

MINUTE ITEM

24. CONSIDERATION OF SUBSIDENCE COSTS - L.B.W.O. 10,063(272) AND L.B.W.O. 10,061(274).

After consideration of Calendar Item 40 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. 272 AND NO. 274, 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 40 (2 pages)

CALENDAR ITEM

40.

CONSIDERATION OF SUBSIDENCE COSTS - L.B.W.O. 10,063(272) AND L.B.W.O. 10,061(274).

On September 27, 1956 (Minute Item 16, page 2821); on June 13, 1957 (Minute Item 20, page 3227); on February 11, 1958 (Minute Item 21, page 3854); and on October 14, 1958 (Minute Item 22, page 4339), the Commission approved the costs expended by the City of Long Beach for contractor and force account payments on subproject: "Berths 28-31, Wharf Remedial", AFE 272.

On January 10, 1957 (Minute Item 28, page 2892); on June 13, 1957 (Minute Item 18, page 3218); on July 15, 1957 (Minute Item 26, page 3354); and on October 14, 1958 (Minute Item 31, page 4331), the Commission approved the costs expended by the City of Long Beach for contractor and force account payments on subproject: "Berth 5, Transit Shed and Wharf Remedial", AFE 274.

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.

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 March 28, 1960.

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. 272 AND NO. 274, 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 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"

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EXHIBIT "A"

SUBSIDENCE COST DETERMINATION

RESULTS OF ENGINEERING REVIEW AND FINAL AUDIT UPON COMPLETION

OF THE WORK

<u>AFE NO.</u>	<u>L.B.W.O.</u>	<u>TITLE</u>	<u>TOTAL SUBSIDENCE DEDUCTIONS FROM REMITTANCE OF OIL REVENUE*</u>	<u>DETERMINATION OF ALLOWABLE SUBSIDENCE DEDUCTIONS</u>	<u>CREDIT DUE STATE OR CITY</u>
272	10,063(272)	Pier D, Berths 28-31, Wharf Remedial	\$ 5,080.71	\$ 5,080.71	\$0.00
274	10,061(274)	Pier A, Berth 5, Transit Shed and Wharf Remedial	\$28,906.52	\$28,906.52	\$0.00

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