Meeting Date: 10/21/26
Lease Number: 9714
Staff: M. Sapunor

Staff Report 49

APPLICANT:

South Coast Water District

PROPOSED ACTION:

Amendment of a General Lease – Public Agency Use.

AREA, LAND TYPE, AND LOCATION:

Sovereign land in the Pacific Ocean, adjacent to Doheny State Beach, Orange County.

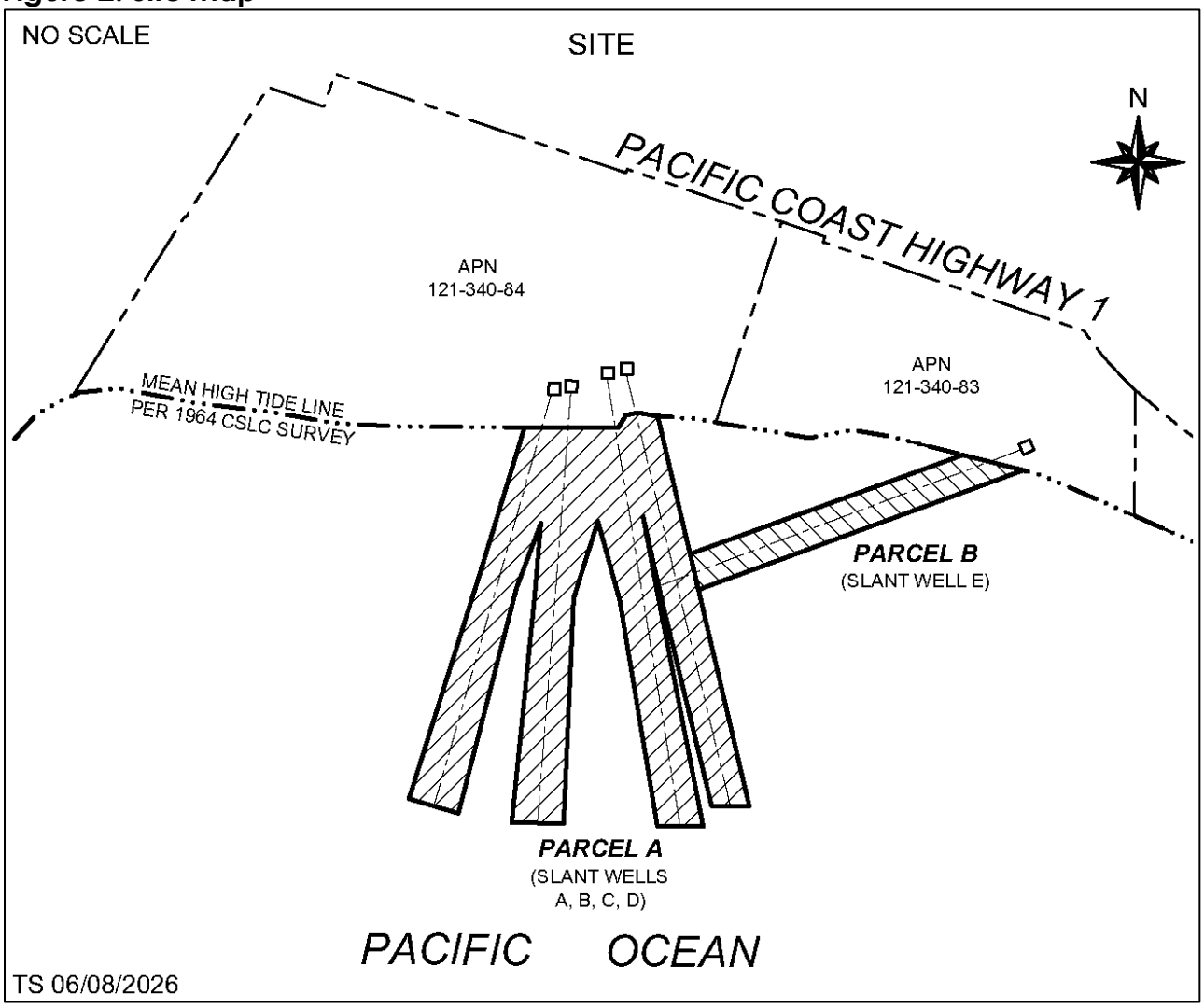
Figure 1. Location



AUTHORIZED USE:

Construction, operation, and maintenance of up to five subsurface slant wells (as shown in Figure 2).

Figure 2. Site Map



NOTE: This depiction of the lease premises is based on unverified information provided by the Applicant or other parties and is not a waiver or limitation of any State interest in the subject or any other property.

TERM:

20 years, beginning December 9, 2022.

CONSIDERATION:

The public use and benefit, with the State reserving the right at any time to set a

monetary rent if the Commission finds such action to be in the State's best interests.

PROPOSED AMENDMENT:
Replace Exhibit A, Land Description, and Exhibit B, Site and Location Map, to the Lease with a revised Exhibit A and Exhibit B depicting revisions to the planned location of improvements authorized by the lease. All other terms and conditions of the lease shall remain in effect without amendment.

BACKGROUND:

On December 9, 2022, the Commission authorized a General Lease – Public Agency Use to South Coast Water District (SCWD) for the construction, operation, and maintenance of up to five subsurface slant wells and the operation and maintenance of one acoustic doppler current profiler (Item 71).

The subsurface slant wells will function as raw water conveyances for the larger Doheny Ocean Desalination Project. The Applicant, SCWD, is a public agency providing potable water, recycled water, and wastewater services to southern Orange County, including the cities of Dana Point, San Clemente, and San Juan Capistrano. SCWD intends for the Doheny Ocean Desalination Project to provide a diversified and drought-resistant water supply to the area.

The Applicant is now applying to amend the lease. The proposed amendment relocates the proposed subsurface slant wells to reflect project design changes. The slant wells will pass through the Commission's jurisdiction, with all planned above-ground staging and construction work occurring on the upland parcels, owned by California State Parks. The relocation of the wells is intended to boost well access to treatable water supplies after geophysical surveying work showed the previously approved location contained inadequate water supplies for the project. The changed locations will not result in changes to construction methods within the Commission's jurisdiction.

STAFF ANALYSIS AND RECOMMENDATION:

AUTHORITY:
Public Resources Code sections 6005, 6216, 6301, 6501.1, and 6503; California Code of Regulations, title 2, sections 2000 and 2003.

PUBLIC TRUST AND STATE'S BEST INTERESTS:

The proposed amendment to Lease 9714 shifts the proposed subsurface slant wells slightly to the west of the location authorized in the original lease document. The Applicant deemed the new location necessary as part of a negotiation with California State Parks concerning public access and planned renovations to the Day Use Area and campground area, as well as concerns over the viability of the wells in the prior authorized location. The proposed lease amendment does not alienate the State's interest or permanently impair public rights on sovereign land. The lease will expire on December 8, 2042, and does not grant the Lessee exclusive rights to the lease premises.

CLIMATE CHANGE:

The climate crisis and rising sea levels are impacting coastal California now. As underscored in the State of California Sea Level Rise Guidance (Ocean Protection Council, 2024), the combination of extreme weather events and the persistent and accelerating rise in sea levels will lead to increased coastal hazards, such as wave runup, storm surges, flooding, and erosion. Shorelines will move inland due to rising seas, exposing more of the natural and human-built environment to coastal hazards. The resulting damage will occur repeatedly and incrementally over years and, in extreme cases, over the span of a few large winter storms. These impacts may affect the proposed subsurface slant wells subject to the proposed lease, located in the Pacific Ocean, near the City of Dana Point.

Changes to the project do not change the climate change impacts analyzed in the December 9, 2022 staff report (Item 71). The proposed subsurface slant wells will continue to extend to approximately 1,000 feet waterward of the wellheads and terminate 75-130 feet beneath the seafloor within the Commission's jurisdiction. Therefore, staff's conclusion that the portion of the slant well facilities within the lease area are not likely to be vulnerable to climate change impacts remains the same.

CONCLUSION:

For all the reasons stated above, staff believes the approval of the amendment will not substantially interfere with the Public Trust needs and values at this location, at this time, and for the foreseeable term of the lease and is in the best interests of the State.

OTHER PERTINENT INFORMATION:

1. Approval or denial of the amendment is a discretionary action by the Commission. Each time the Commission approves or rejects a use of sovereign land, it exercises legislatively delegated authority and responsibility as trustee of the State's Public Trust lands as authorized by law. If the Commission denies the application, the lessee may not proceed with the proposed project. The lessee has no right to an amendment.

2. This action is consistent with the "Leading Climate Activism", "Meeting Evolving Public Trust Needs", and "Committing to Collaborative Leadership" Strategic Focus Areas of the Commission's 2021-2025 Strategic Plan.

3. An Environmental Impact Report (EIR), State Clearinghouse No. 2016031038, was prepared by the SCWD and certified on June 27, 2019. As part of its project approval, SCWD made a Statement of Facts and Findings and adopted a Mitigation Monitoring and Reporting Program.

   The Commission considered the EIR and an Addendum for the Modified Project at its December 9, 2022 meeting (Item 71). Acting as a responsible agency, the Commission staff prepared an Addendum to analyze the environmental impacts from the Modified Project, including a compressed construction schedule, slant well placement at the Doheny State Beach Campgrounds, and elimination of Project activities from the Doheny State Beach north day use area and the beach. The Addendum for the Modified Project was adopted by the Commission on December 9, 2022. As part of the Commission's approval of the lease, the Commission adopted an independent Mitigation Monitoring Program (MMP) and Findings, made in conformance with the California Environmental Quality Act (CEQA) Guidelines (Cal. Code Regs., tit. 14, §§ 15091, 15093, and 15096), as contained on file in the Sacramento office of the Commission and incorporated by reference hereto. The Commission's previously adopted MMP remains in full force and effect.

   The SCWD then adopted an Addendum to the EIR on May 14, 2026, but soon proposed further modifications to the proposed activities and adopted a second Addendum to the EIR on September 24, 2026, that supersedes the first SCWD addendum and analyzes the environmental impacts from the Revised Modified Project, including slant well placement at the North Day Use Area and one potential well in the Doheny State Beach campground. Staff has reviewed the EIR and the September 24, 2026 Addendum for the Revised Modified

Project, and the proposed lease amendment does not create substantial changes to the project, to the circumstances in which the project occurs, or present other new information that would require a subsequent or supplemental EIR. The Applicant is required by the terms of the amended lease to continue to implement the Commission's previously imposed MMP.

4. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code section 6370 et seq. At the time the Commission considered the EIR and Addendum on December 9, 2022, staff concluded that such activity would not affect those significant lands, and the Commission found the activity to be consistent with its use classification pursuant to Public Resources Code section 6370 et seq.

APPROVALS OBTAINED:

- California State Parks
- United States Army Corps of Engineers
- United States Fish and Wildlife Service
- National Marine Fisheries Service
- San Diego Regional Water Quality Control Board
- California Coastal Commission

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that an EIR, State Clearinghouse No. 2016031038, was prepared for this project by SCWD and certified on June 27, 2019. Then, an Addendum to the EIR for the Modified Project was adopted on December 9, 2022, by the Commission. An Addendum to the EIR for the Revised Modified Project was adopted on September 24, 2026, by SCWD. The Commission has reviewed and considered the information contained in the Addenda along with the EIR and finds that in the Commission's independent judgment, the scope of activities to be carried out under the lease as amended by this authorization have been adequately analyzed; that none of the events specified in Public Resources Code section 21166 or CEQA Guidelines

section 15162 resulting in any new or substantially more severe significant impact has occurred; and, therefore no additional CEQA analysis is required.

Find that the Commission's previously adopted Mitigation Monitoring Program remains in full force and effect.

PUBLIC TRUST AND STATE'S BEST INTERESTS:

Find that the proposed amendment will not substantially interfere with the Public Trust needs and values at this location, at this time, and for the foreseeable term of the lease; and is in the best interests of the State.

AUTHORIZATION:

Authorize amendment of a General Lease – Public Agency Use to the Applicant to replace the Exhibit A, Land Description, and Exhibit B, Site and Location Map with a new Exhibit A, Land Description, and Exhibit B, Site and Location Map depicting revisions to the planned location of improvements authorized by the lease. All other terms and conditions of the lease shall remain in effect without amendment.