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VOTE-ONLY

3100 EXPOSITION PARK

Issue 1: Budget Increase for Public Safety (OEPM)

Governor's Proposal. The Governor's budget requests an ongoing reimbursement authority increase of \$850,000 to account for anticipated increases in reimbursable public safety expenses arising from the opening of the Lucas Museum of Narrative Art (LMNA) and increased activity throughout the Park. The Lucas Museum of Narrative Art has expressed interest in utilizing the Department of Public Safety (DPS) Officers for security on the exterior of the Museum to create seamless exterior public safety coverage on a reimbursable basis. This increase to the department's reimbursement authority would allow the department to adequately provide public safety services. The current staffing level and reimbursement authority would be insufficient to cover the needs of LMNA. The museum is creating 11 acres of new park space that is expected to bring hundreds of thousands of visitors each year. This type of activity has not been accounted for under our current staffing levels. The DPS provides public safety services to other park entities on a reimbursable basis, so this would align with past and current practice and policy.

Background. The OEPM and LMNA entered into a lease and agreement on July 28, 2017. The museum is scheduled to open in in the next two years and will be approximately 300,000 square feet, will feature close to 100,000 square feet of gallery space, two state-of-the-art cinematic theaters, numerous dedicated spaces for learning and engagement, restaurants, retail, and event space. The LMNA is slated to bring numerous public programming and special events to Exposition Park.

Staff Recommendation. Approve as budgeted.

Issue 2: Budget Increase for Temporary Positions (OEPM)

Governor's Proposal. The Governor's budget requests \$100,000 Exposition Park Improvement Fund ongoing to support temporary positions to assist with cyclical surges in park activity due in part to lost opportunities during the COVID 19 stay at home orders and normal seasonal park activity trends. As a result of a 15-month hiatus in events and park activity, there has been a significant spike in events, visitors, museum attendance and activity throughout the Park. In addition to the surge, the Park also experiences major spikes and lulls in activity throughout the year, which create immediate short-term staffing needs. Temporary help would increase OEPMs capacity to respond to the growing needs to collect revenue and render required services on a seasonable basis.

Staff Recommendation. Approve as budgeted.

Issue 3: Peace Officers: Exposition Park (AB 483)

Governor’s Proposal. The Governor’s budget requests \$2.115 million one-time General Fund, \$265,000 ongoing General Fund, and two full-time ongoing positions for compliance with AB 483 (Jones-Sawyer), Chapter 411, Statutes of 2021, Peace officers: California Science Center and Exposition Park. These resources will support all one-time and ongoing activities and administrative support for AB 483 which grants peace officer status to security officers appointed by the Exposition Park Manager, as specified, and clarifies the training requirements for those peace officers.

OEPM’s Department of Public Safety (DPS) officers are regularly called upon to enforce state law and local ordinances. In addition, officers assist allied agencies such as the Los Angeles Police Department, Los Angeles Sheriff’s Department and California Highway Patrol with surveillance and investigation of criminal activity. Gaining peace officer status affords the DPS officers the same authorities and responsibilities as their fellow allied agencies. When public safety issues arise in and around Exposition Park, DPS officers must respond in a way that best protects the public.

Background. AB 483 (Jones-Sawyer). AB 483 grants peace officer status to security and safety officers at the California Science Center at Exposition Park, and requires these officers to complete the Commission on Peace Officer Standards and Training (POST) certified regular basic training course.

Staff Recommendation. Approve as budgeted.

3100 CALIFORNIA AFRICAN AMERICAN MUSEUM**Issue 4: Conversion of Temporary Positions to Permanent Positions**

Governor's Proposal. The Governor's budget requests authority to establish a permanent position that will fill a critical administrative role in the department. No increase in funding is being requested. The position, a Staff Services Analyst, was originally filled as a temporary appointment and will expire on November 22, 2022.. This position is responsible for performing analysis of the procurement needs of the curatorial and exhibitions departments, including managing budgets, contracts, purchase orders, and vendor agreements, and is a liaison between the accounting, curatorial/education, and executive functions of the museum.

Staff Recommendation. Approve as budgeted.

3480 DEPARTMENT OF CONSERVATION (DOC)**Issue 5: California Farmland Conservancy Program Fund — Interest Earned**

Governor’s Proposal. The Governor’s budget requests a one-time increase in expenditure authority for \$61,000 for the interest earned on the donated funds. The Division of Land Resource Protection received funds donated in 2013 to the California Farmland Conservancy Program Fund (Item 3480-001-0867). The donated amount of \$454,000 has incurred interest income, increasing the fund balance to \$515,000. Public Resources Code (PRC) Section 10230 states that the donated funds may be spent as part of the continuous appropriation. PRC Section 10230 does not include language to permit the expenditure of interest income for this item.

Staff Recommendation. Approve as budgeted.

Issue 6: Oil and Gas Wells and Facilities: Liens: Collections Unit (AB 896)

Governor’s Proposal. The Governor’s budget requests one Associate Governmental Program Associate (AGPA) and funding with a total of \$154,000 in first year and \$140,000 ongoing to impose a claim and lien upon real property owned by any oil and gas operator for nonpayment of idle well fees and estimated costs for plugging and abandoning wells and other remediation work for purposes of implementing AB 896 (Bennett), Chapter 707, Statutes of 2021.

Background. *AB 896 (Bennett).* AB 896 requires the establishment of a collections unit at the Geologic Energy Management Division (CalGEM) in DOC. The bill also expands the Supervisor’s ability to impose a claim and lien upon the real property in the state owned by any operator or responsible party of an oil or gas well under specified conditions.

Staff Recommendation. Approve as budgeted.

Issue 7: Data Integrity and Accessibility

Governor’s Proposal. The Governor’s budget requests sixteen permanent positions and funding for document remediation for CalGEM and an appropriation increase of \$3.261 million in 2022-23, and \$3.046 million ongoing Oil, Gas and Geothermal Administrative Fund to increase functionality of WellSTAR and strengthen data integrity, accessibility, reliability and consistency for internal and external use.

Staff Recommendation. Approve as budgeted.

Issue 8: Plugging and Abandoning Hazardous and Idle-Deserted Wells and Production Facilities (SB 47)

Governor's Proposal. The Governor's budget requests an increase in annual expenditure authority to plug deserted wells and decommission deserted facilities from \$2 million to \$5 million beginning in 2022-23 to implement the provisions of SB 47 (Limon), Chapter 238, Statutes of 2021. The Department also requests six permanent positions and \$150,000 in limited term annual contract expenditure authority for the 2022-23 fiscal year, with a total appropriation increase of \$3 million.

SB 47 increases the annual expenditure limit from the Oil, Gas, and Geothermal Administration Fund, the principal source of funding for CalGEM from a production fee assessed on oil and gas production in the state, for the plugging and abandonment of hazardous or idle-deserted wells to \$5 million.

Staff Recommendation. Approve as budgeted.

Issue 9: Mines Online Database (SB 854)

Governor's Proposal. Due to the execution of SB 854 (Committee on Budget and Fiscal Review), Chapter 51, Statutes of 2018, the Governor's budget requests one permanent Information Technology Specialist position and an appropriation increase of \$197,000 in 2022-23, and \$185,000 ongoing from the Surface Mining and Reclamation Account to support the web application, security, compliance, backend database, functional enhancements and GIS integration of the Mines Online Document Storage (MODS) system.

Staff Recommendation. Approve as budgeted.

Issue 10: Statewide Seismic Hazards Reduction

Governor's Proposal. The Governor's budget requests \$25.6 million General Fund in 2022-23, \$23.8 million in 2023-24, and \$3.7 million ongoing and twenty-one permanent positions to mitigate the risk of loss of life and catastrophic economic impacts of future urban earthquakes in California.

Background. The state has fallen behind in current seismic hazard zone mapping due to a lack of consistent funding. Some maps are decades old, and others have not been updated enough to reflect the current geologic state with recent historical seismic data. Absence of up-to-date seismic hazard zone maps supported by data management of statewide geologic and geotechnical reports means that cities and towns are expanding or redeveloping without foundational understanding of seismic hazards and risks thereby putting new construction in harm's way and undermining the creation of a seismically resilient state. In addition, without updated seismic hazard zone maps the state will not have all the information needed to place future sensors to record the information needed to mitigate future impacts of loss of life and property. The state can mitigate the loss of both with improved and updated maps of seismic hazards in combination with higher quality ground motion data that together form the foundation for construction of life and cost saving, reliably earthquake resilient structures and communities.

Staff Recommendation. Approve as budgeted.

3560 STATE LANDS COMMISSION

Issue 11: Bolsa Chica Lowlands Restoration Project

Governor's Proposal. The Governor's budget requests \$2 million in 2022-23, \$2 million in 2023-24, and \$2 million in 2024-25 from the Environmental License Plate Fund for continued operations and management responsibilities for the Bolsa Chica Lowlands Restoration Project in Orange County. Operations and management costs average \$2 million annually, including required dredging, consultants, repairs, and other operational costs. The existing operations and maintenance fund for the Bolsa Chica Lowlands Restoration Project is nearly depleted and can no longer support baseline costs.

Staff Recommendation. Approve as budgeted.

Issue 12: Crocker Waterfront Clean Up

Governor's Proposal. The Governor's budget requests \$2.165 million one-time General Fund appropriation to facilitate removal of deteriorated infrastructure located on sovereign land at the Crockett Waterfront, west of the I-80 Bridge. Restoration work is underway to remove the most hazardous conditions; however, additional funding is necessary to further removal efforts and secure the site.

The \$2.165 million funding for the site will be used for removal of dilapidated infrastructure and to secure the site, which addresses the immediate and critical needs, but will not fully restore the site. The restaurant previously located on the site has been removed; however, the pile and platform that supported the restaurant still need to be removed. Permanent fencing has been installed to prevent access to the deck area, but the restaurant platform is unsafe. The proposed \$2.165 million will cover the next steps of cleanup operations, including removal of the pilings and deck that supported the restaurant, unusable timber dolphins and fender piles in the derelict marina, and associated environmental review costs. However, until the site is fully restored, or a long-term tenant is secured with the financial wherewithal to manage the property, there will be ongoing pressure for the state to continue to expend resources for restoration activities at this site.

Staff Recommendation. Approve as budgeted.

Issue 13: Risk Assessment for Leased Premises

Governor's Proposal. The Governor's budget requests \$500,000 one-time General Fund to secure a consultant to conduct a statewide risk assessment to determine the state's liability associated with the Commission's leased premises, and to establish criteria for and develop a framework to help staff calculate appropriate levels of insurance and bonding/security for leases.

The Commission lacks the expertise to conduct a risk analysis and is currently unaware of the comprehensive liability it faces. Without this knowledge, staff is unable to accurately determine insurance levels and bonding/security requirements. Establishing adequate insurance and bond/security to be borne by lessees will greatly minimize the legal liability from the use of the land and the financial burden to the State in the event that lessees are unable to meet their lease obligations regarding removal of improvements and restoration of the lease premises.

Staff Recommendation. Approve as budgeted.

Issue 14: Selby Slag Remediation

Governor's Proposal. The Governor's budget requests \$1.625 million General Fund and \$2.65 million in reimbursement authority to accept cost-sharing contributions for the preliminary plans phase of the Remedial Action Plan (RAP) at Selby Slag.

Pursuant to a 1989 consent judgment, DTSC requires remediation of extensive heavy metal contamination on a 66-acre site at Selby, Contra Costa County. The state is obligated to pay a proportionate share of the hazardous waste remediation costs; the Commission's share of preliminary plans is 38 percent (\$1.625 million). The other two parties with proportionate shares are represented as reimbursement authority, with C.S. Land, LLC contributing 20 percent (\$855,000) and ASARCO the remaining 42 percent (\$1.796 million); the Commission will recover shared costs at the beginning of the phase from DTSC and C.S. Land, LLC.

Staff Recommendation. Approve as budgeted.

3720 CALIFORNIA COASTAL COMMISSION**Issue 15: Essential Legal Resources**

Governor's Proposal. The Governor's budget requests \$275,000 General Fund ongoing to fund one Attorney III position. This position is needed to address the existing workload in the Legal Division, which has increased significantly in recent years. The Attorney III is needed to handle workload associated with litigation, which has roughly doubled since 2015, as well as review and processing of recorded documents for which there is a persistent backlog.

Staff Recommendation. Approve as budgeted.

Issue 16: Information Systems Security

Governor's Proposal. The Governor's budget requests \$128,000 one-time General Fund to procure security upgrades and associated training to address network and systems security recommendations identified by the California Military Department Cyber Network Defense Team during Independent Security Assessments in 2017 and 2020.

Staff Recommendation. Approve as budgeted.

3790 DEPARTMENT OF PARKS AND RECREATION (PARKS)**Issue 17: Capital Outlay Projects**

Governor's Proposal. The Governor's budget requests the following:

BCP: Colonel Allensworth SHP: Visitor Center. \$871,000 for Working Drawings. The project includes building a new visitor center to include reception area, conference/multipurpose room, cultural/interpretive room, theater room, staff offices, restrooms, and kitchen/break room.

BCP: Fort Ross SHP: Visitor and Educational Improvements. \$1.817 million for Working Drawings. The project includes construction of new cabin accommodations, demolition of existing cabins for tent camping, utility upgrades, stabilization of the Historic Lambing Barn, and adaptive rehabilitation of the historic structures for classrooms and interpretive areas.

BCP: Humboldt Redwoods State Park: Replace Founders Grove Restroom. \$190,000 from available Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84) and \$442,000 State Park Contingent Funds for the working drawings phase of the Humboldt Redwoods SP Replace Founders Grove Restroom in Humboldt County. This project will demolish the existing restroom facility, which is currently out of service, as well as the parking lot at Founders Grove, and construct new restroom and parking facilities with the necessary infrastructure in an alternative location. The new site will also include a new water source and treatment system, and a new accessible trail connection to Founders Grove.

To accommodate the increase in visitation over recent years and anticipated future years, the capacity of both the facilities and trail need to be scaled accordingly. Parks will seek donations to cover the \$2.303 million increase in total project cost.

BCP: Lake Perris SRA: Replace Lifeguard Headquarters. \$678,000 for working drawings from the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 (Proposition 68) bond funds. The project includes constructing a new lifeguard headquarters building. Total project costs are estimated at \$12.226 million.

This project will result in demolition of the existing 45-year-old lifeguard headquarters and construct a new, multi-purpose lifeguard headquarters. The new building will be larger and provide functionalities not currently available in the existing structure such as separate male and female locker rooms for lifeguard staff, a storage room for the dive team, and medical equipment.

BCP: MacKerricher State Park: Replace Water Treatment Plant. \$2.424 million from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84) for the construction phase of this continuing project. This project will upgrade the drinking water collection and treatment equipment at MacKerricher State Park (SP) to allow safe and reliable year-round production of potable water for the park. Due to eutrophication of Lake Cleone and coastal erosion, the park is in jeopardy of losing its existing supply of fresh water. A new source of water will be located and the water treatment plant will be upgraded to provide the park with an adequate and reliable supply of potable water.

BCP: Malakoff Diggins State Historic Park (SHP): Mine Remediation Implementation. \$3.5 million one-time General Fund to implement improvements required by the California State Water Resources Control Board (SWRCB) at Malakoff Diggins SHP for the Mine Remediation Project. Design and permitting funds were previously appropriated with the understanding that implementation funds would be needed at the conclusion of those efforts. Based on the project schedule, SWRCB approval is expected later this year, with final plans and permits in hand for construction to begin in 2022-23.

Design and permitting funds were previously appropriated with the understanding that implementation funds would be needed at the conclusion of those efforts. Based on the project schedule, SWRCB approval is expected later this year, with final plans and permits in hand for construction to begin in 2022-23. The requested funding will be used to implement interim measures that include building rock berms and a cofferdam, and installing floc logs and brush dams to help the sediment separate from the water and reduce the amount of sedimentation entering and leaving the water system below Malakoff Diggins.

BCP: McGrath State Beach (SB): Campground Relocation and Wetland Restoration. A supplemental appropriation of \$2.576 million (\$1.288 million from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Proposition 40) and \$1.288 million from California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act (Proposition 68)). This project will relocate the campground, maintenance yard, employee housing, campfire center, and day use parking, and replace utility infrastructure, due to yearly flooding.

BCP: Oceano Dunes State Vehicle Recreation Area (SVRA): Le Sage Bridge Replacement. \$1.159 million for preliminary plans, working drawings and construction. The project includes structural improvements and enhanced design features to the Le Sage Bridge for combined vehicle and pedestrian use.

On March 18, 2021, the California Coastal Commission (Commission) concluded that off-highway vehicle recreation at Oceano Dunes SVRA is incompatible with the Coastal Act and revised the department's Coastal Development Plan regarding off-highway vehicle use at this SVRA. Consistent with this ruling, the Commission directed Parks to phase out off-highway vehicle recreation in this SVRA over the next three years. Given the Commission's March 2021 ruling, it is not appropriate to fund this project using OHVTF. The continuation of this project remains a priority as visitors will continue to be able to drive through portions of the park for non-OHV use.

BCP: Oceano Dunes SVRA: Pismo SB Sediment Track-Out Prevention. A transfer of \$1.032 million from General Fund to Off-Highway Vehicle Trust Fund (OHVTF) for the Oceano Dunes SVRA: Pismo SB Sediment Track-Out Prevention project in San Luis Obispo County. This transfer is in response to recent Coastal Commission decisions impacting Oceano Dunes SVRA and will reimburse the OHVTF for all costs incurred developing the project.

BCP: Picacho State Recreation Area (SRA): Park Power System Upgrade. \$262,000 from the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access Fund (Proposition 68) for the working drawings phase of the Picacho SRA: Park Power System Upgrade project in Imperial County. This project will evaluate the park's current and future electrical power needs, including redundant backup, and determine sustainable options for providing reliable and cost-effective electrical power at this remote location. Options to be considered include, but are not limited to, photovoltaic (PV) panels on existing buildings and/or new shade structures, replacing existing diesel generators, or other mixes of conventional and renewable electrical sources. The project includes upgrading the park's power generation and distribution system, based on the studies conducted to determine the peak demand for

current and future anticipated needs. Total project costs are estimated at \$2,886,000.

BCP: Pismo SB: Entrance Kiosk Replacement. \$793,000 from the Off-Highway Vehicle Trust Fund in 2022-23 for the construction phase of the Pismo Beach SB: Entrance Kiosk Replacement project to replace an entrance station kiosk in the North Beach Campground at Pismo State Beach. This project aims to reduce deferred maintenance by removing and replacing an entrance kiosk that is rapidly deteriorating and causing an undue burden on maintenance staff due to seasonal flooding. The entrance kiosk will be relocated to a higher elevation to prevent flood damage and ensure continued operation. The project includes replacing an entrance kiosk in the North Beach Campground at Pismo SB. Total project costs are estimated at \$1.053 million.

BCP: Railyards Protection and Maintenance. \$475,000 in 2022-23 and \$328,000 ongoing from State Parks and Recreation Fund (SPRF) to continue the rehabilitation of the Boiler Shop in the Railyards Area of Old Sacramento State Historic Park (SHP). This funding proposal would specifically be used toward infrastructure improvements, a vehicle, ongoing staff costs, maintenance, and utilities.

The 2021-22 Governor's Budget included \$22.586 million to rehabilitate the Boiler Shop in the Railyards Area of Old Sacramento SHP. As the rehabilitation process of the Boiler Shop in the Railyards Area begins in earnest, there is a need for dedicated staff and infrastructure to support the area. One-time costs include \$129,000 for small infrastructure improvements, a Caterpillar telehandler, \$312,200 for first year staffing costs, and \$33,800 for housekeeping, recurring maintenance, and utilities. Ongoing costs include \$294,200 for staff, and \$33,800 for housekeeping, recurring maintenance, and utilities.

Staff Recommendation. Approve as budgeted.

Issue 18: Human Resources Workload Support

Governor's Proposal. The Governor's budget requests \$658,000 in one-time and five positions in 2022-23 and \$620,000 ongoing from SPRF and OHV to add staff to the Department's Human Resources (HR) Section. The one-time funding request includes \$536,000 from SPRF and \$122,000 from OHV. The ongoing funding request includes \$505,000 from SPRF and \$115,000 from OHV.

The additional staff will address ongoing workload increases, enhanced reporting requirements, and complex HR processes. Specifically, these positions will be assigned to the Classification and Hiring Unit, the Peace Officer Selection Unit, and the Risk Management Unit. In recent years, Department staff has grown, and workload for the HR Section has significantly increased in both duration and number of tasks, as well as increased complexity of tasks, processes, and procedures.

Staff Recommendation. Approve as budgeted.

Issue 19: Limekiln State Park Revenue Collection and Operations

Governor's Proposal. The Governor's budget requests \$1.122 million one-time for ten permanent positions, five vehicles, and equipment costs and \$878,000 ongoing from the State Parks and Recreation Fund to operate, improve, and maintain Limekiln State Park. Funding this proposal would allow for the requested positions to perform revenue collection, increase park access by accepting statewide and district day use passes, perform interpretation and education activities, increase housekeeping and facility maintenance services, increase uniformed employee presence, reduce emergency response time, and expand camping opportunities. In addition, park staff will be able to provide water treatment, as well as natural and cultural resource maintenance and protection.

Staff Recommendation. Approve as budgeted.

Issue 20: Relocate San Diego Coast District Office

Governor's Proposal. The Governor's budget requests \$973,000 one-time and \$575,000 ongoing with an annual four percent increase from SPRF to relocate the San Diego Coast District Office. The current District site presents multiple hazards to the public, partners, and staff. In addition, the site will be subject to several decades of construction disruptions as the US Navy begins a revitalization project of its property immediately adjacent to the office site.

Staff Recommendation. Approve as budgeted.

Issue 21: Tribal Lands Acknowledgment, and Interpretation, and Exhibit Improvements

Governor's Proposal. The Governor's budget requests \$9.778 million one-time General Fund and six limited term positions to support California Native Americans' engagement and interpretation in state parks.

Tribal land acknowledgements for all 280 state parks will be addressed through new signage and improved interpretation that will better connect the public with tribal history and contemporary experiences. Approximately 20 parks will be prioritized to update and better contextualize the history of California Native Americans in existing visitor center/museum exhibits. These improvements will bring forward California Native American voices while providing bilingual access and meeting ADA requirements.

Currently, California State Parks do not adequately address California Native American historical and contemporary presence on Parks lands. The proposed State Parks Tribal Lands Acknowledgment, and Interpretation and Exhibit Improvements will help improve collaborations with tribes and better connect the public with the tribal history and contemporary experiences. This proposal includes one-time support for a five-year plan to address land acknowledgement signage in all 280 California State Parks and new exhibits at approximately 20 visitor centers/museum facilities.

Staff Recommendation. Approve as budgeted.

3820 SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION (SF BCDC)**Issue 22: Regulatory Compliance Support**

Governor's Proposal. The Governor's budget requests two Environmental Scientist compliance staff positions to support BCDC's regulatory program, funded from the Bay Fill Clean-up Fund. This proposal references the state auditor's enforcement audit that recognized the value of compliance efforts to fulfill regulatory requirements.

Staff Recommendation. Approve as budgeted.

3825 SAN GABRIEL AND LOWER LOS ANGELES RIVERS AND MOUNTAINS CONSERVANCY (RMC)

Issue 23: State Operations Budget Increase

Governor’s Proposal. The Governor’s budget requests \$66,000 ongoing Environmental License Plate Fund (ELPF) to increase its state operations budget in response to increased general administrative expenses.

Of the Conservancy’s 9.5 positions, 5.5 are primarily project management, two are for primarily administrative functions (e.g., office support, analytical/accounting support, etc.), and two are for major administration and operation functions, including but not limited to budget, accounting, grant/bond fund management, human resources, procurement (from bidding to contracts), information technology, and fleet management. A portion of these essential services cannot be funded through the use of General Obligation Bonds and RMC has historically funded these services through the use of ELPF, contending that these activities contribute to the preservation and protection of the environment through RMC’s mission to preserve open space and habitat in order to provide for low-impact recreation and educational uses, wildlife habitat restoration and protection, and watershed improvements.

Background. ELPF. ELPF was established in 1979 and supports various resources and environmental protection programs. The fund is primarily supported from the sale and renewal of personalized motor vehicle license plates, as well as a portion of fees on the sale and renewal of certain specialty license plates.

Public Resources Code (PRC) Section 21190 requires ELPF money to be used only to support identifiable projects and programs of specified entities, such as state agencies, and restricts the use of these funds to the following purposes:

- Control and abatement of air pollution.
- Acquisition, preservation, restoration of natural areas or ecological reserves.
- Environmental education.
- Protection of no game species and threatened and endangered plants and animals.
- Protection, enhancement, and restoration of fish and wildlife habitat and related water quality.
- The purchase of real property consisting of sensitive natural areas for the parks systems and deferred maintenance projects at state parks.
- Reduction or minimization of the effects of soil erosion and the discharge of sediment into the waters of the Lake Tahoe region, including the restoration of disturbed wetlands and stream environment zones.

Staff Comments. *Not an Allowable Use of ELPF.* Last year, Legislative Counsel determined that proposals similar to this BCP are not appropriate uses of ELPF. According to Legislative Counsel, PRC Section 21190 requires funding from ELPF needs to be tied to a project or program that has a clearly identified purpose as enumerated in the section. The license plate fund is a special trust fund — The Legislature established discreet goals for the fund. The enumerated purposes show that ELPF is not supposed to be used for General Fund purposes. This BCP relates to general operating costs.

The Administration’s interpretation of PRC Section 21190 is that if the *mission of the entity* fulfills a purpose identified in PRC Section 21190, then the use of ELPF is legal. However, this is not the most

logical or persuasive argument. The Administration does not give enough meaning to every word in the section — one has to look at all the phrases collectively and harmonize them together. For example, this interpretation does not work for the University of California (UC), which is identified as an eligible recipient. UC’s mission is not environmentally-related— UC’s mission is education. UC would be eligible for ELPF funding as long as the money would be used for a specific enumerated purpose like scientific research on the risks to California’s natural resources caused by the impacts of climate change. The Administration’s interpretation does not make sense grammatically when considering the section as a whole and how the sentences are constructed. Legislative Counsel rejects the Administration’s interpretation of PRC Section 21190.

Another concern raised by Legislative Counsel last year, which still applies to this issue, is whether the proposal supports the integrity of the fund. ELPF is essentially a trust fund and appropriations from it should meet the expectations of the people who donated the money from paying an extra fee for their license plate. Are general administrative costs considered an identifiable program or project that serves the purpose of the fund or does it breach the trust of the donator? There does not appear to be a nexus between the administrative purpose and a specific environmental project/program that benefits all the people in California. It is important to preserve the fund for trust purposes, which this proposal fails to do by proposing to use ELPF moneys for general administrative costs. They may benefit the employees and the departments, but do not benefit the public by and large.

Staff Recommendation. Reject.

DISCUSSION

3480 DEPARTMENT OF CONSERVATION (DOC)

Issue 24: California Geologic Energy Management Division (CalGEM): Mission Transformation and Oversight

Governor’s Proposal. The Governor’s budget requests 51 permanent positions phased in over three years (17 in 2022-23, 34 in 2023-24, and 51 in 2024-25) and an appropriation increase of \$5.056 million in 2022-23, \$7.561 million in 2023-24, \$10.842 million in 2024-25 and \$10.617 ongoing from the Oil, Gas and Geothermal Administrative Fund to strengthen enforcement of existing laws and regulations, limit the state’s financial liability, improve public transparency, and implement chaptered legislation.

The requested permanent positions include:

- District Operations –38 positions
 - District Field Operations –23
 - Senior Oil and Gas Engineer Supervisors — 4
 - Associate Oil and Gas Engineers — 3
 - Engineering Geologists — 16
- District Underground Injection Control (UIC) Project Review – 15
 - Associate Oil and Gas Engineers — 15
- UIC and Aquifer Exemption Compliance Oversight — 3
 - Associate Oil and Gas Engineers — 3
- Federal UGS Safety Requirements Implementation — 3
 - Associate Oil and Gas Engineers — 2
 - Associate Governmental Program Analyst — 1
- Program Support Unit — 5
- Administration Support – 2

Increased resources are requested to do the following:

- Create a more consistent field presence so that field staff oversee 100 percent Shall witnessing of tests each year and critical May witnessing associated with oil operations and UIC projects. In addition, inspect 100 percent of all oil, gas and geothermal leases (which include facilities, tanks, pipes, vessels and wells) over a three-year period.
- Regularly inspect all critical or deserted wells to help protect the health and safety of Californians and our environment.
- Conduct UIC Project by Project reviews to ensure that underground storage drinking water is protected from current oil and gas operations, including robust oversight reviews to ensure regulatory compliance by districts and headquarters.
- Develop an expanded analysis of the remaining aquifer exemptions to fulfill the commitment to U.S. Environmental Protection Agency (US EPA).

- Implement and ensure compliance with new federal safety requirements for Underground Gas Storage (UGS) in California.
- Create a high-quality workforce to ensure the division have the resources necessary to fulfill its growing mandates (implementation of new and existing regulations, reorganization of the division, improve recruitment and outreach).

Background. CalGEM. CalGEM's statutory mission is to protect public health and safety, and environmental quality, including the reduction and mitigation of greenhouse gas emissions associated with the development of hydrocarbon and geothermal resources in a manner that meets the state's energy needs. CalGEM supervises oil and gas operations, administers laws for the conservation of petroleum and geothermal resources, and ensures the safe development and recovery of the state's energy resources. CalGEM regulates onshore and offshore field operations by evaluating permit applications to drill, rework, and plug and abandon wells, and by providing permit conditions to prevent damage to state resources and protect oil field workers and surrounding communities. CalGEM also advises local governments when new development is planned over, near, or adjacent to historic oil field operations.

Several events have occurred in the past few years that have promulgated new programmatic requirements and activities aimed at strengthening CalGEM's oversight of oil and gas operations and protection of public health and the environment:

- US EPA, at CalGEM's request, conducted an independent audit and in 2011 identified shortcomings of the UIC Program that prompted CalGEM to develop a Renewal Plan. Updated in 2017 the Renewal Plan developed a strategy to revise existing regulations, adopt new regulations, modernize data management, and ensure a high-quality workforce. Among this improvement, CalGEM updated its UIC regulations, which came into effect April 1, 2019.
- Since 2015, CalGEM has been actively working to review and approve Aquifer Exemptions per the federal and state regulations in order to fulfill a commitment to the US EPA. As of September 2021, the US EPA is now requiring additional analysis be complete prior to Aquifer Exemption approvals affecting most of the remaining applications under review, and has requested California make more expedited progress on its efforts to bring the state's UIC program into full compliance with the Safe Drinking Water Act. These activities include reviewing outstanding aquifer exemptions; conducting project-by-project reviews of existing projects to ensure compliance with current regulations; and to perform ongoing periodic reviews of projects approved after existing regulations were updated.
- In response to the catastrophic gas leak at Aliso Canyon in 2016, CalGEM entered into a partnership with the federal government in 2018 to assist in implementing federal requirements for underground gas storage (UGS) safety.

These events have required CalGEM to take on additional responsibilities, for which it does not currently have sufficient resources to support. Furthermore, CalGEM conducted workload analyses and found that current staffing levels could not meet the Division's requirements regarding inspections and witnessing critical wells and other oil field operations.

LAO Comments and Recommendations. *CalGEM: Mission Transformation and Oversight.* LAO finds that most components of the proposal—particularly, the request related to the UIC program, UGS oversight, and administration support—are reasonable based on the workload estimates and the need to fulfill federal regulations and statutory requirements. However, LAO recommends the Legislature withhold action on this proposal, and require the department to provide additional information regarding two components: field operations and program support.

- ***Field Operations (23 Permanent Positions).*** In the 2021-22 budget, the Legislature approved nine field operations positions, to be phased in over three years, to increase the rate of witnessing and lease inspections. CalGEM has filled four of these positions. The proposed 2022-23 budget requests 23 additional positions to address similar workload. Because the division is still in the process of implementing the current year funding, key information about the impacts of these new resources on witnessing rates and lease inspections is still unknown. Therefore, it appears premature to approve additional resources for field operations activities before CalGEM (1) fills the previously approved positions and (2) provides data on how the new resources have improved witnessing rates and lease inspections.
- ***Program Support (5 Permanent Positions).*** The proposal provides little information on how the requested positions for program support would increase organizational and process efficiency. Specifically, the proposal does not clearly identify the gaps in current financial management, processes, and organizational development that would be addressed nor does it describe how the additional positions would address these gaps.

For these two components of this proposal, LAO recommends the Legislature direct the department to provide additional information to justify the request. Absent additional justification for these components, we would recommend the Legislature reject the proposed positions and funding related to program support and field operations.

Staff Recommendation. Hold open.

Issue 25: Oil Well Abandonment and Remediation

Governor’s Proposal. The Governor’s budget requests \$100 million General Fund in 2022-23 and \$100 million General Fund in 2023-24 to plug and abandon orphaned oil and gas wells and decommission attendant facilities that could pose a danger to life, health, water quality, wildlife, or natural resources. This funding will help mitigate the State’s potential liability, and further the Geologic Energy Management Division’s focus on public health, safety, and environmental protection.

Background. According to LAO:

California Has Over 5,000 Deserted Oil and Gas Wells. Oil and gas production in California has decreased over the past several decades. As a result, an increasing number of wells are no longer used for extraction of oil and gas. When a well reaches the end of its productive life, operators are required to plug the well and decommission associated production facilities (also known as remediation). However, there are over 5,000 deserted wells with no responsible solvent operator to appropriately remediate the well and the associated production facilities.

Deserted Wells Have Environmental, Health, and Safety Impacts. Deserted wells without proper remediation can result in negative environmental, health, and safety impacts. For example, deserted wells can leak oil and other injected fluids used for oil and gas extraction, which can contaminate nearby sources of water. In addition, deserted wells can release benzene and methane, among other air pollutants, degrading local air quality. These environmental impacts can pose health hazards, such as harm to respiratory health, to residents in nearby communities. Deserted wells can also present physical safety concerns, potentially endangering unsuspecting people and wildlife.

State Remediate About 11 Wells Annually. CalGEM is responsible for the oversight of the oil, natural gas, and geothermal industries. In the last five years, CalGEM has expended, on average, \$2 million annually from the Oil, Gas, and Geothermal Administrative Fund and the Hazardous and Idle-Deserted Well Abatement Fund to remediate roughly 11 deserted wells per year. The division identifies deserted wells to remediate by prioritizing wells that pose the highest relative risk to public health, safety, and the environment. State staff issue permits and oversee the plugging and decommissioning activities, but the division uses external contractors to implement the remediation projects.

LAO Comments. *Provides \$200 Million Over Two Years for Well Remediation.* The Governor’s budget proposes \$100 million from the General Fund in 2022-23 and \$100 million in 2023-24—total of \$200 million over two years—for CalGEM to plug wells and decommission facilities. The cost to plug a deserted well varies widely, but CalGEM’s most recent analysis found the average cost to be about \$111,000 per well. Based on this average cost, the division would be able to remediate roughly 1,800 deserted wells with the proposed funding.

Uses Contractors to Manage Projects, Investigate, and Implement Projects. CalGEM would use the total proposed funding to hire three types of external contractors: (1) \$10 million for a construction management contractor to manage the remediation projects, (2) \$20 million for a contractor to conduct financial obligations and land ownership research, and (3) \$160 million for contractors to plug wells and decommission facilities. In addition, the division will use \$10 million for department administrative costs. Existing CalGEM staff would provide oversight by issuing permits, witnessing different stages of the project, and managing contracts.

Addressing Deserted Wells Has Merit. Deserted wells have significant negative environmental, health, and safety impacts. Well remediation projects could provide important water and air quality

improvements, as well as health and safety benefits. In particular, communities near these deserted wells would benefit from these projects. Because deserted wells are concentrated in specific parts of the state, such as Los Angeles, Santa Barbara, and Ventura Counties, benefits would likely be concentrated in these geographic regions.

Request Represents a Significant Expansion of Current Well Remediation Activities Without Additional State Staff. The proposed funding is 20 times greater than the existing annual funding dedicated to well remediation and does not include additional positions for CalGEM. Furthermore, as discussed in more detail below, the state is expecting to receive a significant amount of funding from the federal government for well remediation activities. The proposal includes \$10 million for department administrative costs, but no additional positions. It is unclear how these funds will be spent and whether the funds will adequately support administration of the additional funding.

Federal Funds Available for Well Remediation, but Details Are Unclear. The federal Infrastructure Investment and Jobs Act (IIJA) includes \$4.7 billion nationwide over a five-year period for well plugging, remediation, and restoration. At the time of this analysis, the federal government had not yet issued detailed guidance about how this funding can be used. However, based on LAO's initial understanding, the funding would go to three types of grants:

- ***Initial Grants.*** Initial grants provide states up to \$25 million to accelerate well remediation work. This funding has not yet been allocated, but the federal government will accept applications later this spring.
- ***Formula Grants.*** Formula grants provide a larger amount of funding, to be allocated on a formula basis, based on the number of job losses in the state's oil and gas industry, the number of documented deserted wells, and the projected cost to remediate these wells. This funding is intended for well remediation projects. It is unclear how much funding will be available nationwide through the formula grants. Although CalGEM submitted a notice of intent for the formula grant in December 2021, the federal government has not yet provided an estimate of how much the state is expected to be eligible for. Depending on the number of states that apply for this funding, California could receive up to hundreds of millions of dollars over the next several years.
- ***Performance Grants.*** Performance grants include two types of funding categories. First, it includes regulatory improvement grants of up to \$20 million, which are intended to help support states in taking steps to strengthen their regulation and oversight of deserted wells. Second, it includes grants of up to \$30 million for states that can provide matching funds for remediation activities. Both performance grant types have not yet been allocated and it is unclear when the federal government will accept applications.

Other Ways to Pay Remediation Costs May Be More Appropriate. Under the polluter pays principle, private parties who produce pollution (such as environmental damage associated with oil and gas wells) should bear the costs of managing it to prevent damage to human health or the environment. Deserted wells have no responsible solvent operator that can pay for mitigating the environmental damages. However, it may be appropriate for the current oil and gas operators to bear at least some of the cost of remediating the environmental damages from these wells—rather than the general taxpayer through the state General Fund. In fact, as mentioned earlier, current well remediation work done by CalGEM is funded by the Oil, Gas, and Geothermal Administrative Fund and the Hazardous Idle Well Abatement Fund. The main source of revenue for both funds is fees on oil and gas operators.

LAO Recommendations. Consider Proposal in Context of Additional Guidance on Federal Funds. Additional information regarding available federal funds is expected to be available shortly. Specifically, further federal guidance regarding the amount of formula grants that the state is eligible for

is expected to be available in the coming weeks. A better understanding of the total available federal funding for well remediation activities would help the Legislature determine the degree to which additional state funding for these activities (such as proposed by the Governor) is a priority.

Consider Reducing Amount of Proposed Funding. The Governor's proposal would significantly increase the current well remediation activities overseen by CalGEM. It is unclear whether the division has the capacity to administer such a large increase in state and federal funding within existing resources, given their numerous other responsibilities for the oversight of the oil and gas industries. In addition, a significant amount of federal funding for many of these activities is expected to be available over the next few years. As a result, the Legislature might want to consider reducing the amount of funding proposed by the Governor and targeting funds instead to:

- **Well and Facility Research.** Many deserted wells still need to be researched to verify well location, assess facilities, and seek ownership documentation. The Legislature could consider focusing funding exclusively on these research activities to have a better idea of the identification, scope, and cost of well remediation projects. Under this proposal, the administration requests about \$10 million annually for such research.
- **Matching Funds for Federal Funding.** Some of the federal funds are expected to require a state match. Specifically, under the current federal guidelines, states must provide matching funds to secure up to \$30 million in performance grants. The Legislature could reduce the proposed funding to only the amount necessary to secure these available federal funds. This approach could reduce near-term state fiscal costs, allow the state to maximize available federal funding, and give the Legislature an opportunity to better evaluate the benefits and costs of the remediation activities before allocating additional state funding.

Consider Alternative Sources of Funding. Instead of funding these activities through the General Fund as proposed, the Legislature might want to consider raising fees on operators and use special funds, such as the Oil, Gas, and Geothermal Administrative Fund and the Hazardous Idle Well Abatement Fund, that are currently funding similar work. If state matching funds for federal funding is needed faster than can be generated through fee revenues, the Legislature can consider providing a General Fund loan, to be repaid by these special funds over a period of time. This would allow the state to maximize available federal funding for well remediation activities, but also ensure the polluting industry bears the cost of remediating deserted wells.

Require Reporting on Key Program Outcomes. If funding is approved, LAO recommends the Legislature adopt budget bill language requiring DOC to report annually (until the funds have been fully expended) on expenditures, contracts awarded, number of wells identified and remediated, and quantifiable benefits of remediation activities (such as greenhouse gas reductions, water quality improvements, and health outcomes), as well as federal funds awarded. Additional information on costs and benefits of well remediation work done by CalGEM would be helpful to the Legislature in determining whether any additional funding for these activities is warranted in the future.

Staff Recommendation. Hold open.

3790 DEPARTMENT OF PARKS AND RECREATION (PARKS)

Issue 26: California Cultural and Art Installation in Parks Program

Governor’s Proposal. The Governor’s budget requests a one-time allocation of \$50 million General Fund and seven limited-term positions for a Cultural and Art Installation in Parks program to enhance interpretive efforts in state and local parks. State Parks will partner with other organizations, such as foundations and nonprofits, to provide direct grants to artists to develop art installations in parks throughout California. Art installations will reflect the local cultural heritage and the connectivity to natural resources of state and local parks. The installations are intended to better connect the public with the cultural heritage of regions as well as provide contemporary experiences to visitors.

Art installations include, but are not limited to, the following: sculptures, multimedia such as 3D renderings or visualization, public art, poetry in parks program, paintings, ephemera, cultural performances, and other media.

The department states that this proposal will be revised to eliminate the seven positions.

Background. Within the 280 state parks, there are over 150 visitor centers and museums addressing the state’s varied cultural and historical heritage. Parks recognizes it has a responsibility to convey accurate and inclusive stories through its exhibits. Parks states that a large majority of the exhibits in these visitor centers and museums portray a one-sided approach to history excluding many other voices and cultures.

Most of the department’s visitor centers were built in the 1960s and 1980s, with many of the current exhibits being created during that period. The exhibits portray a Eurocentric view of California history and fail to include multiple viewpoints and stories, which is conveyed through the static artwork, dioramas, and cultural and historical artifacts exhibited.

The department contends that providing a more inclusive narration can be achieved through the recruitment of artists and requisition of art that more accurately reflects California’s cultural and historical heritage; and existing museum object that convey an important message or story in an artistic manner for different cultural groups should be considered. Many times, these objects cannot be displayed due to deteriorating condition and conservation is required.

Staff Comments. When asked why \$50 million (rather than a greater or lesser amount), Parks responded that “the cost to partner and manage the proposed effort is similar whether the funding is \$25 million (as noted in Alternative #2) or \$50 million as in. The preferred alternative for the proposal. The lesser amount would not be sufficient to address the scale of the needs to both replace outdated, inaccurate and incomplete cultural contexts and create new cultural heritage [and] art installations in state parks and local parks. A higher amount dedicated to the project would always be welcomed, as the needs are significant, but [it is] not practical and realistic to deliver the work within the available funding timelines and staffing.”

Parks estimates 200 art installations will be completed with the proposed funding, which is based on identified state parks’ needs and anticipation that the number of smaller-scale culture heritage and art project proposal from local parks. The department states that the majority of funding will go to state parks — Parks has the largest number of the state’s museums that interpret cultural heritage through art installations in the state. However, the number of local parks expected to receive projects has yet to be

determined and will be established with Parks partners during program development and public engagement in developing the criteria for the program

Staff Recommendation. Hold open.

Issue 27: State Parks Future Capital Investment

Governor’s Proposal. The Governor’s budget requests a \$50 million General Fund transfer to the Natural Resources and Parks Preservation Fund (NRPPF) for future capital outlay projects — potentially for acquisition, preliminary plans, working drawings, or construction to be appropriated in future budget change proposals. The capital outlay projects to be selected are intended to improve visitor experiences, build state park resources and recreational opportunities, foster better connections with under-resourced communities, and address barriers to park access.

The department is currently evaluating its infrastructure needs and will utilize a selection process to identify projects that yield the greatest benefit and best achieve the goals of this funding. Once selected, detailed scope and cost estimates will be developed for consideration by the Legislature through the annual budget process. Subsequent capital outlay appropriations will be proposed from these funds set-aside in the NRPPF, as additional funding is needed for future phases. Initial design and scoping funding may be proposed as early as this spring for inclusion in the 2022-23 Budget Act.

Note, this proposal will not impact other funds deposited in the NRPPF for other specific purposes (e.g., California Indian Heritage Center).

While the department could propose funding on a pay-as-you go basis for additional capital outlay projects, the proposed transfer is intended to ensure there are dedicated funds set-aside and available as funding is needed for subsequent project phases. This proposal provides dedicated resources to State Parks in much the same way prior General Obligation (GO) bonds have done. However, instead, this proposal utilizes one-time General Fund revenues in lieu of incurring the extra costs of paying debt service associated with GO bonds.

The impact on the support budget is currently unknown. Support budget impacts will be identified during the project selection process and will be among the factors the Legislature may choose to consider when the Department requests funding for a capital outlay project from these funds in the future.

Staff Comments. Parks manages 280 park units, over 340 miles of coastline, 970 miles of lake and river frontage, 15,000 campsites, 5,200 miles of trails, 3,195 historic buildings and more than 11,000 known prehistoric and historic archaeological sites. More than 68 million people visit these properties annually. The department states that it contains the largest and most diverse recreational, natural, and cultural heritage holdings of any state agency in the nation.

With those properties comes responsibility — Parks has a \$1.2 billion deferred maintenance backlog. The 2021 Budget Act appropriated \$185 million General Fund one-time to support critical, deferred maintenance projects throughout the state park system. The Governor’s budget does not propose any new funding for deferred maintenance. If there is not enough funding to provide necessary maintenance for Parks properties currently, does it make sense to expand? What assurances can Parks provide that new, future state parks properties will be adequately maintained?

Also, the \$50 million proposed funding would be transferred to NRPPF for *future* capital investments. Considering the significant backlog of deferred maintenance, would the \$50 million be better spent on repairing *existing* issues on Parks properties now?

Staff Recommendation. Hold open.

Issue 28: Low-Cost Accommodations Proposals

Governor's Proposal. The Governor's budget requests the following:

BCP: Pfeiffer Big Sur SP: Low-Cost Alternative Coastal Lodging (Pfeiffer). a supplemental appropriation of \$326,000 for the working drawings phase and \$1.079 million for the construction phase from State Park Contingent Funds and \$4.693 million from available California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 (Proposition 68) for the Pfeiffer Big Sur State Park (SP): Low-Cost Alternative Coastal Lodging project in Monterey County.

This continuing project includes construction of up to 15 new, lower-cost alternative lodging cabins (camping cabins and a combo building) along the coast to enhance visitor experience and increase visitation by non-traditional users within Pfeiffer Big Sur SP. A portion of funds for this project will come from the California Coastal Commission (Commission) as a donation in-lieu of mitigation fees totaling up to \$3.462 million over the next several years.

Total project costs are estimated at \$6.466 million, including preliminary plans (\$190,000), working drawings (\$504,000), and construction (\$5.772 million). The construction amount includes \$5.058 million for the construction contract, \$253,000 for contingency, \$308,000 for architectural and engineering services, \$84,000 for agency retained items, and \$69,000 for other project costs.

The current project schedule estimates preliminary plans began in July 2018 and will be completed in September 2021. The working drawings are estimated to begin in December 2021 and be completed in June 2023. Construction is scheduled to begin in September 2023 and be completed in April 2025.

BCP: Silver Strand SB: Low-Cost Accommodations. \$500,000 from California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Fund (Proposition 68) bond funds for the preliminary plans phase of the Silver Strand SB: Low-Cost Accommodations project. This new project will allow for the planning and initial development of low-cost accommodations at Silver Strand SB. The project will provide planning, development, construction, operation and maintenance of low-cost accommodations at Silver Strand SB.

Total project costs are estimated at \$6 million, including Preliminary Plans (\$500,000), Working Drawings (\$500,000), and Construction (\$5 million). The current project schedule estimates Preliminary Plans will begin in July 2022 will be completed in December 2023. The Working Drawings are estimated to begin in January 2024 and will be approved in July 2025. Construction is scheduled to begin in September 2025 and will be completed in September 2027.

Staff Comment. *Pfeiffer.* The total project cost for Pfeiffer to build 15 low-cost alternative lodging cabins is \$6.466 million, which breaks down to \$431,067 for each cabin. Parks states that there is a base cost of developing the site in preparation to receive the cabins, for items such as utilities, grading, parking, and restroom/shower facility. The nominal cost of adding one more cabin nice this baseline is established is about \$150,000. Since the project is proposing a relatively low number of cabins, the effect of a reduced denominator has more influence on the cost per cabin than the nominal subtraction of cabin cost from the overall sum.

Parks states that upon completion of preliminary plans and during design efforts, additional costs were identified, including efforts to satisfy both flood concerns and local tribal needs. More detailed mapping

of the adjacent flood plain is needed to ensure facilities are outside of the flood zone as this area is high risk. In addition, local tribes have been in contact regarding area resources and educational opportunities in signage. These items, while within original scope of the project, will expand upon through design and construction.

Parks also states that the cost for new cabins can vary significantly from location to location, but the cost at Pfeiffer is within the range of what would be expected. While the cost of the cabins alone do not change much from location to location, the cost to develop utilities, construct accessible paths of travel, and meet State Fire Marshal requirements can vary significantly from project to project.

Considering the cost per unit to develop and the potential flood risk, is this project fiscally and logistically prudent?

Silver Strand. This is a new project. The department states that it is exploring the use of cabins, trailers, and/or tents on the ocean side of the park and hike/bike camping (tents) on the bay side. Once all viable options are identified, Parks would be able to pursue one or more of these options. While a preferred option has not been identified, the initial design funding proposed would enable the department to conduct necessary studies and preliminary design efforts, regardless of which type of accommodations are pursued. The total cost will be revised as needed when funding is requested for subsequent phases of this project.

Parks states that the study will determine the actual number of facilities but at this early state, it is envisioned that 10 or more units could be possible on the beach side with additional tent spaces. This would be vetted and approved by Parks target users, stakeholders, neighbors, and regulatory agencies before being implemented.

The BCP for Silver Strand requests provisional language making the funds available for encumbrance for two years, rather than one, due to the following factors: The project site is in a coastal area and possibly in an area of natural resources sensitivity. The planning and initial development process will require coordination between multiple agencies, resulting in longer than average time requirements for studies, design, permitting, and environmental compliance. If it is discovered that the intended site of the accommodations is in an area of natural resources sensitivity, what actions/alternatives may Parks take in order to protect the natural resources?

Staff Recommendation. Hold open.