

MINUTE ITEM

26. CONSIDERATION OF SUBSIDENCE COSTS - L.B.W.O. 10,057(202); L.B.W.O. 10,057(255); L.B.W.O. 10,061(40).

After consideration of Calendar Item 13 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. 202, NO. 255, AND NO. 40, 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 SUPERVISING MINERAL RESOURCES ENGINEER ARE 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 13 (3 pages)

CALENDAR ITEM

13.

CONSIDERATION OF SUBSIDENCE COSTS - L.B.W.O. 10,057(202); L.B.W.O. 10,057(255); L.B.W.O. 10,061(40).

On March 10, 1958 (Minute Item 24, page 3929, L.B.W.O. 10,057) costs were approved on subproject: "Eighth Street Construction, AFE 202".

On March 10, 1958 (Minute Item 24, page 3929, L.B.W.O. 10,057) contractor payments and other costs were approved on subproject: "LBHD and LBOD Administrative Area Development, AFE 255".

On January 10, 1957 (Minute Item 17, page 2982, L.B.W.O. 10,005), on July 15, 1957 (Minute Item 26, page 3357, L.B.W.O. 10,026) and on October 14, 1958 (Minute Item 31, page 4333, L.B.W.O. 10,061) contractor payments and other costs were approved on subproject: "Pier A, Berths 3 & 4, Wharf Rehabilitation, AFE 40".

Force Account and other voucher costs in connection with the above subprojects 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 November 26, 1958, on December 8, 1958, and on January 2, 1959, Long Beach Harbor Department was made aware of the results of the subject studies and more detailed discussion was invited, if desired. Approval of the amounts set forth in the attached Exhibit "A" was given by the Board of Harbor Commissioners on April 6, 1959.

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. 202, NO. 255, AND NO. 40, 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,

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THE ASSISTANT EXECUTIVE OFFICER, OR THE SUPERVISING 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 DETERMINATIONRESULTS OF ENGINEERING REVIEW AND FINAL AUDIT UPON COMPLETIONOF THE WORK

<u>AFE</u> <u>No.</u>	<u>E.B.W.O.</u>	<u>Title</u>	<u>Total</u> <u>Subsidence</u> <u>Deductions</u> <u>from</u> <u>Remittance of</u> <u>Oil Revenue*</u>	<u>Deter-</u> <u>mination</u> <u>of</u> <u>Allowable</u> <u>Subsidence</u> <u>Deductions</u>	<u>Credit</u> <u>Due</u> <u>City</u>	<u>Credit</u> <u>Due</u> <u>State</u>
40	10,061(40)	Pier A, Berths 3 & 4, Wharf Rehabilita- tion	\$2,086.34	\$17,172.33	\$15,085.99**	-0-
202	10,057(202)	Eighth Street Construction	392.66	-0-	-0-	\$392.66
255	10,057(255)	LBHD and LBOD Administrative Area Develop- ment.	6,041.91	5,139.06	-0-	902.85

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

\*\* Includes an amount of \$14,544.76, which is an offset to amount reimbursed to State in closing AFE 39. This is an accounting procedure required in reallocation of Specification 475 which is common to both AFE 39 and AFE 40, but initially had been charged in its entirety to AFE 39.