

STATE OF CALIFORNIA

Minutes of the Meeting of the
State Lands Commission
Sacramento, California

APPEARANCES

Present: Kenneth Cory, State Controller, Chairman
Walter O. McGuire, Executive Assistant,
alternate for Mervyn M. Dymally, Lieutenant
Governor, Commissioner
Sid McCausland, Deputy Director, alternate
for Roy M. Bell, Director of Finance,
Commissioner

Staff Members in Attendance:

William F. Northrop, Executive Officer
R. S. Golden, Assistant Executive Officer
Robert C. Hight, Staff Counsel
James F. Trout, Manager, Land Operations
D. J. Everitts, Manager, Energy and Mineral
Resources Development
William G. Hayter, Legal Counsel
Diane Jones, Secretary

Representing the Office of the Attorney General

N. Gregory Taylor, Assistant Attorney General
Jan Stevens, Assistant Attorney General
Dennis Goldstein, Deputy Attorney General

Re Minute Item 19: Revision in Lease Rental after Routine
Review; Lloyd F. Korth
Bruce Allen, attorney, representing Lloyd F.
Korth

Re Minute Item 30: Lease of State Land for a Liquefied Natural
Gas Terminal
John Elmore, representing Oxnard Harbor
District
Winston Tyler, Deputy City Attorney, representing
the Los Angeles Harbor Department

Re Minute Item 35: Amendment and Consent to Assignment;
Gulf Oil Corporation and Pacific Refining
Company
John W. Fowler, attorney, law firm of
McCutchen, Doyle, Brown & Enerson,
representing Pacific Refining Company

MINUTES OF THE STATE LANDS COMMISSION
MEETING OF
JUNE 24, 1976

Chairman Kenneth Cory, State Controller, called the regular meeting of the State Lands Commission to order at 10:00 a.m. in Room 6028, State Capitol. Other members present included Commission-alternates Walter O. McGuire, Executive Assistant, representing Mervyn M. Dymally, Lieutenant Governor, Commissioner; and Sid McCausland, Deputy Director, representing Roy M. Bell, Director of Finance, Commissioner.

The minutes of the meeting of May 27, 1976, were approved as written.

EXECUTIVE OFFICER'S REPORT

William F. Northrop, Executive Officer, reported that passage of the Coastal Commission bill presently being heard in the Legislature, may fail. Chairman Cory asked what the State Lands Commission can do to carry out the wishes of the people should the legislation fail. Mr. Northrop stated that staff has advised that there is ample legislative authority to allow the State Lands Commission to adopt administrative rules and regulations to put into effect many of the recommendations affecting this area of sovereign ownership. With that in mind, Chairman Cory instructed the staff to report back to the Commission on those policies of the Coastal Commission which might be implemented by the State Lands Commission.

Mr. Northrop also reported on the draft report concerning the disposition of Alaskan oil and gas resources. Because of the lack of an overview of what future energy requirements of California are and what the impacts of pending decisions may be on the future, Mr. McCausland suggested that the staff arrange an informal work session with the Energy Commission to discuss lead role responsibilities with regard to the report. Mr. Northrop stated the staff would do so. In addition, Chairman Cory recommended that the report be accepted and released as a working draft, subject to any future revisions. Commission-alternate McCausland moved and Commission-alternate McGuire seconded that recommendation.

Mr. Northrop's written report is attached as Exhibit "A" and by reference made a part hereof.

EXHIBIT "A"

EXECUTIVE OFFICER'S REPORT

By

WILLIAM F. NORTHROP
JUNE 24, 1976

COASTAL COMMISSION

WHEN PROPOSITION 20 WAS PASSED BY THE ELECTORATE IN 1972, THE PEOPLE OF CALIFORNIA DECLARED THAT THE CALIFORNIA COASTAL ZONE IS A DISTINCT AND VALUABLE NATURAL RESOURCE BELONGING TO ALL THE PEOPLE. THE CALIFORNIA COASTAL ZONE CONSERVATION ACT OF 1972, PROPOSITION 20'S OFFICIAL TITLE, ALSO DECLARED THAT IT IS THE POLICY OF THE STATE TO PRESERVE, PROTECT, AND WHERE POSSIBLE, TO RESTORE THE RESOURCES OF THE COASTAL ZONE,

THE BASIC PREMISE OF PROPOSITION 20, THE COASTAL ZONE CONSERVATION ACT OF 1972, IS THE SAME FOUNDATION THAT THIS COMMISSION HAS BEEN OPERATING FROM FOR THE PAST 18 MONTHS: THE PEOPLE OF CALIFORNIA OWN THE COASTAL ZONE AND TO THEM ALL THE BENEFITS OF SUCH OWNERSHIP SHOULD ACCRUE.

IN THE FOUR YEARS FOLLOWING THE PASSAGE OF PROPOSITION 20, THE STATE COASTAL COMMISSIONS AND REGIONAL COASTAL COMMISSIONS HAVE LABORED LONG AND HARD TO DEFINE THOSE AREAS OVER WHICH THE STATE SHOULD CONTINUE TO EXERCISE CONTROL OF LOCAL ZONING DECISIONS. IT IS THIS INVOLVEMENT IN LOCAL GOVERNMENT JURISDICTION THAT HAS DEVELOPED INTO A STUMBLING BLOCK IN THE LEGISLATURE PREVENTING PASSAGE OF A LONG-TERM COASTAL PLAN AND A PERMANENT STATE COASTAL COMMISSION. TO DATE, THE SENTIMENT EXPRESSED

BY THE STATE LEGISLATURE HAS BEEN THAT THEY SUPPORT MEASURES FOR THE PRESERVATION OF THE COASTLINE ITSELF BUT NOT EXTREME MEASURES OF LAND USE PLANNING ON THE COASTAL UPLANDS.

AS TO THIS AREA, FROM THE MEAN HIGH TIDE OUT TO THE THREE MILE LIMIT, THE STATE LANDS COMMISSION PRESENTLY HAS THE MOST EXTENSIVE MANAGEMENT STEWARDSHIP OF ANY STATE AGENCY. UNCODIFIED INTENT AND POLICY OF THIS COMMISSION ALREADY COINCIDES WITH THE VAST MAJORITY OF LAND USE PRESERVATION MEASURES AS RECOMMENDED IN THE COASTAL PLAN. AMPLE LEGISLATIVE AUTHORITY HAS ALREADY BEEN GIVEN TO THIS COMMISSION, WITH WHICH TO ENFORCE MOST OF THE LAND USE POLICIES FOR COASTLINE PRESERVATION.

MANY OF THE COASTAL COMMISSION'S PROPOSALS DEAL WITH LAND USES FROM THE MEAN HIGH TIDE LINE OUT TO THE LIMITS OF STATE SOVEREIGN OWNERSHIP. THERE IS CURRENTLY AMPLE LEGISLATIVE AUTHORITY TO ALLOW THE STATE LANDS COMMISSION TO ADOPT ADMINISTRATIVE RULES AND REGULATIONS TO PUT INTO EFFECT MANY OF THE RECOMMENDATIONS AFFECTING THIS AREA OF SOVEREIGN OWNERSHIP.

THIS ITEM IS BROUGHT TO YOUR ATTENTION TO SEEK YOUR CONCURRENCE IN THE STAFF TAKING THE NECESSARY STEPS TO INITIATE THOSE ACTIONS THAT WILL ALLOW THE COMMISSION TO ADOPT AS POLICY THOSE ELEMENTS OF THE COASTAL PLAN WHICH PERTAIN TO THE AREAS OF STATE LANDS.

ALASKAN OIL AND GAS DISPOSITION STUDY

ON JUNE 8, 1976, STAFF SUBMITTED TO YOU A DRAFT OF A STUDY WHICH RESPONDS TO YOUR INQUIRIES RELATIVE TO THE PROPOSED OR PROBABLE DISPOSITION OF ALASKAN OIL AND GAS RESOURCES. STAFF HAS FOCUSED ON THE MAJOR ISSUES FACING THIS COMMISSION AND OTHER STATE DECISION MAKERS ON EXISTING AND ANTICIPATED PROJECTS RESULTING FROM THE ANTICIPATED IMPORTATION OF SUCH RESOURCES TO THE "LOWER 48". IN ADDITION, IT SETS FORTH INFORMATION AND ISSUES YET TO BE ADDRESSED. WE BELIEVE THIS REPORT IS A COMPREHENSIVE COMPILATION OF INDUSTRY AND GOVERNMENT DATA AND PROPOSALS. AS SUCH, THE STUDY, IF ACCEPTED, WOULD BE USEFUL TO OTHER PLANNING AND REGULATORY AGENCIES WITHIN THE STATE.

FEA HEARING

AS WE DISCUSSED LAST MEETING, I APPEARED BEFORE THE RULE-MAKING BODY OF THE FEDERAL ENERGY ADMINISTRATION IN LOS ANGELES. I ONCE AGAIN REPORTED THE ADVERSE EFFECTS ON CALIFORNIA PRODUCTION BY THE CONTINUED SHORTSIGHTEDNESS OF THE FEA IN FAILING TO UNDERSTAND THAT THE CONTINUATION OF THE HEAVY GRAVITY PENALTY FOR CALIFORNIA CRUDE OIL WILL RESULT IN ECONOMIC LIMITATIONS THAT MAKE RECOVERY OF THE MAXIMUM AMOUNT OF OIL IMPOSSIBLE. AT THE HEARING IN WASHINGTON, D.C. THE CITY OF LONG BEACH AGAIN PRESENTED THE POSITION OF THE CITY AND STATE.

RECORD OF ACTION TAKEN BY THE

STATE LANDS COMMISSION

AT ITS MEETING OF JUNE 24, 1976

During the meeting the recommendations of the staff relative to Calendar Items C1, C2, C4, C5, C6, C7, C8, C9, C10, C11, C12, C13, C14, C15, C16, C17, C18, C21, C24, C25, C26, C27, C28, C31, C33 and C34 were adopted as resolutions of the Commission by unanimous vote. Calendar Item C3 was adopted by a vote 2 to 0 with one abstention from Commission-alternate Walter McGuire.

Commission action on Calendar Items 20, 22, 23, 29, 30, 32 and 35 are set forth on pages 804-807; 811-814; 815-818; 835-836; 837-840; 843-847; and 852-859; respectively.

Calendar Item 19 was deferred for 30 days.