

MINUTE ITEM

16. (CONSIDERATION OF SUBSIDENCE COSTS - L.B. W.O. 10,016(50); L.B. W.O. 10,017(51); L.B. W.O. 10,008(223); L.B. W.O. 10,008(227).)

After presentation of Calendar Item 22 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE COMMISSION DETERMINES THE SUBSIDENCE COSTS SUBSEQUENT TO APRIL 1, 1956 AND THE STATE'S SHARE OF SUCH SUBSIDENCE COSTS IN THE PORT OF LONG BEACH AUTHORIZED FUND EXPENDITURES NO. 50, NO. 51, NO. 223, AND NO. 227, DEDUCTIBLE FROM THE OIL REVENUE PAYABLE TO THE STATE UNDER THE PROVISIONS OF SECTION 5(a) (1) OF CHAPTER 29, STATUTES OF 1956, 1ST E.S., TO BE AS SHOWN ON EXHIBIT "A" ATTACHED HERETO AND HEREBY MADE A PART HEREOF; AND THE EXECUTIVE OFFICER, THE ASSISTANT EXECUTIVE OFFICER, OR THE MINERAL RESOURCES ENGINEER IS AUTHORIZED ON THE BASIS OF THIS DETERMINATION TO EXECUTE APPROPRIATE WRITTEN INSTRUMENTS REQUIRING THAT ADJUSTMENTS TO EXISTING ACCOUNTS ON THE WORK CONSIDERED HEREIN BE MADE IN FAVOR OF THE STATE OF CALIFORNIA OR THE CITY OF LONG BEACH AS MAY BE NECESSARY TO FINALLY CLOSE SUCH ACCOUNTS.

Attachment

Calendar Item 22 (3 pages)

CALENDAR ITEM

MISCELLANEOUS

22.

(CONSIDERATION OF SUBSIDENCE COSTS - L.B. W.O. 10,016(50); L.B. W.O. 10,017(51); L.B. W.O. 10,008(223); L.B. W.O. 10,008(227).)

On August 15, 1956 (Minute Item 5, pages 2761-2762, W.O. 2323), the Commission approved the costs proposed to be expended by the City of Long Beach in August 1956 for contractor payments on sub-project Pier A, Warehouse Number 5, AFE 50.

On July 24, 1956 (Minute Item 1, pages 2750-2752, W.O. 2323), on August 15, 1956 (Minute Item 5, pages 2761-2762, W.O. 2323), and on September 27, 1956 (Minute Item 16, pages 2821-2822, L.B. W.O. 10,017), contractor payments were approved on sub-project Pier A, Berth 11, Bulkhead AFE 51.

On July 24, 1956 (Minute Item 1, pages 2750-2752, W. O. 2323), and on September 27, 1956 (Minute Item 15, pages 2819-2821, L.B. W.O. 10,008), contractor payments and other costs were approved on sub-project Pier E, Dredging, Filling and Stockpiling, AFE 223.

On July 24, 1956 (Minute Item 1, pages 2750-2752, W.O. 2323), on August 15, 1956 (Minute Item 5, pages 2761-2762, W.O. 2323), and on September 27, 1956 (Minute Item 15, pages 2819-2821, L.B. W.O. 10,008) contractor payments and other costs were approved on sub-project Pier E, Berths 122-124, Wharf, AFE 227.

Force Account costs in connection with the above sub-projects also were approved by the Commission in general form at previous meetings.

The approvals on the above-listed projects were made subject to the condition, in part, that the amounts, if any, of each of the items to be allowed ultimately as subsidence costs, deductible under Section 5(a) of Chapter 29, Statutes of 1956, 1st E.S., will be determined by the Commission upon an engineering review and final audit subsequent to the time when the work under any of these items is completed.

For the above-listed projects, the work has been completed, final costs collected and transmitted to the staff by the Long Beach Harbor Department, and the above-stated final engineering review and audit has been made by the staff with results summarized in Exhibit "A" attached hereto.

Current accounts have been maintained during the progress of the work on each of these projects by allowing deductions of estimated subsidence costs from monthly oil revenue remittances to the State. Such approximate existing accounts will be adjusted and closed on the basis of results of an engineering review and final audit as shown on Exhibit "A" attached.

On March 13, 1958, Long Beach Harbor Department was made aware of the results of the subject studies and more detailed discussion was invited, if desired.

MISCELLANEOUS 22. (CONTD.)

IT IS RECOMMENDED THAT THE COMMISSION DETERMINE THE SUBSIDENCE COSTS SUBSEQUENT TO APRIL 1, 1956 AND THE STATE'S SHARE OF SUCH SUBSIDENCE COSTS IN THE PORT OF LONG BEACH AUTHORIZED FUND EXPENDITURES NO. 50, NO. 51, NO. 223, AND NO. 227, DEDUCTIBLE FROM THE OIL REVENUE PAYABLE TO THE STATE UNDER THE PROVISIONS OF SECTION 5(a) (1) OF CHAPTER 29, STATUTES OF 1956, 1ST E.S., TO BE AS SHOWN ON EXHIBIT "A" ATTACHED HERETO AND HEREBY MADE A PART HEREOF; AND THAT THE EXECUTIVE OFFICER, THE ASSISTANT EXECUTIVE OFFICER, OR THE MINERAL RESOURCES ENGINEER BE AUTHORIZED ON THE BASIS OF THIS DETERMINATION TO EXECUTE APPROPRIATE WRITTEN INSTRUMENTS REQUIRING THAT ADJUSTMENTS TO EXISTING ACCOUNTS ON THE WORK CONSIDERED HEREIN BE MADE IN FAVOR OF THE STATE OF CALIFORNIA OR THE CITY OF LONG BEACH AS MAY BE NECESSARY TO FINALLY CLOSE SUCH ACCOUNTS.

Attachment
Exhibit "A"

EXHIBIT "A"

SUBSIDENCE COST DETERMINATION

RESULTS OF ENGINEERING REVIEW AND FINAL AUDIT UPON COMPLETION

OF THE WORK

<u>AFE</u> <u>No.</u>	<u>L.B. W.O.</u>	<u>Title</u>	<u>Total</u> <u>Subsidence</u> <u>Deductions from</u> <u>Remittance of</u> <u>Oil Revenue*</u>	<u>Determination</u> <u>of</u> <u>Allowable</u> <u>Subsidence</u> <u>Deductions</u>	<u>Credit</u> <u>Due State</u>
50	10,016(50)	Pier A, Warehouse No. 5	\$ 453.56	\$ 69.19	\$ 384.37
51	10,017(51)	Pier A, Berth 11 Wharf Rehabilita- tion	30,867.28	30,780.05	87.23
223	10,008(223)	Pier E, Dredging, Filling & Stock- piling	34,904.04	8,621.41	26,282.63
227	10,008(227)	Pier E, Berths 122- 124, Wharf Con- struction	13,428.55	9,359.70	4,068.85

* Actual deductions made on the basis of estimates by the Long Beach Harbor Department of the amount of subsidence costs in the project.