

14. (Surety bond for removal of structures - P.R.C. 226 - W.O. 42) The Commission was informed that, with respect to the McMurphy lease at Vallejo, that such a small businessman, because of financial rating, cannot obtain a bond guaranteeing removal of the structure without depositing with the surety full collateral. Furthermore, the financial condition of the small businessman is such that he does not have even the collateral required.

The Commission may wish to consider the advisability of increasing the annual rental in lieu of the filing of the bond in this case by the amount of the annual cost of a \$5,000.00 surety bond for removal of the facilities.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the waiving of Rule 2020, Regulation A in this case, in consideration of increasing the annual rental to be paid under Lease No. P.R.C. 226 as authorized on June 12, 1947. Said rental to be paid from and after June 12, 1947, at the rate of \$472.56 plus \$100.00 or a total of \$572.56 annually.

15. (State Lands Commission - Audits) The Commission was informed that Mr. Dean has submitted a letter from Mr. Rouble with respect to determination of policy as to the effective date of leases upon State land.

There are three categories of occupancy of State lands which needs to be considered: First, occupancy for a new installation. Second, continued occupancy under an expiring Board of Supervisors' Permit. Third, occupancy where no lease has been issued by the State or permit by the Board of Supervisors and structures have been built upon the State land.

As to the first category, it is only reasonable that the date of the lease should be from the effective date of Commission action.

As to the second category above, where a valid authority from the County Board of Supervisors under the earlier act was given, the date of the new lease should commence as of the date of the expiration of the Board of Supervisors' Permit.

As to the third category where no Board of Supervisors' Permit exists or has expired, and no State lease has been issued, the occupant is a trespasser. In connection with this problem, the Commission was informed informally by the Attorney General's office that the effective date of any lease was a matter of Commission policy.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to notify the Audits Division that the policy of the Commission in regard to the effective dates of leases will be as follows:

1. Lease for land upon which new installations are to be built and where there are no presently constructed installations shall be the date of the Commission meeting giving authorization for the lease.
2. Leases for land upon which structures have been built under an unexpired Board of Supervisors' permit shall date from the expiration of the Board of Supervisors' permit.
3. Leases for land where occupant is a trespasser even though the structures were built under a valid though expired Board of Supervisors' permit shall bear the date of notice to the trespasser as authorized by the Commission that he is a trespasser.

16. (Report for Senate Committee on Local Governmental Agencies - W. O. 153)
The Commission was informed that on January 9, 1948, the Commission directed that the proposed Congressional bill as submitted by the Department of Water and Power, City of Los Angeles, relative to lands in Mono and Inyo Counties, be referred to the office of the Attorney General for review, and that a report be presented at the next meeting of the Commission as to the effect of the amended bill on any State lands.

After full discussion, upon motion duly made and unanimously carried, a resolution was adopted approving a letter to the Senate Committee on Local Governmental Agencies for signature of the Chairman of the State Lands Commission, wherein it is reported that the Department of Water and Power of the City of Los Angeles concurs with the State Lands Commission and the Attorney General in the opinion that the bill is restricted to public lands of the United States, and nothing in the bill as amended shall be construed to affect any State land whatsoever. Furthermore, in sending the letter to the Senate Committee, there shall be attached a copy of the letter from the Department of Water and Power indicating such concurrence and also a copy of the letter from the Attorney General.

The Congressional bill was re-drafted on April 10, 1948, and a formal request is to be submitted to the State Lands Division by the Committee for a letter regarding the new bill, which appears to be equally or more advantageous to the State than the old bill for the reason that local interests have removed their objections to the City owning in fee the littoral land around Owens Lake. This in turn removes the implications of the phrase in the earlier bill which provided the City with the right to affect these littoral lands by raising or lowering the level of the lake. Furthermore, the context of the letter from the Department of Water and Power, which accompanied the bill, is now incorporated in the bill, and is in stronger language than in the original letter.

Messrs. Tillman and Goodsel, Attorneys for the Department of Water and Power, City of Los Angeles, Assistant Attorney General Walter L. Bowers, and Mr. Edward J. Ruff, representing the State's lessees of Owens Lake, appeared before the Commission in connection with the bill as now framed and as discussed before the Committee in Sacramento on April 10, 1948.