSR
Certified Shorthand Reporter
License No. 10063