

STATE OF CALIFORNIA

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

APPEARANCES

Commissioners Present:

Kenneth Cory, State Controller, Chairman  
Sid McCausland, Deputy Director of Finance,  
alternate for Roy M. Bell, Director of  
Finance, Commissioner  
Betty Jo Smith, Staff Counsel, alternate  
for Mervyn M. Dymally, Lieutenant Governor,  
Commissioner

Staff Members in Attendance:

William F. Northrop, Executive Officer  
R. S. Golden, Assistant Executive Officer  
R. C. Hight, Chief Counsel  
James F. Trout, Manager, Land Operations  
D. J. Everitts, Manager, Energy and Mineral  
Resources Development  
W. M. Thompson, Manager, Long Beach Operations  
Diane Jones, Secretary

Representing the Office of the Attorney General:

N. Gregory Taylor, Assistant Attorney General  
Jan Stevens, Assistant Attorney General  
Katherine E. Stone, Deputy Attorney General  
Russell Iungerich, Deputy Attorney General

MINUTES OF THE STATE LANDS COMMISSION  
MEETING OF  
APRIL 28, 1977

The regular meeting of the State Lands Commission was called to order by Chairman Kenneth Cory, State Controller, at 10:02 a.m. in Room 2117, State Capitol, Sacramento, California. Other members present included Commission-alternates Sid McCausland, Deputy Director of Finance, representing Roy M. Bell, Director of Finance, and Betty Jo Smith, Staff Counsel, representing Mervyn M. Dymally, Lieutenant Governor.

The minutes of the meeting of March 31, 1977, were approved as written.

Pursuant to Mr. McCausland's request at the March 31 meeting, Mr. William F. Northrop, Executive Officer, submitted a report regarding acquisition projects proposed by the Wildlife Conservation Board, attached as Exhibit "C".

The Executive Officer's and Assistant Executive Officer's written reports are attached as Exhibits "A" and "B", respectively.

Attachment: Exhibits "A", "B", and "C"

EXHIBIT "A"

EXECUTIVE OFFICER'S REPORT

BY

WILLIAM F. NORTHROP  
EXECUTIVE OFFICER

APRIL 28, 1977

GRAVITY DIFFERENTIAL - LONG BEACH OPERATIONS

W 503.802  
W 9603

ON MARCH 17, 1977, U.S. DISTRICT JUDGE WILLIAM GRAY ISSUED A RULING WHICH PRECLUDED THE STATE FROM REALIZING THE GRAVITY DIFFERENTIAL ADJUSTMENT ALLOWED BY FEA ON LOWER TIER OIL, AND REQUIRED THE REFUND OF MONIES ALREADY COLLECTED UNDER PROTEST.

WE ARE ADVISED BY NOT ONLY THE ATTORNEY GENERAL, BUT THE LONG BEACH CITY ATTORNEY, THAT THE CRUDE OIL VALUATION PROVISIONS OF THE LONG BEACH UNIT ARE SUBSTANTIALLY THE SAME AS THOSE FOR THE LBCD AND PARCEL "A". IN LIGHT OF THE ABOVE DECISION AND ADVICE BY COUNSEL, WE HAVE DECIDED NOT TO CONTINUE ATTEMPTS TO COLLECT THE GRAVITY DIFFERENTIAL ON THESE LATTER TWO CONTRACTS.

HAZARD REMOVAL PROGRAM

W 30007

THE ASSEMBLY WAYS AND MEANS SUBCOMMITTEE HAS RECOMMENDED THAT THE STATE LANDS COMMISSION BUDGET BE AUGMENTED BY \$500,000 FOR THE PURPOSE OF REMOVING HAZARDOUS OBSTRUCTIONS FROM THE STATE'S NAVIGABLE WATERWAYS. THEY FEEL THAT BECAUSE OF THE LOW WATER SITUATION THE TIME IS RIGHT TO REMOVE MANY OF THESE HAZARDS THAT REPRESENT SERIOUS THREATS TO THE PUBLIC SAFETY. AS A LANDLORD, THE STATE LANDS COMMISSION HAS TO

-2-

LIABILITY. STAFF IS CURRENTLY PUTTING TOGETHER AN INVENTORY OF THESE HAZARDS AND ATTEMPTING TO RANK THEM ACCORDING TO PRIORITY FOR REMOVAL. WE WILL BE READY TO PROCEED WITH AN ACTIVE PROGRAM ONCE THESE MONIES HAVE BEEN ALLOCATED.

EXHIBIT "B"

ASSISTANT EXECUTIVE OFFICER'S  
REPORT

I will give a brief summary of April actions of BCDC and the Coastal Commission affecting matters under State Lands jurisdiction.

W 9064

At the Bay Conservation and Development Commission's meeting of April 21, 1977, consideration was given to a stipulated judgment entered against F.E. Crites, Inc. in favor of BCDC, the Regional Water Quality Control Board, and the State Lands Commission. The suit was entered into by State Lands Commission because of illegal sand dredging on State-owned lands. The judgment was in the amount of \$500,000 or such other arrangements as the three parties should agree upon. It was recognized that the monetary sum, if imposed, would probably institute a bankruptcy action, but if an alternative could be found which would allow Mr. Crites to continue in business legitimately, all parties concerned might benefit. Part of the proposal would be the conveyance of 89 acres of marsh to the State Lands Commission which it is proposed would be turned over to the Department of Fish and Game for management.

During the hearing it became apparent that the Crites' interests were not satisfied with the negotiated settlement as worked out by the attorneys and staffs of the three departments and attempted to have the Bay Commission make concessions. This effort was firmly rejected.

The State Coastal Commission approved the maps delineating the jurisdiction of each of the port areas set forth in the Coastal Act. At our request, in so doing, they made the approval dependent upon our review and concurrence. In this way later conflicts would be averted.

At the April 20 meeting of the Coastal Commission, the application of the Port San Luis Harbor District to upgrade the harbor by providing 410 boat slips, 500 moorings, shore facilities, floating fuel dock and pumpout station was considered. A landfill of 7 acres was also involved. This application was rejected overwhelmingly on the basis that it was growth inducing and that it might interfere with the development of the local coastal program. The Commission members were sympathetic to a smaller scaled project, but the project sponsors pointed out that a smaller project would not be able to be financed. They were depending on a Department of Navigation and Ocean Development loan to be matched by the Corps of Engineers on a 45% to 55% ration.

**Memorandum**EXHIBIT "C"

To : STATE LANDS COMMISSION:

Date : April 27, 1977

KENNETH CORY, State Controller, Chairman  
MERVYN DYMALLY, Lieutenant Governor, Member  
ROY M. BELL, Director of Finance, Member

File No.:

From : EXECUTIVE OFFICE  
1807 12th Street, Sacramento 95814Subject: PROJECTS INVOLVING THE WILDLIFE CONSERVATION BOARD

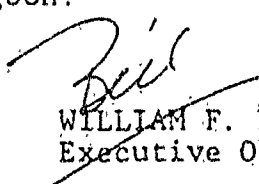
At the March meeting, Commissioner McCausland requested a report of progress on projects involving acquisitions proposed by the Wildlife Conservation Board. The major area of Board interest is Tomales Bay. Here the Board has requested that we identify areas which may be subject to the tidelands trust for commerce, navigation and fisheries. What this amounts to is those portions of Tomales Bay sold as tidelands and where the bare legal title has been validly patented to private parties.

Because of the large trust area involved, we have asked the Board and Department of Fish and Game to give us some direction for priority in investigation. We are now working on the first area which is southeasterly of Millerton Point. This includes some areas already acquired but where some parts of the property are subject to the trust.

Fish and Game is also identifying ecologically or environmentally threatened areas of Tomales Bay. Where these areas are within tideland patents, the trust area will be determined. After the Fish and Game Commission (or Wildlife Conservation Board) adopts a resolution calling for trust exercise of the area and setting out the public interests to be preserved, a Calendar Item will be prepared for Lands Commission consideration.

Determinations have been made to date for various locations within the Suisun Marsh, Solano County; in Ten Mile River and Big River, Mendocino County; and at the southeasterly end of Tomales Bay. The only pending North Coastal WCB request for trust determination involves Tomales Bay and a parcel proposed for acquisition from the Giacomini family. We expect the trust area investigation to be completed by May 15, 1977.

Two other requests have just recently been received and work is in progress. These are for potential acquisitions; one along the Colorado River and one at Batiquitos Lagoon.

  
WILLIAM F. NORTHROP  
Executive Officer

RECORD OF ACTION TAKEN BY THE  
STATE LANDS COMMISSION  
AT ITS MEETING OF APRIL 28, 1977

During the meeting, the recommendations of the staff relative to Calendar Items C1, C2, C3, C5, C6, C7, C8, C9, C10, C11, C12, C13, C14, C15, C16, C17, C18, C19, C20, C21, C22, C23, C24, C25, C26, C27, C28, C29, C30, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 54, 55, 56, and 57 were adopted as resolution of the Commission by unanimous vote.

Commission action on Calendar Items 31 and 32 are set forth on pages 447 and 449.

Calendar Item C4 was put over to a later date.

Calendar Item 53 was withdrawn from the agenda prior to the meeting.

Status of major litigation is set forth on page 518.