

CALIFORNIA STATE LANDS COMMISSION

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October 12, 2017

File Ref: W 25612

Scott Slater
Executive Director
Cadiz Inc.
550 South Hope Street, Suite 2850
Los Angeles, CA 90071

Dear Mr. Slater:

The State Lands Commission (Commission) staff is aware that Cadiz, Inc. (Cadiz) issued a statement¹ in response to Commission staff's September 20, 2017 letter to Cadiz. In particular, Cadiz points out that the Commission commented on a previous environmental impact report (EIR) but not on the 2012 EIR and that the California Environmental Quality Act's statute of limitations bars new challenges to the EIR.

While it is true that Commission staff did not comment on the 2012 EIR, the September 20, 2017 letter was not meant to undermine the adequacy of the 2012 EIR or indicate that the Commission intends to challenge it. Instead, it was meant to inform Cadiz that its water project, as planned, would include a pipeline that crosses lands under the Commission's jurisdiction, thereby requiring a lease from the Commission.

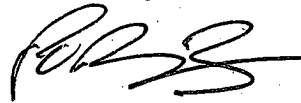
In response to this point, Cadiz said in its October 19, 2017 statement, "[t]he State Lands letter notes that a parcel, which is approximately 200 feet wide and one-mile long and may have been crossed by the 2002 Cadiz Program. . . ." Although the original comment letter pertained to the 2002 Cadiz Program, Commission staff believes that this comment is applicable to the currently proposed project. In other words, although the project and lead agencies have changed, the project still includes plans for a pipeline that crosses state lands, as indicated in the EIR for the currently proposed project. Staff's understanding is that the pipeline is planned for construction within the Arizona and California Railroad right-of-way. This right-of-way crosses state lands in Section 36, Township 5 North, Range 14 East, SBM. However, the permitted use of the right-of-way is limited to railroad purposes. Thus, a water pipeline is outside the scope of the right-of-way permit.

¹ Company Update on California State Lands Commission Letter Regarding Old Project. Oct. 9, 2017.
<http://www.cadizinc.com/2017/10/09/company-update-on-california-state-lands-commission-letter-regarding-old-project/>

Scott Slater
October 12, 2017
Page 2

Cadiz further states, "[t]he State Lands in question are not material to our ability to complete the Cadiz Water Project." It is unclear whether this means that Cadiz disputes that the pipeline would cross state lands or that Cadiz is exploring alternatives to circumvent state lands. Either way, because Cadiz has not submitted a lease application, staff cannot comprehensively analyze the project and make a final determination about whether the proposed pipeline would cross state lands. Similarly, if Commission staff has misunderstood the Cadiz Water Project plans, it would greatly benefit the Commission, Cadiz, and the public to resolve this misunderstanding. If you have any questions or would like to discuss this matter further, please contact Jim Porter at jim.porter@slc.ca.gov or (916) 574-1865. We apologize for any confusion that may have been created by our recent letter and trust that this letter clarifies Commission staff's jurisdictional determination. Staff looks forward to receiving a lease application from Cadiz.

Sincerely,



Brian Bugsch, Chief
Land Management Division

cc: Jim Porter, PLMS