

TRANSCRIPT OF
MEETING
of
STATE LANDS COMMISSION
SACRAMENTO, CALIFORNIA
APRIL 30, 1959
9:00 A. M.

PARTICIPANTS:

THE COMMISSION:

Messrs. Bert W. Levit, Director of Finance, Chairman
Glenn M. Anderson, Lieutenant Governor
Alan Cranston, Controller

STATE LANDS DIVISION:

Messrs. F. J. Hortig, Executive Officer
Fred Kreft, Assistant Executive Officer
Kenneth C. Smith, Public Lands Officer

OFFICE OF THE ATTORNEY GENERAL:

Mr. Leonard M. Friedman, Deputy Attorney General

and:

APPEARANCES AS FOLLOWS

IN THE ORDER OF APPEARANCE:

ASSEMBLYMAN BRUCE F. ALLEN

Re: Long Beach Boundary Determination

MR. HILLMAN A. HANSEN

In pro per, also re Long Beach Boundary

MR. DAVID ALLEN

Representing Charles T. Hover

MR. GORDON TURNER

Representing Chandler Lloyd, Trustee - Oza! Land

1 APPEARANCES IN ORDER OF THEIR APPEARANCE (continued)

2
3 MR. L. A. WHEELER

4 Representing Long Beach Harbor Department on credits

5 MR. HAROLD A. LINGLE

6 (District Attorney's office, Long Beach)
7 Re: Belmont Fish Market

8 MR. HARRY PON

9 In pro per, re: Advertising policy on large tracts

10 SENATOR RICHARD J. DOLWIG

11 Re: Descriptions of land grants and
12 Long Beach Boundary determination

13 MR. ROBERT J. WIRSING

14 Representing Senator Stanford C. Shaw

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23 Reporter:

24 Louise H. Lillico
25 Division of Administrative Procedure
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1 MR. LEVIT: The meeting of the Lands Commission will
2 please come to order. We have for approval minutes of the
3 meeting of March the 25th. Are there any corrections or
4 additions? If not

5 MR. HORTIG: No staff corrections.

6 MR. LEVIT: If not, they will be approved as submitted.

7 If I might depart from the agenda for just a minute,
8 I would like to call attention of the Commission to the fact
9 that two bills affecting the Lands Commission, Senate Bill
10 382 and Senate Bill 385, are on the Governor's desk for sig-
11 nature and they are both, I believe, departmental bills of
12 the Commission; and unless there is objection, I propose to
13 send to the Governor today letters, as Chairman of the Com-
14 mission, recommending approval of the bills. The Commission
15 has previously passed on the bills, I take it, and approved
16 their submittal to the Legislature.

17 MR. HORTIG: The Commission authorized the introduc-
18 tion of these specific bills, these departmental bills.

19 MR. LEVIT: All right. If there is no objection I'll
20 send these to the Governor. Would you give these to my
21 secretary and ask that she send them down to the Governor?
22 (Handing letters to Mrs. McCrackin, State Lands Division
23 secretary)

24 MR. HORTIG: I might mention these are a series of
25 six now on the Governor's desk and the same six were author-
26 ized by the Commission previously. All have passed in the

1 Legislature.

2 MR. LEVIT: The first item on the agenda is the
3 matter of the Long Beach boundary determination. Chapter
4 2000 of the Statutes of 1957 is a very short chapter and has
5 one section that reads as follows:

6 " The State Lands Commission shall determine
7 the boundaries of the tide and submerged lands
8 conveyed in trust to the City of Long Beach by
9 Chapter 676, Statutes of 1911, Chapter 102,
10 Statutes of 1925, and Chapter 158, Statutes of
11 1935. The commission shall survey, monument,
12 and plat the boundaries of such lands.

13 The commission may bring any actions nec-
14 essary to determine such boundaries, and for
15 that purpose may employ special counsel.

16 The commission shall report to the Legis-
17 lature not later than February 15, 1958, its
18 progress in carrying out the purposes of this
19 act."

20 and there follows a paragraph making an appropriation of
21 \$50,000 for the purpose of the act.

22 The Commission did report to the Legislature in
23 February 1958 that the matter had been referred to the
24 Attorney General and that it was under study. The Attorney
25 General has been working on this problem and has employed
26 private counsel to assist in the work, as permitted by the

1 act, and I would like to state at this time that preliminar-
2 ily to reporting to the Commission, as will be done today
3 and as has been done by letter, that I will read in a few
4 moments, by the Attorney General -- at the request of the
5 Attorney General the members of the Commission have met on
6 two occasions with the staff of the Attorney General and the
7 Attorney General himself.

8 The purpose of these meetings was to consult with the
9 Attorney General, that is for the Commissioners to consult
10 with the Attorney General, in a matter involving an attorney-
11 client relationship; and these meetings were not official
12 meetings of the Commission in the sense that they were meet-
13 ings at which any action was taken or should be taken by
14 the Commission as such. They were merely a gathering of the
15 Commissioners with the Attorney General at his request to
16 discuss matters that had been developed by the Attorney
17 General and which he wished to report on and advise on in a
18 confidential way to the Commissioners.

19 The basis, of course, for such conferences was that
20 since litigation may ensue in connection with these matters
21 on which the Attorney General is working, that unless such
22 meetings could be held, information would have to be made
23 public that might be detrimental to the interests of the
24 State because of the fact that the Attorney General as the
25 attorney for the Commission has to make full disclosure to
26 the members of the Commission.

1 Now, written reports -- complete written reports --
2 have been made by the private counsel employed, the firm of
3 Orrick, Dahlquist, Herrington and Sutcliffe of San Francisco.
4 The Commissioners have received a copy of the report of that
5 firm dated April 21, 1959 to the Attorney General, and the
6 Attorney General has prepared and transmitted to each of
7 the Commissioners a memorandum report setting forth the
8 detailed investigation made and conclusions reached by the
9 Attorney General under date of 24 April. These two reports
10 were submitted to the Commissioners accompanied by a letter
11 dated April 24th, which I will now read. This is a letter
12 addressed to me and I believe copies of the letter were sent
13 to the other Commissioners:

14 "Dear Mr. Levit:

15 At the direction of Attorney General Mosk
16 we are enclosing herewith copies of the final
17 report of the law firm of Orrick, Dahlquist,
18 Herrington and Sutcliffe and the staff evalua-
19 tion of the Long Beach boundary problem prepared
20 by the office of the Attorney General. It is
21 imperative that these documents be kept confiden-
22 tial to preclude any prejudice to the interests
23 of the State in future legal proceedings relating
24 to these matters.

25 Very truly yours,

26 Stanley Mosk, Attorney General
by Jay L. Shavelson
Deputy Attorney General"

1 Now, on the same day the Attorney General wrote me
2 a letter, as Chairman of the Commission, with copies to
3 the other Commissioners, which reads as follows:

4 "Re: Long Beach Boundary Problem

5 Dear Mr. Levit:

6 Both prior to and pursuant to the terms of
7 Chapter 2000, Statutes of 1957, thorough legal
8 and factual studies have been conducted to deter-
9 mine the legal location of the boundaries of the
10 tide and submerged lands granted in trust to the
11 City of Long Beach and to determine the nature
12 and extent of the State's rights by virtue of said
13 trust to lands and interests in lands within the
14 City.

15 Upon careful examination of the results of
16 these studies we have concluded that the State
17 has litigible rights against the City of Long
18 Beach. In any event, if you so direct us we are
19 ready to commence proceedings for the purpose of
20 establishing these rights. We have determined
21 that no action relating to this question should
22 be commenced against any other persons at this
23 time.

24 Very truly yours,

25 Stanley Mosk, Attorney General"

26 Now, when we met with the Attorney General -- I guess

1 it was about a week ago, we were informed that at this
2 meeting today the Attorney General would report and I
3 assume that the letter which I have just read, dated April
4 24th, constitutes the report of the Attorney General to the
5 Commission. Of course, Mr. Friedman is here and if the
6 Attorney General wishes to make any further report we will
7 be very glad to hear it.

8 Anticipating that the report would be made, the staff
9 noticed the matter for this meeting and a notice was made
10 public, stating that under Chapter 2000 the State Lands
11 Commission had consulted the Attorney General and that the
12 Attorney General would report today; that in connection with
13 the presentation of the report any parties interested in the
14 subject matter of Chapter 2000 have been invited to appear
15 to present their views to the Commission.

16 We think that this would probably be as good a time as
17 any to ask whether the Attorney General wishes to make any
18 report in amplification of or other than the report made in
19 the letter of April 24, in which the recommendations were
20 made.

21 MR. FRIEDMAN: No, Mr. Levit. The letter constitutes
22 the report by the Attorney General and the members of the
23 Commission as individuals have in their possession an ex-
24 tensive memorandum prepared by the staff of the Attorney
25 General and by the private law firm, and that constitutes
26 what we have submitted to date -- and that's the size of it.

1 MR. LEVIT: Now, pursuant to the public notice, does
2 anyone present wish to address the Commission on this sub-
3 ject? We have received some communications on the subject
4 and all of the Commissioners have copies of those.

5 MR. HORTIG: Mr. Chairman, if I might note for the
6 benefit of the Commission, in addition to the normal distri-
7 bution of public notices, copies of the notice in separate
8 letters of transmittal were sent to all parties who have
9 heretofore indicated in writing to the Commission or staff
10 as having an interest in the subject matter of Chapter 2000.
11 These were sent to Mr. Hillman Hansen, Mr. Carl Whitson and
12 Mrs. B. Harter.

13 MR. LEVIT: I would like to say, so there will be no
14 misunderstanding later, that I don't know that the Commission
15 is going to take any action on this matter today, or even to
16 get into discussion of it; but if the Commission does get
17 into a discussion of its actions today I don't propose to
18 have a debate between the members of the Commission and
19 the members of the public that are here; so that if anyone
20 wishes to express any thoughts whatsoever to the Commission
21 on this subject, this is the time to do it because you may
22 not get the floor after the matter is up for discussion be-
23 tween the Commissioners.

24 ASSEMBLYMAN ALLEN: Mr. Chairman, Bruce Allen, Assembly-
25 man from San Jose. I don't wish to make a statement at this
26 time, but I will file a written statement with the Commission.

1 MR. LEVIT: Thank you, Mr. Allen. So that there
2 will be no misunderstanding, I would like to
3 Yes sir?

4 MR. HANSEN: Mr. Chairman, my name is Hillman A.
5 Hansen. Governor Anderson and Commissioners, in the pur-
6 suance of the

7 MR. LEVIT: Pardon me, sir. Your name is Hansen?

8 MR. HANSEN: Yes sir.

9 MR. LEVIT: And you're the gentleman that addressed a
10 letter to the Commission?

11 MR. HANSEN: Yes sir.

12 MR. LEVIT: Are you here representing anyone other
13 than yourself?

14 MR. HANSEN: Not specificall,. I appear here as an
15 individual -- in that capacity.

16 MR. LEVIT: Yes. All right.

17 MR. HANSEN: The particular subject that I would like
18 to call the Commission's attention to with respect to carry-
19 ingo into effect the survey of the tidelands' boundary, it
20 may be helpful to the Commission at this time and I give you
21 two of the documents which basically shows the survey, the
22 original survey by the United States Coast Survey of 1859
23 and 1872. This is the topographic survey and it is the
24 triangulation containing the coordinates which were then
25 employed in the fixing of the boundary of the shore line and
26 for the location of the configuration of the embayment of

1 the San Pedro Bay and the location of the high tide line
2 and the location of the permanently overflowed land in the
3 Wilmington Bay, and the offshore area outside what was then
4 called the Rattlesnake Island.

5 Now, this Honorable Commission will note that by the
6 standard symbols used by the U. S. Coast Survey indicating
7 the physical character of the land comprised within the
8 survey of 1859, we have the cross-hatched area indicating
9 here the low tide and the high tide. The area in between
10 here constitutes tidal flat overflow land, which was over-
11 flowed at high tide, and at low tide the permanent submersion
12 of the land was at the configuration as here indicated.

13 Now, the great necessity and the need for correct
14 determination in the fixing of a boundary of necessity com-
15 pels this action to be taken and that all the tidelands
16 constituting tidelands which the State holds in its consti-
17 tutional capacity and the title of which no individual, cor-
18 poration, firm or individual could acquire for the reason
19 that the lands, tidelands, per se are situated within the
20 constitutional prohibition that no private title could inure
21 to individuals in whatever capacity they may have entered
22 upon the land; and for that reason the State must assert its
23 right pursuant to the law and the Constitution, and the
24 State must fix the upland boundary upon the basis of the
25 competent surveys; and I want to make very clear, gentlemen
26 of this Commission, that there are no other surveys save and

1 except the original documents here and these documents hav-
2 ing been certified to by the United States, by the Admini-
3 strative Assistant of the Secretary of Commerce, an Admiral
4 Karo, the Director of the U. S. Coast Geodetic Survey now.
5 These documents, as to the limits and extent of the tide-
6 lands, are the public documents and they are binding upon
7 all parties of the State. They are binding upon the people
8 who pretend to have title in whichever capacity they have
9 entered upon the trust lands; and so, in fixing of the
10 boundary pursuant to Chapter 2000, it is necessary and
11 axiomatic that the State must fix that boundary to encompass
12 all of the tidelands and no more than the tidelands; and
13 having accomplished that, anyone claiming then contrary to
14 the State's position would have to submit a superior title
15 or he could not come into court because he in effect would
16 be claiming contrary to the Constitution of this State and
17 he would be claiming adverse to the State in all capacities.

18 Therefore, it is my position -- and I have gone to a
19 considerable expense, I have spent several thousand dollars
20 of my own personal money; no one has contributed to this
21 matter -- that this is a matter of great public concern.
22 It concerns the integrity of the trustees, the City of Long
23 Beach, and it concerns basically, and more basically, the
24 State's right which the people hold in its constitutional
25 capacity.

26 Now, I believe this matter has reached a point where

1 there must be a determination of it, so that even those
2 that are the trespassers will know the position that is to
3 be taken from this point forward and it isn't right that
4 this confusion by laxity of governmental determination, that
5 this uncertainty should be continued -- because the conse-
6 quences of this operation by those who have no authority upon
7 the land are quite severe. It involves many facets in viola-
8 tion of the laws and they are quite severe, and it is un-
9 necessary for me to spell out the meaning of them. It
10 involves not only the law as concerning the question, but
11 the Federal -- there is a Federal question involved here too
12 because of the theoretical concept of some people that they
13 have certain specie of title and on the basis of that they
14 have taken depletion and they have so reported to the Federal
15 government, and there are nasty words that they use to
16 describe that phase of the situation.

17 Therefore, it is essential that this matter be con-
18 cluded and that the people have protection and that there
19 should be a clear and specific governmental policy declared
20 and determined, and the issue should be brought to a close
21 as speedily as possible.

22 These documents I shall make available for this Honor-
23 able Commission. They are two certified documents and it
24 would be my pleasure to present them to you for your future
25 guidance here.

26 MR. LEVIT: Thank you, Mr. Hansen. I think I can state

1 categorically from our conferences with the Attorney General
2 that he has had access to these documents. Mr. Friedman,
3 I think you can confirm that?

4 MR. FRIEDMAN: I am not sure, Mr. Chairman. I have
5 not conducted the studies myself.

6 MR. HORTIG: We can confirm it.

7 MR. LEVIT: I am sure these documents were referred to
8 in some of the discussions we have had on it. However, I
9 think for the record we ought to identify the documents.

10 MR. HANSEN: Yes. Thank you.

11 MR. LEVIT: The first one is a U. S. Coast Survey,
12 Section 10, 1859, of part of the coast of California from
13 Point Fermin eastward to the San Gabriel River, and it is
14 certified as a photographic copy of the original topographic
15 survey No. T-892 made in 1859 and on file in the U. S. Coast
16 and Geodetic Survey; and the other one is U. S. Coast Survey
17 Section 10, 1872, of the coast east of San Pedro Bay and is
18 certified as a copy, photographic copy, of the original topo-
19 graphic survey No. T-1283 made in 1872-1887 on file in the
20 U. S. Coast and Geodetic Survey office.

21 I think, Mr. Hansen, that it will not be necessary for
22 you to leave these with the Commission because I am sure they
23 are available in the files of the Attorney General. However,
24 thank you very much for your offer.

25 Now, if you have any other material available, I'd
26 like to ask this: You spoke of the title problems and I

1 believe you even referred to certain evidentiary matters
2 that would be involved in any litigation. Are you a lawyer?

3 MR. HANSEN: No, I am not. I have studied law. I
4 am not practicing law.

5 MR. LEVIT: Have you ever been admitted to the bar?

6 MR. HANSEN: No.

7 MR. LEVIT: Have you obtained any written opinions
8 from any firm of attorneys on this matter?

9 MR. HANSEN: Ye' I have.

10 MR. LEVIT: You have written opinions?

11 MR. HANSEN: Oh, yes.

12 MR. LEVIT: Well, if you care to make those available
13 to the Commission we would be very glad to have copies of
14 them, but we would like to have them, let's say, within the
15 next ten days.

16 MR. HANSEN: All right. Can do.

17 MR. LEVIT: Thank you very much, sir. Now I would like
18 to say one thing more in connection with these detailed re-
19 ports that have been received by the Commissioners from the
20 Attorney General, which comprise his report of April the 24th
21 and the report of private counsel of April the 21st. These
22 reports in my opinion and in the opinion of the Attorney
23 General, so long as litigation is contemplated or may be
24 pending on this subject, are not to be placed in the public
25 files of the Commission unless the Commission should other-
26 wise determine. They will be considered as confidential

1 communications from the Commission's attorneys to it and
2 will not be opened to public inspection. They will, of
3 course, be eventually open for public inspection at such
4 time as the interests of the State would not be prejudiced
5 by their disclosure.

6 I take it there isn't anyone else that wishes to
7 address the Commission on this subject. Mr. Allen, when do
8 you anticipate that your presentation to the Commission will
9 be ready?

10 ASSEMBLYMAN ALLEN: Well, if the Commission is trying
11 to bring this thing to a head within ten days, I will get my
12 statement to you before then.

13 MR. LEVIT: That would be helpful if you could. What
14 is the pleasure of the Commission in connection with this
15 matter? We have generally felt -- I may say this, it has
16 been the general feeling of the Commissioners that we would
17 need a period of at least ten days to two weeks to thoroughly
18 digest the detailed reports that we have already received
19 and, of course, I think we all want to consider anything
20 else that might be presented to us on this subject, and
21 since we only received these detailed reports -- well, my
22 copy is marked April 27th, received April 27 -- we haven't
23 really had an opportunity yet to thoroughly review them.
24 I have been over my copies, but I have just had a chance to
25 read them over myself and it's quite likely that we will
26 want to confer further as Commissioners with the Attorney

1 General and ask further questions about some of the detailed
2 material in the reports.

3 MR. CRANSTON: When is the next meeting of the Commis-
4 sion?

5 MR. HORTIG: May 28th, last Thursday of May, sir.

6 MR. CRANSTON: Mr. Chairman, I suggest we place the
7 matter on the agenda for that meeting.

8 GOV. ANDERSON: I'll second that.

9 MR. LEVIT: Well, I think that the motion then would
10 be to table the matter until the next meeting of the Commis-
11 sion and it will be placed on the next calendar as a special
12 order of business. If there is no objection that will be
13 the order. I should have asked you, Mr. Friedman, whether
14 you had anything to state other than what you have already
15 stated.

16 MR. FRIEDMAN: No. The matter has an unfavorable
17 relationship to the progress of the anti-subsidence program
18 down in Long Beach and several of the major oil operators
19 have indicated that they do not want to commit their claimed
20 properties to the anti-subsidence program until their status
21 has been determined.

22 MR. LEVIT: Well, could you be more specific about
23 that. In other words, are you suggesting that to postpone
24 final action on the matter until May the 28th would be
25 prejudicial and that we should act more rapidly than that?

26 MR. FRIEDMAN: I think it would be preferable. As I

1 understand it, unit agreements and unit operating agreements
2 for Fault Blocks II and III of the Wilmington Oil Field are
3 supposed to be completed within the next two weeks and ready
4 for signature at t at time. Whether that will actually hap-
5 pen, I don't know. All I can point out at this time is that
6 the sooner the Commissioners, the Lands Commission, makes a
7 determination -- why, the sooner the situation will be clari-
8 fied and either the unit agreements will go forward or they
9 will not.

10 MR. LEVIT: Well, I believe that the Commission will
11 probably be in a position within the next two weeks anyway
12 to know whether they want to meet further with the Attorney
13 General to question him further concerning these detailed
14 reports and I think any such meeting should be arranged for
15 within that period; and, of course, we can always have an
16 earlier meeting of the Commission should that seem advisable
17 and take this matter off of the table and consider it then.

18 GOV. ANDERSON: If we set it as a special order, as we
19 just did, wouldn't that have to be at that meeting?

20 MR. LEVIT: I do not think so, Governor. I think the
21 Commission could take it up earlier if it decided to do so.

22 GOV. ANDERSON: At a special meeting?

23 MR. LEVIT: At a special meeting, yes. Well, then,
24 we'll let it stand for the moment as a special order of
25 business on the May 28th calendar, subject to the possibility
26 that the Commission may at an earlier public meeting act on

1 it if the situation develops that earlier action is
2 imperative.

3 GOV. ANDERSON: Could I ask something of Mr. Friedman?

4 MR. LEVIT: Certainly.

5 GOV. ANDERSON: I haven't had a chance to read your
6 report here or the special reports, but there were just a
7 couple questions I wanted to ask. Does this report explain
8 in any way whether we jeopardize our position or the City's
9 position in reference to the Federal suit that is now going
10 on? Is that included in this report?

11 MR. FRIEDMAN: No, that is not included. We just
12 discussed the boundary situation itself without relation to
13 the Federal law suit or the subsidence problem.

14 GOV. ANDERSON: The other one was along the repressuri-
15 zation. I'd like to have a little more legal information in
16 connection with these cooperative agreements on the repres-
17 surization. Isn't the Attorney General the one that should
18 give us the legal information on this -- and I would like to
19 have that if it isn't in this report -- give us a report on
20 this, so when we do make our decision we will know if it is
21 going to jeopardize our position in the Federal suit or also
22 jeopardize some of the repressurization.

23 MR. FRIEDMAN: Yes.

24 MR. LEVIT: If I may make a suggestion -- I think
25 rather than have the Attorney General make a report, I think
26 we should suggest to the Attorney General that we want this

1 report, whether it be written or oral, for our discussion
2 within two weeks. One other question that occurs to me --
3 and that is in connection with the legislative action taken
4 in Chapter 2000, Statutes of 1957. I'd like to know from
5 the Attorney General also what discretion the Commission has
6 with respect to these matters.. In other words, to what
7 extent are we instructed to take action as a result of the
8 action of the Legislature?

9 MR. FRIEDMAN: To sue or not to sue?

10 MR. LEVIT: Yes, to sue or not to sue.

11 GOV. ANDERSON: Also, one last one here -- and this
12 one would not be in a written part, but more advice -- in
13 your letter to us of April 24th your conclusion is that the
14 State has litigible rights against the City of Long Beach.
15 You concluded also that no action relating to this question
16 should be commenced against any other persons at this time.

17 When we make the decision, I'd like to know whether,
18 if we institute suit against the City of Long Beach, whether
19 that would jeopardize a further suit against these other
20 people that you are recommending we make no suit against at
21 this time.

22 MR. LEVIT: That's partially answered in the other.

23 GOV. ANDERSON: In the other report? Well, I have
24 not read that.

25 MR. LEVIT: All right. That brings us to the next
26 item on the calendar, which is a group of permits, easements,

1 and right-of-way to be granted to public and other agencies
2 at no fee, pursuant to statute.

3 GOV. ANDERSON: Where are we now?

4 MR. LEVIT: Item 3 on the agenda, page 1 -- Tahoe
5 National Forest -- a permit to install mooring buoys in the
6 tide and submerged lands of Lake Tahoe to mark a swimming
7 area.

8 MR. HORTIG: For the benefit of the Commission, there
9 are no recorded objections to any of these.

10 MR. LEVIT: You are talking about all of the eight
11 items under Item 3?

12 MR. HORTIG: Yes sir.

13 MR. LEVIT: Are there any questions in connection with
14 these? I think for the benefit of anyone who may want to
15 discuss them, the first one relates to Tahoe National Forest,
16 U. S. Forest Service, as I have mentioned; second, Gallinas
17 Boat Club -- navigation markers in the Gallinas Creek Channel
18 in San Pablo Bay; third is the Vallejo Sanitation and Flood
19 Control District -- right-of-way easement for outfall sewer
20 line into Carquinez Strait; fourth, Allan H. Beckwith and
21 Nina L. Beckwith -- permit to dredge Salt Works Canal in
22 Richardson Bay; next, the Pacific Telephone and Telegraph
23 Company -- easement across tide and submerged lands of White
24 Slough in San Joaquin County for telephone cable; (f)
25 County of Sacramento -- right-of-way across submerged lands
26 of the American River in Sacramento County at Fair Oaks, for

1 a bridge; (g) is the Sacramento Municipal Utility District
2 request for right-of-way across submerged lands in the
3 American River and Carmichael for a power line; (h) the
4 City of Seal Beach -- permit to deposit sand on tide and
5 submerged lands at Seal Beach.

6 Are there any questions or discussion with relation
7 to any of these? In each of these, there is recommendation
8 for the authorization of the permit. If not, a motion to
9 approve the resolution will be in order.

10 GOV. ANDERSON: So move.

11 MR. CRANSTON: Second.

12 MR. LEVIT: There being no objection, that will be
13 the order of the Commission.

14 Item 4 is a proposed revision of the rental rates and
15 policies pertaining to commercial and recreational leasing
16 of State lands. Is that the balance of the calendar -- this
17 question of changes? No, it isn't.

18 MR. HORTIG: The calendar item appearing on pages 9
19 and 10 is the summary report and recommendations based on a
20 review of commercial and recreational permit policy which
21 was furnished to the Commissioners on April 13.

22 MR. LEVIT: You furnished us with a very elaborate
23 discussion of the policies and practices of the Commission.

24 MR. HORTIG: Yes sir.

25 MR. LEVIT: And does this item -- I am not clear --
26 does this item cover the entire report that you presented

1 to us?

2 MR. HORTIG: Yes, it does.

3 MR. LEVIT: I see. What is the pleasure of the
4 Commission?

5 MR. HORTIG: This is a summary recommendation based on
6 the report of April 13th.

7 GOV. ANDERSON: April 13th? I have one here of
8 April 21st. Do I have a different one?

9 MR. HORTIG: I am sorry. It was prepared on the 13th
10 and transmitted to you on the 21st.

11 GOV. ANDERSON: This has been in my office one day
12 and I haven't had a chance to look at this.

13 MR. LEVIT: I was going to say that I agree with
14 Governor Anderson -- that this involves practices of the
15 Commission that apparently have been going on for so long
16 that the memory of man runneth not to the contrary; and we
17 have a report of many pages, I would say probably close to
18 sixty or seventy pages -- maps and everything else -- and
19 we all received this within the last week or ten days and
20 I think that perhaps unless there is some urgency we ought
21 to put it over until the next meeting of the Commission.

22 GOV. ANDERSON: I'd like to suggest our delaying it
23 until the July meeting for this reason -- I think I raised
24 one of the points in asking for this -- the July meeting we
25 will be through with legislation and we will have time to
26 go into it. This is something I want to go into. I want

1 to sit down with Mr. Hortig and discuss some of these things
2 deeply, and I can't do it under the present pressure; and I
3 don't think July will hurt us any more.

4 MR. LEVIT: I fully agree with you, Governor. The
5 only thing is, I recall at the last meeting we had one mat-
6 ter held up because of the fact that we were contemplating
7 receiving a report, and I think probably what we should do
8 as to any matters that come before us, including that one,
9 we should act on them on the basis of the present schedule
10 and let nature takes its course if we do act on the new
11 rule.

12 MR. HORTIG: On that understanding, Mr. Chairman, we
13 would foresee no difficulty. We actually did have three
14 items that were carried over from the last meeting of the
15 Commission.

16 MR. LEVIT: I only recall one.

17 MR. HORTIG: Two on the basis of the rental schedule
18 and a third one which was deferred for other reasons and
19 which is also involved in the matter of the rental, and the
20 delay has already been of concern to the applicant in that
21 instance.

22 MR. LEVIT: Are those calendared today?

23 MR. HORTIG: Yes sir.

24 MR. LEVIT: Are these recommendations that you have
25 here in the rest of the calendar based upon the assumption
26 that the new schedule will be adopted?

1 MR. HORTIG: They are, sir, although in the case of
2 the first two items which were put over from the last meet-
3 ing involving submarine pipelines, there is a recommended
4 rate change there. The rate recommended in the calendar
5 currently would be higher. This is based on current rental
6 schedules. In the case of the second one, which is in the
7 case of unoccupied tide and submerged lands, there ^{is} ~~being~~ no
8 recommendation for change in rental rates.

9 MR. CRANSTON: I second Mr. Anderson's motion that
10 the matter go over to July -- the rules.

11 MR. LEVIT: If there is no objection, that will be
12 the order. Now, do you have on the calendar these carryover
13 items as well?

14 MR. HORTIG: Yes sir.

15 MR. LEVIT: All right. That brings us to Item 5, then,
16 which involves permits, easements, leases and rights-of-way
17 issued pursuant to statutes and established rental policies
18 of the Commission.

19 MR. HORTIG: Mr. Chairman, if I may note -- Items
20 (b), (c) and (d) in that tabulation are the carryover items.

21 MR. LEVIT: All those are the carryover items?

22 MR. HORTIG: Yes.

23 MR. LEVIT: I might also note that Item (f) is to be
24 put over.

25 MR. HORTIG: Deferred.

26 MR. LEVIT: Item (f) is a matter of an easement for a

1 bridge crossing on the Tuolumne River, involving Mr. Ruddy
2 doing business as Santa Fe Rock and Sand Company, and the
3 staff has received a request that this matter go over to
4 the next calendar. If there is no objection, why, that will
5 go over.

6 Now, let's take these items in order:

7 Pacific Gas and Electric Company -- 49-year easement
8 for an overhead wire crossing of the Sacramento River, one
9 and a half miles north of Hamilton City, Butte County --
10 Butte and Glenn Counties -- total rental \$100.

11 MR. HORTIG: I am not positive, Mr. Chairman, at this
12 time whether recomputation on existing rental schedule would
13 be at variance with the recommendation here. The recommenda-
14 tion of this calendar item is in accordance with the proposed
15 new schedule, so the motion of the Commission should show
16 if this is granted the computation should be verified and
17 should be brought to the present existing and continued
18 rental schedule.

19 MR. LEVIT: Well, I trust that the recomputation
20 process will not take more time than the State of California
21 will make on the profit on the \$100 rental over 49 years.

22 MR. HORTIG: No sir, I am sure it won't.

23 MR. LEVIT: Well, we will assume as to any of these
24 that are approved that you will work the rental out not
25 less than the old schedule; and if there is no objection to
26 making it higher than that, based on the new schedule, why

1 that's all right too. The Commission won't object to that.

2 MR. HORTIG: Effectively we have such an agreement as
3 to item (b).

4 MR. LEVIT: All right. Is there any comment or dis-
5 cussion -- questions -- on the first item relating to Pacific
6 Gas and Electric Company? (No response)

7 Item (b) involves fifteen-year lease of tide and sub-
8 merged lands in San Pablo Bay -- Charles T. Hover is the
9 applicant. Involves the dredging of a channel, construction
10 of something I never heard of before. What is a berm?

11 MR. HORTIG: It's a low earthen levee in probably
12 more familiar terminology. I might comment, action was
13 previously held by the Commission on behalf of the County of
14 Marin and other public agencies who desired to review this
15 program, who have now filed statements of nonobjection with
16 respect to approval by the Commission.

17 MR. LEVIT: Now if anyone wants to address the Commis-
18 sion on any of these items, don't hesitate to speak up or
19 I will assume ...

20 MR. ALLEN : Dave Allen is my name. I am working with
21 Charles Hover on that. Even though the rental does not
22 amount to a big amount, the rental agreed upon with the State
23 is about double the rental from a competent appraiser and
24 his rental schedule was at a certain figure and just as a
25 matter of agreement, to alleviate any possible question as
26 to the proposed new schedule, why the rent figure was

1 increased and it was satisfactory to us and satisfactory
2 to the staff.

3 MR. LEVIT: Thank you, Mr. Allen. Next item: Shell
4 Oil Company -- fifteen-year lease for submarine pipelines
5 over tide and submerged lands over the Pacific Ocean near
6 Capitan in Santa Barbara County.

7 Next item: Tidewater Oil -- fifteen-year lease of
8 tide and submerged lands in the Pacific Ocean at Gaviota,
9 Santa Barbara County, for maintenance of wharf construction.
10 This was the one where the gentleman appeared at the last
11 meeting and said in view of the fact that we had a new
12 schedule under consideration he had no objection to it going
13 over.

14 GOV. ANDERSON: Is this figured on the new schedule?

15 MR. LEVIT: They are all figured on the new schedule.
16 Let me ask you this: Of course, we are talking about pennies
17 and not dollars, but if we adopt a schedule such as we have
18 now -- we have a schedule -- is there anything to prevent
19 the negotiation of a rental higher than that in the schedule?

20 MR. HORTIG: If that should be the policy of the Com-
21 mission it would not be. Heretofore, the policy of the
22 Commission has been to announce the calculated rental rates
23 based on the value of the land -- period.

24 GOV. ANDERSON: Let's take the case we just passed and
25 the one we are coming to. You take tidelands and you figure
26 so much an acre?

1 MR. HORTIG: Yes.

2 GOV. ANDERSON: If you put a pipeline under the ground
3 you charge the same rental as if you allow them to build a
4 wharf on top of the ground, don't you?

5 MR. HORTIG: No sir.

6 GOV. ANDERSON: You don't?

7 MR. HORTIG: The difference being that for rights-of-
8 way you will note - - well, perhaps that is correct. The
9 proposed rental rate is to be based on that for exclusive
10 occupancy in view of the fact that our rights-of-way preclude
11 the use of the land for any other purpose normally. So,
12 effectively, the right-of-way easement holder has a lease
13 for his exclusive purpose over that width of land.

14 MR. LEVIT: In other words, if he wanted to lease the
15 land to put a hotel on, it would be the same?

16 MR. HORTIG: That's right, except the amount of land
17 is less for a right-of-way easement than for construction.

18 MR. LEVIT: Of course it's less but it might affect
19 the use of the land.

20 GOV. ANDERSON: Like in the case here, you are giving
21 a wharf 710 feet in the ocean, 100 feet wide, at \$159.39 a
22 year. It would be seem it would be worth that much to the
23 county not to have it there.

24 MR. HORTIG: Oddly enough, the particular wharf you
25 are referring to is a matter of extreme interest to the
26 Small Craft Harbor Commission. It's a place where there is

1 no offshore refuge currently. It is a matter of public
2 interest rather than being an eyesore.

3 MR. LEVIT: I think, Governor, what you are really
4 getting at is whether the schedule is right or not.

5 GOV. ANDERSON: Yes.

6 MR. LEVIT: Perhaps we should proceed on the assump-
7 tion that since this has been going on under this schedule
8 for some time, until we do adopt a new schedule we ought to
9 adopt this. I assume that the approval of the Commission ..

10 GOV. ANDERSON: Can I ask him one question so I know,
11 roughly, what we are talking about in difference. What
12 would the amount have been under the old schedule? Would
13 it have been lower than this Calendar Item 30, page 15?

14 MR. HORTIG: I do not have the old schedule with me
15 but as I recall there were some twenty or thirty dollars'
16 difference. It would be lower.

17 MR. LEVIT: Well, I assume that the staff will be
18 authorized to operate under the old schedule adjusted with
19 these figures which are on the new schedule.

20 Next item: United States Department of the Interior,
21 item (e) -- a permit for a period of twenty-four months
22 maximum to remove materials from unsold State school lands
23 in Nevada County -- consideration of \$800.00. What kind of
24 material is that?

25 MR. HORTIG: Fill material which will be used for a dam
26 and this is a mutually interesting project in that the lands

1 are ultimately to be acquired by the U. S. Forest Service.
2 They are included in an exchange, wherein the State is going
3 to transfer them to the Forest Service and, actually, after
4 removal of this material and paying the State for this
5 material the lands are going to be in better condition for
6 the Forest Service also; so the Forest Service approves
7 this also. This is one of those unusual operations where
8 everybody is going to benefit.

9 MR. LEVIT: The next item is going over, as I stated,
10 Item (g) Arthur Burnham Wing -- approval of assignment of
11 Corte Madera Ark Site 13, Corte Madera Creek, Marin County.

12 Item (h) -- Ozal Land and Wharf Company -- approval
13 of assignment of lease covering a portion of the Tideland
14 Resurvey in Contra Costa County.

15 (i) -- Myco Mining Corporation

16 MR. HORTIG: Excuse me that's right, that's a
17 continuation.

18 MR. LEVIT: Waiver of operating requirements under
19 mineral extraction lease in Fresno County. .

20 MR. TURNER: Mr. Chairman I hate to interrupt you, but
21 did you wish anyone on the floor to speak up?

22 MR. LEVIT: Yes.

23 MR. TURNER: My name is Gordon Turner and I am appear-
24 ing for the application on Ozal. I represent the assignee,
25 who is Chandler Lloyd, Trustee. Mr. Lloyd is trustee for a
26 group who are investors in the Lark Corporation. The Lark

1 Corporation has a contract with the United States Government
2 for the installation and operation of jet fuel facilities.
3 The Lark Corporation, or Mr. Lloyd as trustee, have pur-
4 chased some fourteen acres on a hillside where the jet fuel
5 tanks are to be installed. There are to be twelve 83,000-
6 barrel each storage tanks, concrete and steel, covered by
7 earth. The pipelines will run down to the property known
8 as Ozol. The uplands of the Ozal property consist of
9 approximately fourteen acres which Mr. Lloyd as trustee of
10 the corporation has purchased.

11 The Ozal Land Company for many years have had this
12 lease from the Lands Commission, dating back to 1940, which
13 was lease 312. That was originally for a term of fifteen
14 years. It was renewed for an additional term of ten years
15 and in connection with the Lake Corporation we are purchas-
16 ing the fourteen acres of highlands and purchasing, with
17 the consent of your Commission, the lease.

18 There are a few matters that I think perhaps we
19 should ask clarification on. Number one -- the lease itself
20 commences October 18, 1940. However, I notice that it was
21 not executed until March 4th of 1947. I presume that that
22 casts no cloud upon the lease. I merely mention it so that
23 there will be no question about that.

24 Secondly, the lease renewal agreement, while it implies
25 that the lease is -- it is agreed that the lease is renewed
26 for an additional term of ten years, does not so expressly