

1 TRANSCRIPT OF MEETING  
2 OF

3 STATE LANDS COMMISSION

4 SACRAMENTO, CALIFORNIA

5 July 28, 1961

6 PARTICIPANTS:

7 THE COMMISSION:

8 Hon. Glenn M. Anderson, Lieutenant Governor, Chairman

9 Hon. Alan Cranston, Controller

10 Hon. Daniel M. Luevano, Deputy Director of Finance,  
11 acting on behalf of Hon. Hale Champion, Director  
12 of Finance

13 Mr. F. J. Hortig, Executive Officer

14 APPEARANCES:

15 (In the order of their appearance)

16 Mr. K. M. Cook, Richfield Oil Corporation

17 Mr. Kenneth Sampson, Manager, Orange County  
18 Harbor District

19 Mrs. Duncan Stewart, Member of Board,  
20 Coastal Area Protective League

21 Mr. Allan Thode, Chief Appraiser,  
22 U. S. Army Corps of Engineers, Sacramento

23 Mr. John H. Healy, Geophysicist,  
24 U. S. Geological Survey

25 Reporter: Louise H. Lillo  
26 Division of Administrative Procedure

I N D E X  
(In accordance with Calendar Summary)

<u>ITEM CLASSIFICATION</u>	<u>ITEM ON CALENDAR</u>	<u>PAGE OF CALENDAR</u>	<u>PAGE OF TRANSCRIPT</u>
1 Election of Chairman	35	1	1
2 Confirmation of minutes April 12-April 25-May 4- May 25, 1961			2
3 PERMITS, EASEMENTS, RIGHTS- OF-WAY --- NO FEE			
(a) State of California Department Fish & Game	32	2	2
(b) U. S. Coast Guard	33	3	2
(c) City of Vallejo	30	4	3
(d) State of California, Dept. Water Resources	22	5	3
MOTION ON CLASSIFICATION 3			3
4 PERMITS, EASEMENTS, LEASES, RIGHTS-OF-WAY, FEE			
(a) Charles F. Huffman, Jr.	8	6	3
(b) Ian I. McMillan and John F. Loftus	7	7	3
(c) M & R Services	4	8	3
(d) Pacific Gas & Electric	18	10	4
(e) Pacific Gas & Electric	28	11	4
(f) Pacific Lumber Company	25	12	4
(g) Pacific Tel. & Tel. Co.	16	13	4
MOTION ON ITEMS (a) through (g)			11
(h) River Enterprises, Inc.	15	14	4 and 10
MOTION ON ITEM (h)			11

continued

I N D E X  
(In Accordance with Calendar Summary)  
continued

<u>ITEM CLASSIFICATION</u>	<u>ITEM ON</u>	<u>PAGE OF</u>	<u>PAGE OF</u>	<u>PAGE OF</u>
	<u>CALENDAR</u>	<u>CALENDAR</u>	<u>CALENDAR</u>	<u>TRANSCRIPT</u>
4 PERMITS, EASEMENTS, LEASES, RIGHTS-OF-WAY, FEE continued				
(l) Pittsburgh Plate Glass	2	16		4
(j) Franco Western Oil Co.	11	18		5
(k) S. A. Tanner	19 20 21	19 20 21	}	5
MOTION ON (i), (j) and (k) -----				11
(l) Richfield Oil Corp.	24	22		5
MOTION ON (l) -----				10
(m) Texaco Inc.	23	23		11
(n) Texaco Inc.	17	24		11
(o) Texaco Inc.	3	26		12
MOTION ON (m)n (n) and (o) -----				12
5 CITY OF LONG BEACH				
(a) Pier E - Add'l fills	10	27		12
6 SELECTION AND SALE OF VACANT FEDERAL LANDS	6 27	29 31	}	13 (OFF CAL.)
7 Proposed purchase Federal lands under exchange procedure - Trinity County	14	33		13
8 Withdrawal of Exchange Applic. Serial 056295 and rejection application Warren M. Gilzean	12	34		14 (OFF CAL.)
9 Adoption of regulations amend- ing Sec. 2100 of Title 2 Calif. Admin. Code	36	36		14
				continued

I N D E X  
 (In Accordance with Calendar Summary)  
 continued

ITEM CLASSIFICATION	ITEM ON CALENDAR	PAGE OF CALENDAR	PAGE OF TRANSCRIPT
10 Authorization to notify City Half Moon Bay value of T&S lands	31	38	17
11 Authorization to execute service agreement with City of Emeryville for surveying services T & S lands granted Chap. 921/59 and 515/19	26	39	17
12 Authorization to approve and have record map of grant to City of Richmond	13	40	18
13 Authorization re royalty payment from Boddum Const. Co. - material removed vicinity of Mandalay Beach	9	41	18
14 Authorization to enter agreement for reproduction serv. Allied Blue Print	1	42	19
15 Confirmation of transactions of Executive Officer:	5		20
Ferguson, Kenneth		43	
Glendale Post Am. Leg.		44	
Mirande, Peter & Margaret		44	
Stuart, Thos & Betty		43	
Tussen, R. A.		45	
16 Authorization re recommendation that no appeal be taken in Case 251089, State v. Coronado Beach, Inc.	34	46	20
17 Report on major litigation	29	47	22
18 Next meeting			22
<u>SUPPLEMENTAL</u>			
Underwater explosion tests - U.S.A.	37	49	22
NOTION ON SUPPLEMENTAL ITEM			24

I N D E X  
(IN ACCORDANCE WITH ITEM NUMBER)

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

<u>ITEM ON</u> <u>CALENDAR</u>	<u>PAGE OF</u> <u>CALENDAR</u>	<u>PAGE OF</u> <u>TRANSCRIPT</u>	<u>ITEM ON</u> <u>CALENDAR</u>	<u>PAGE OF</u> <u>CALENDAR</u>	<u>PAGE OF</u> <u>TRANSCRIPT</u>
1	42	19	22	5	3
2	15	4	23	23	11
3	26	12	24	22	5
4	8	3	25	12	4
5	43	20	26	39	17
6	29	13	27	31	13
7	7	3	28	11	4
8	6	3	29	47	22
9	41	18	30	4	3
10	27	12	31	38	17
11	18	5	32	2	2
12	34	14	33	3	2
13	40	18	34	46	20
14	33	13	35	1	1
15	14	4 and 10	36	36	14
16	13	4	37	49	22
17	24	11			
18	10	4		CONFIRM. MIN.	1
19	19	5		NEXT MEETING	22
20	20	5			
21	21	5			

1 MR. CRANSTON: The meeting will please come to order.  
2 I'd like to announce one change in schedule that will be  
3 brought to your attention formally, but just so you are aware  
4 of it now, the next meeting is Monday, August 28th, in Los  
5 Angeles. It will be at nine a.m. instead of ten o'clock.  
6 And the meeting of September 14th in Sacramento will be at  
7 nine thirty instead of ten. Then we meet October 26th in Los  
8 Angeles. I presume that will be ten; and November 30th in  
9 Sacramento again will be nine thirty a.m.

10 The first item on our agenda is election of the  
11 Chairman. This is a matter that comes up annually and nomina-  
12 tions are in order.

13 MR. LUEVANO: Mr. Chairman I nominate Governor  
14 Anderson as Chairman of this Commission.

15 MR. CRANSTON: I am happy to second the motion.  
16 Lieutenant Governor Anderson is unanimously, without his own  
17 vote, elected Chairman for the ensuing year.

18 I think we should also welcome the Deputy Director  
19 of Finance to our midst here.

20 MR. LUEVANO: Thank you.

21 GOV. ANDERSON: Item Number 2 .....

22 MR. HORTIG: Mr. Chairman, may I interrupt before  
23 your first action for the record to note that the Commission's  
24 records do have in the file designation from Director of  
25 Finance Hale Champion stating that Mr. Daniel Luevano, who is  
26 here with us this morning, is both designated and authorized to

1 act in his behalf as a member of the Lands Commission at such  
2 meetings as Mr. Champion cannot attend, as is the case this  
3 morning.

4 GOV. ANDERSON: The record will so note.

5 Next item is the confirmation of the minutes of the  
6 meetings of April 12, April 25, May 4 and May 25th. Is there  
7 a motion?

8 MR. CRANSTON: I move approval.

9 GOV. ANDERSON: It has been moved.....

10 MR. LUEVANO: I second.

11 GOV. ANDERSON: ... and seconded that they be approved;  
12 carried unanimously.

13 Item 3 is permits, easements, and rights-of-way to be  
14 granted to public and other agencies at no fee, pursuant to  
15 statute, and the first is Applicant (a) -- State of California,  
16 Department of Fish and Game -- 49-year permit for public boat-  
17 launching ramp near Tahoe City in Lake Tahoe; item (b) .....  
18 Now, Mr. Hortig, if you wish to break in on any of these, go  
19 ahead. Otherwise, I will go ahead fairly fast.

20 MR. HORTIG: I can make a blanket announcement with  
21 respect to Classification 3 -- that all of the Attorney General's  
22 opinions, clearances by the Department of Natural Resources,  
23 comments by Small Craft Harbors Commission and any agency having  
24 any corollary interest have been received and all of these items  
25 are presented without objection or necessity for modification.

26 GOV. ANDERSON: Item (b) The United States Coast Guard---

1 applicant for 49-year permit for installation of water intake  
2 line extending 500 feet into Lake Tahoe, Placer County; item  
3 (e) City of Vallejo -- find that action specified in applicati n  
4 will not interfere with use of lands for recreational purposes  
5 or protection of shore properties and authorize Executive Officer  
6 to issue permit for dredging 15,000 cubic yards of material  
7 from Mare Island Strait, Solano County; item (d) is State of  
8 California, Department of Water Resources -- amendment of  
9 permit to permit the use of additional area of tide and sub-  
10 merged lands of the Sacramento River west of Pittsburg, Contra  
11 Costa County, for purpose of expanding current-meter installa-  
12 tions to sixteen units.

13 MR. CRANSTON: Mr. Chairman, I move approval of the  
14 item listed under Classification 3.

15 MR. LUEVANO: I second it.

16 GOV. ANDERSON: Moved and seconded, carried unani-  
17 mously.

18 Item 4 is permits, easements, leases, and rights-of-  
19 way issued pursuant to statutes and established rental policies  
20 of the Commission.

21 Applicant (a) is Charles F. Huffman, Jr -- a 5-year  
22 grazing lease, 160 acres school land in Del Norte County; annual  
23 rental \$16; item (b) Ian I. McMillan and John P. Loftus -- a  
24 5-year grazing lease of 200 acres school lands, San Luis Obispo  
25 County; annual rental \$20; item (c) is M & R Services -- 15-year  
26 lease of 2,72 acres tide and submerged lands in New York Slough

1 at Pittsburg, Contra Costa County, for maintenance and operation  
 2 of existing wharf and related appurtenances; annual rental  
 3 \$2,700.96; item (d) Pacific Gas and Electric Company -- 49-year  
 4 right-of-way easement for submarine cable crossing, 10-foot strip  
 5 of land extending across Georgiana Slough, Sacramento County,  
 6 containing 0.04 acre --- total rental \$100; (e) Pacific Gas and  
 7 Electric Company -- 49-year right-of-way easement for overhead  
 8 wire crossing, 10-foot strip of land in bed of Feather River,  
 9 Sutter County, containing 0.09 acre -- total rental \$100; item  
 10 (f) Pacific Lumber Company -- 20-year easement for erection of  
 11 a bridge across submerged lands of the Eel River, Humboldt  
 12 County, total rental \$100; item (g) Pacific Telephone and Tele-  
 13 graph Company -- renewal for ten years of lease covering ten  
 14 acres school lands, Inyo County, used as transmitter site;  
 15 annual rental \$150; item (h) River Enterprises, Inc. -- 15-year  
 16 lease for construction of floating wharf and walkway, submerged  
 17 lands in bed of Sacramento River, Sacramento County -- annual  
 18 rental \$150; item (i) Pittsburgh Plate Glass Company -- Assign-  
 19 ment from Columbia-Southern Chemical Corporation of Mineral  
 20 Extraction Leases, Owens Lake, Inyo County.

21 MR. HORTIG: Mr. Chairman, at this point, simply for  
 22 the information of the Commission I would like to call attention  
 23 to the fact that here are a series of leases in a dry lake, but  
 24 inasmuch as they are used for mineral extraction in the salt  
 25 beds in the dry lake, this is resulting in an income to the State  
 26 of approximately \$5,000 in royalties from the production in a

1 lake which has no water in it, which certainly sounds anomalous.

2 GOV. ANDERSON: Item (j) Franco Western Oil Company --  
3 Assignment to McElroy Ranch Company of half interest in compensa-  
4 tory royalty agreement, Sutter and Colusa counties; item (k)  
5 S. A. Tanner -- Assignment to California Minerals Corporation  
6 of half interest in prospecting permits in Fresno and San Benito  
7 counties; item (l) Richfield Oil Corporation -- geophysical  
8 exploration permit from August 1, 1961 through January 31, 1962...

9 MR. CRANSTON: We have had a number of communications  
10 from Orange County, among them one of objection from Victor  
11 Andrews, Chairman of the Pacific Coast Protective League, indi-  
12 cating deep expressions of concern in connection with exploration  
13 by Richfield anywhere in areas which are presently protected by  
14 provisions of the Cunningham-Shell Act. They have asked that  
15 we turn down this permit; and Mr. Andrews asks if we feel that  
16 we cannot do that, that we grant a further time and set a further  
17 hearing on this application so the people from Orange County  
18 will have an opportunity to be heard. Apparently they did not  
19 find out about this -- at least some of them didn't, at least  
20 Mr. Andrews didn't -- until very close to the time of this hear-  
21 ing. In view of this very strong feeling that apparently exists  
22 in Orange County and also in view of the fact that I understand  
23 Richfield has ships ready to go, to start this work, standing by  
24 for action, and since part of their interest is not in contro-  
25 versy as far as I am informed at the present time, I would like  
26 to ask, first, if anybody from Richfield is here; and, secondly,

1 ask if they would object -- if they have any comments on the  
2 suggestion I propose to make that we grant the request but ex-  
3 clude from it the area in Orange County where the Shell-  
4 Cunningham Act would apply; and hold a hearing at our next  
5 session in Los Angeles, if that is Richfield's desire, on that  
6 area. I wonder if Richfield would be willing to eliminate that  
7 area totally or have a hearing in Los Angeles.

8 MR. COOK: We would prefer to have a hearing and  
9 consider it at a later date.

10 MR. CRANSTON: Would you like to have approval on  
11 the balance?

12 MR. COOK: OH, Yes.

13 GOV. ANDERSON: If Orange County didn't know what was  
14 going on, wouldn't it be better to put the whole thing off to  
15 the next meeting?

16 MR. CRANSTON: Much of this is where there is abso-  
17 lutely no controversy -- where there is no objection.

18 GOV. ANDERSON: Mr. Hortig, would this be the only  
19 area of discussion?

20 MR. HORTIG: This is the only area of controversy,  
21 Mr. Chairman, because all affected counties and the City of  
22 Santa Barbara were notified. Written statement of nonobjection  
23 has been received from the City of Santa Barbara; telephonic  
24 statement of nonobjection from the County of Santa Barbara; a  
25 written statement of nonobjection from the County of San Diego,  
26 and, traditionally for permits of this type for the last ten

1 years, for permits of this nature under the same terms and condi-  
 2 tions, Los Angeles County and Ventura County have never filed an  
 3 objection thereto. And, for the record, and this is the confus-  
 4 ing element for the staff, between 1950 and 1960 sixteen identical  
 5 permits have heretofore been issued for the offshore area of  
 6 Orange County without objection, except in one qualified case  
 7 by the county and that objection was that the county neither  
 8 concurs nor objects to the permit. This was during the pendency  
 9 of litigation over the tide and submerged lands. There is  
 10 existent today and in operation a geophysical exploration permit  
 11 of another permittee, previously issued by the Commission with-  
 12 out objection by the county and covering the same area in Orange  
 13 County. Therefore, it appears that possibly the matter can  
 14 best be resolved by staff conference with the people who feel  
 15 that there is a basis for objection, in order to clarify the  
 16 facts and the record situation, and report back as to the  
 17 Orange County situation at the next meeting.

18           However, under the circumstances of the desirability  
 19 of such exploration continuing and the application being unob-  
 20 jectionable as to all the balance of the counties included  
 21 within the application, it would be my recommendation that  
 22 deferment only be made of Orange County and that the permit be  
 23 granted at this time -- authorized at this time for the balance  
 24 of the county areas.

25           MR. CRANSTON: In fact, all of Orange County need  
 26 not be excluded. What would be the description of the area ?

1 They aren't worried about the northern portion?

2 MR. HORTIG: Actually, anything south of the northerly  
3 limits of the City of Newport Beach to the southern boundary of  
4 Orange County apparently should eliminate the bases of objection  
5 which have been received from Orange County.

6 If I may add, Mr. Chairman, we have not had official  
7 communication from Orange County, but we read in Orange County  
8 newspapers that the Orange County Harbor Manager was directed  
9 and also possibly the County Counsel to appear at this meeting  
10 to present the position of Orange County; so it might be help-  
11 ful if the Chairman called upon such representatives of Orange  
12 County to determine whether the type of exclusion I just sug-  
13 gested would be satisfactory to Orange County at this time or  
14 whether the entire county consideration should be deferred for  
15 one meeting.

16 GOV. ANDERSON: Is there anyone here representing  
17 Orange County?

18 MR. SAMPSON: Yes.

19 GOV. ANDERSON: Will you come forward and state your  
20 name and whom you represent.

21 MR. SAMPSON: My name is Kenneth Sampson. I am  
22 manager of the Orange County Harbor District and I am here at  
23 the instruction of the Board of Supervisors to file a resolution  
24 of the Board in support of the motion made by Mr. Cranston and  
25 explained by Mr. Hortig. We have no desire to hold up the  
26 Richfield Oil Company's application for the total of its

1 exploration. We merely request that the area that is protected  
 2 from drilling by the Shell-Cunningham Act be excluded from the  
 3 permit, and the fact of the matter is they even suggest that  
 4 Richfield Oil Company be given an opportunity to amend its  
 5 application so that -- but I think the Board would be completely  
 6 happy with the suggestion of Mr. Cranston.

7 I also carry with me a letter from the City of Newport  
 8 Beach, also in substance stating the same thing. It's actually  
 9 a copy of a letter addressed to the Board of Supervisors, sup-  
 10 porting the Board's action; and last night at a meeting of the  
 11 Orange County Coast Association, represented by all of the  
 12 cities and organizations of the Orange County coast, a resolu-  
 13 tion was adopted supporting the Board of Supervisors in this  
 14 matter and requesting your consideration of the request of the  
 15 Board. There was not sufficient time to prepare that resolution  
 16 in writing and get it here, but it will be forthcoming to you  
 17 in the mail later.

18 MR. CRANSTON: Mr. Chairman, it seems to me what we  
 19 have here involved is a conflict between really those interested  
 20 in two natural resources -- oil on the one hand and the beauty  
 21 of our seashore and beaches on the other. Since there is strong  
 22 feeling on the part of Orange County, even though past policy  
 23 and records have indicated that permits such as this one have  
 24 been granted, I feel they should be given a full opportunity  
 25 to present their views to us. I, therefore, move that we  
 26 approve Richfield's application, striking from it at this time

1 approvals for exploration in that area between the northerly  
2 limits of the City of Newport Beach to the southern boundary of  
3 Orange County and indicate to the Richfield Oil Company that  
4 if they still wish to apply for a permit on that area that we  
5 will have a hearing at the next meeting.

6 MR. LUEVANO: I second the motion.

7 GOV. ANDERSON: You have heard the motion -- and this  
8 pertains to item (1) of Item 4. Any further discussion? Is  
9 there anyone else in the audience who wishes to comment on this  
10 subject?

11 MRS. DUNCAN STEWART: I am Mrs. Stewart. I am here  
12 on behalf of Mr. Andrews and just wish to support Mr. Sampson  
13 and the County and, of course, the Coastal Area Protective  
14 League that has been interested in this matter. This would  
15 meet with our approval.

16 GOV. ANDERSON: Now, it is my understanding this area  
17 from south of Newport, the south part of the County, would be  
18 placed for a hearing at a future date.

19 MR. HORTIG: Yes sir -- the next meeting in Los  
20 Angeles.

21 GOV. ANDERSON: It would be brought up at that time.  
22 Any further discussion? (No response) If not, it is carried  
23 unanimously. I think also you might make a motion at this  
24 time to approve items (a) through (k).

25 MR. HORTIG: Mr. Chairman, before that motion is  
26 placed, may we return to item (h), which in the body of the

1 main item indicated a recommendation of a 15-year lease with  
 2 two renewal periods of ten years each. Upon advice of the  
 3 Attorney General's Office this morning, there is doubt that  
 4 the Commission has the authority to include these renewal  
 5 periods and, therefore, it is recommended that the Commission's  
 6 authorization be restricted to the approval of a 15-year lease  
 7 without any specification of right to renew, and the resolution  
 8 therefore would be modified accordingly.

9 MR. CRANSTON: Which item does that refer to?

10 MR. HORTIG: (h).

11 MR. CRANSTON: I move approval of item (h), amended  
 12 as the Executive Officer has proposed.

13 MR. LUEVANO: I second that motion.

14 GOV. ANDERSON: It has been moved and seconded,  
 15 carried unanimously.

16 MR. CRANSTON: And I move approval of items (a)  
 17 through (g).....

18 GOV. ANDERSON: Through (k).

19 MR. CRANSTON: Excluding (h), and then (i), (j), and  
 20 (k).

21 MR. LUEVANO: Second.

22 GOV. ANDERSON: Moved and seconded, carried unani-  
 23 mously. We will move to item (m) -- Texaco Inc. One-year  
 24 pipeline right-of-way easement 7.12 acres tide and submerged  
 25 lands of the Pacific Ocean in Santa Barbara Channel, Santa  
 26 Barbara County, total rental of \$100; item (n) Texaco Inc. --

1 15-year lease for maintenance and operation of submarine pipe-  
 2 lines, 167 acres of tide and submerged lands on Estero Bay,  
 3 San Luis Obispo County, for an annual rental of \$2,432.19;  
 4 (o) is Texaco Inc. -- Geological survey permit from July 28,  
 5 1961 to January 27, 1962 inclusive for tide and submerged lands  
 6 in the area lying between a line drawn due west from Point  
 7 San Luis, San Luis Obispo County and the prolongation seaward  
 8 of the northerly limits of the City of Newport Beach; San Luis  
 9 Obispo, Santa Barbara, Ventura, Los Angeles, and Orange counties.

10 MR. CRANSTON: I move approval of items (m), (n),  
 11 and (o).

12 MR. LUEVANO: I second that.

13 GOV. ANDERSON: Moved and seconded. Any comment?

14 (No response) Carried unanimously.

15 Item 5 -- City of Long Beach -- Approvals required  
 16 pursuant to Chapter 29/56: Project (a) Pier E -- Additional  
 17 fills; estimated subproject expenditures from July 28, 1961 to  
 18 termination of \$322,000, with 100 per cent estimated as sub-  
 19 sidence costs.

20 MR. HORTIG: Mr. Chairman, this item is subject in  
 21 the recommendation to the standard reservations which the Com-  
 22 mission has specified for advance approval of projects in which  
 23 specific and precise costs cannot be determined in advance, in  
 24 that the amounts to be allowed, if any, under the approval --  
 25 if given by the Commission -- the amounts to be allowed ulti-  
 26 mately as subsidence costs deductible under the Statutes of

1 1956, Chapter 29, will be determined by the Commission upon an  
2 engineering review and final audit subsequent to the time these  
3 items are completed.

4 GOV. ANDERSON: Any comment?

5 MR. CRANSTON: I move.

6 MR. LUEVANO: Second.

7 GOV. ANDERSON: Moved and seconded, carried unani-  
8 mously.

9 Item 6, I understand, has been taken from the  
10 calendar.

11 MR. HORTIG: Yes sir.

12 GOV. ANDERSON: Item 7 -- Proposed purchase of  
13 Federal lands from the United States under the exchange pro-  
14 cedure; forty acres in Trinity County to be exchanged for  
15 seventy acres of equal value in Trinity County; and the  
16 applicant, Mildred J. Vodjansky, will have rights as first  
17 applicant when lands are sold under the school land sale  
18 procedure.

19 MR. HORTIG: In other words, these lands would be  
20 offered for sale on competitive public bidding, with the mini-  
21 mum bid to be necessarily equal to or greater than the appraised  
22 value of the land, and the consideration of whether to convey  
23 these lands pursuant to such bid would be considered by the  
24 Commission at a later meeting after bids have been received.

25 MR. LUEVANO: I move approval.

26 MR. CRANSTON: Second.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

GOV. ANDERSON: Carried unanimously.

Item 8, I understand that that has also been taken off at the request of Senator Regan. Is that the one?

MR. HORTIG: The situation, Mr. Chairman, that I have to report and the recommendation to make are that Mr. Regan, as attorney for the applicant, is unable to be at this meeting today and it was suggested that alternatively protestants might be heard and written rebuttal be received, but it was recommended to him that it would be preferable and would be recommended to the Commission to consider deferral of consideration of this item to the meeting of September 14th, being the next meeting scheduled for Sacramento, in view of the fact that both the majority of the protestants and defendants, if they can be so classified, are located in northern California.

MR. CRANSTON: Mr. Chairman, I move the matter go over to September 14th.

MR. LUEVANO: Second.

GOV. ANDERSON: It has been moved and seconded. Is there anyone here that wishes to comment on Item 8?

MR. HORTIG: All persons who previously indicated an interest were informed of the recommendation to defer.

GOV. ANDERSON: Then the motion that this be deferred to the meeting of September 14th is carried unanimously.

Item 9 is the adoption of regulations amending Section 2100 of Title 2 of the California Administrative Code pertaining to geophysical and geological survey permits.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

MR. HORTIG: Mr. Chairman, as the Commissioners will well recall, I am sure, on May 4, 1961 emergency regulations were adopted amending Section 2100 of Title 2 of the Administrative Code, which emergency regulations by the process of following the procedures prescribed in the California Administrative Code have now become the permanent regulations of the Commission with respect to the conduct of geological exploration operations. The Commission, however, did specify that in the interim and by a target date of July 6, 1961 interested persons might present statements or contentions in writing relating to the rules adopted.

Two written statements were so received, one on behalf of Richfield Oil Corporation, the other from Texaco Inc., which are appended to this calendar as exhibits (a) and (b). The staff, having reviewed the proposed amendments, offers the comments for consideration by the Commission that the amendment proposed by Richfield Oil Corporation does not appear to be administratively practicable and that a portion of the amendments proposed by Texaco Inc. appear to be desirable in providing clarification without substantive change in the emergency rules and regulations as previously adopted by the Commission.

Therefore, it is recommended that the Commission resolve as stated in the resolution, in compliance with the California Administrative Code, as to certification of the emergency regulations, which would complete the procedural

1 requirements for having these rules and regulations the perman-  
2 ent rules and regulations of the Commission; and, additionally,  
3 having considered the presentations submitted by Richfield Oil  
4 Corporation and Texaco, Inc., adopt an amendment to Section  
5 2100(h)(2) -- which, as it is stated in the recommendation on  
6 your agenda, is incomplete in that the intent of the amendment  
7 was that only the first sentence of 2100(h)(2) would be amended  
8 as here indicated, and amplified as here indicated, but that the  
9 original section sentence in the emergency rule would also be  
10 retained, reading: "The State Lands Division inspector shall  
11 have access to this equipment at all times." This was an inad-  
12 vertent omission and there have been no discussions or objection  
13 thereto, and it was not the intent to omit the sentence -- but  
14 it was omitted in the resolution as here written, and, therefore,  
15 in the staff recommendation should be added to the form of the  
16 amendment of Section 2100 (h) (2).

17           Additionally, it is recommended the Executive Officer  
18 be authorized to perform the procedural requirements necessary  
19 with respect to certification and filing of the rules and regu-  
20 lations and amendments as discussed herein.

21           Representatives of Richfield are here today and there  
22 may be of Texaco, the organizations which submitted suggestions.  
23 You might wish to call on them for comment with respect to the  
24 staff recommendation this morning.

25           GOV. ANDERSON: Is there anyone here from Richfield  
26 or Texaco or any of the other companies, who wish to comment on

1 the recommendations of the staff on this item? Any objections?

2 (No response)

3 MR. CRANSTON: Mr. Chairman, I move approval of the  
4 recommendation.

5 MR. LUEVANO: I second.

6 GOV. ANDERSON: It has been moved and seconded,  
7 carried unanimously.

8 Item 10 is authorization for the Executive Officer  
9 to notify City Council of City of Half Moon Bay, San Mateo  
10 County, that pursuant to provisions of Section 35313.1 of the  
11 Government Code present value of State-owned tide and submerged  
12 lands proposed to be annexed under City Council Resolution  
13 21-61 is \$3,321,000.

14 MR. CRANSTON: Move approval.

15 MR. LUEVANO: Second.

16 GOV. ANDERSON: Moved and seconded, carried unanimously.

17 Item 11 -- Authorization for Executive Officer to  
18 execute service agreement with City of Emeryville, Alameda  
19 County, to provide surveying services, pursuant to Section 6359  
20 of the Public Resources Code, in connection with tidelands and  
21 submerged lands granted under Chapter 921/59, which is an amend-  
22 ment of Chapter 515/19, at the Commission's actual costs not to  
23 exceed \$7,000.

24 MR. CRANSTON: Move approval.

25 MR. LUEVANO: Second.

26 GOV. ANDERSON: Moved and seconded, carried unanimously.

1 Item 12 -- Authorization of the Executive Officer to  
2 approve and have recorded Sheets 1 and 2 of 2 of maps entitled  
3 "Map of the Grant to the City of Richmond," dated February to  
4 April 1960, pursuant to Chapter 1336/59.

5 MR. HORTIG: These, Mr. Chairman, are the record of  
6 a survey completed pursuant to a service contract identical in  
7 form to the preceding one authorized to be entered into with the  
8 City of Emeryville, covering tidelands granted by the Legislature  
9 with the requirement that the lands be surveyed by the State  
10 Lands Commission -- surveyed, recorded and platted. We are at  
11 the point in connection with the Richmond grant of being in the  
12 position of having completed the surveying and platting, of  
13 requiring authorization to record in order to discharge the  
14 last duty under the service contract.

15 MR. LUEVANO: I move approval.

16 MR. CRANSTON: Second.

17 GOV. ANDERSON: Moved and seconded, carried unani-  
18 mously. Item 13 -- Authorization for Executive Officer to  
19 inform Boddum Construction Company, Inc. that offer of royalty  
20 payment of five cents per cubic yard on estimated 4500 cubic  
21 yards of material removed from tidelands in vicinity of Mandalay  
22 Beach, Ventura County, will be accepted in settlement of the  
23 claim for material removed from State lands heretofore without  
24 authorization.

25 MR. HORTIG: In connection with a subdivision con-  
26 struction project in which material was rearranged on the beach,

1 the contractor conducting the operations apparently in good  
2 faith, as nearly as our investigation can determine and without  
3 specific knowledge of the location of the ordinary high water  
4 mark also, scooped up 4500 cubic feet of sand seaward of Mandalay  
5 Beach and used it in the project. This was a one-time operation  
6 and no further approval is needed.

7           It is recommended that, in view of the operation ap-  
8 parently having been carried on without specific knowledge that  
9 a trespass was being committed on State lands, the claim against  
10 this contractor for the removed material be settled on the basis  
11 of a royalty payment of five cents per cubic yard for the amount  
12 of material previously removed.

13           MR. CRANSTON: I move approval.

14           MR. LUEVANO: Second.

15           GOV. ANDERSON: Moved and seconded, carried unanimously.

16           Item 14 -- Authorization for Executive Officer to  
17 enter into agreement for reproduction services for the 1961-62  
18 fiscal year with Allied Blue Print & Supply Company of Los  
19 Angeles, at a cost not to exceed \$7500.

20           MR. HORTIG: For the benefit of Director Luevano, our  
21 agency has only the desk type of reproduction equipment. We  
22 do not have large scale reproduction equipment for maps, charts,  
23 diagrams, and so forth, as larger drafting agencies such as the  
24 Division of Highways do have, and it has been the standard prac-  
25 tice to engage the services of a blue print company for this  
26 operation on an annual contract basis, the contract being issued

1 to the lowest bidder. Allied Blue Print & Supply Company were  
2 the lowest bidder for this year.

3 MR. LUEVANO: I move approval.

4 MR. CRANSTON: Second.

5 GOV. ANDERSON: Moved and seconded, carried unanimously.

6 Item 15 -- Confirmation of transactions consummated  
7 by the Executive Officer, pursuant to authority confirmed by  
8 the Commission at its meeting on October 5, 1959.

9 MR. HORTIG: The transactions reported on pages 43  
10 through 45, as the Commissioners will see, were definitely in  
11 the category of routine -- representing assignment of existing  
12 leases and acceptance of quitclaims with respect to leases  
13 terminated prior to their normal expiration date. Confirmation  
14 of these actions is recommended.

15 MR. CRANSTON: Move approval.

16 MR. LUEVANO: Second.

17 GOV. ANDERSON: Moved and seconded, carried unani-  
18 mously.

19 Item 16 -- Authorization for Executive Officer to  
20 inform Office of the Attorney General concurring in recommenda-  
21 tion that no appeal be taken from the decision of the trial  
22 court in the matter of State v. Coronado Beach, Inc., San Diego  
23 County Superior Court Case No. 251039.

24 MR. HORTIG: On October 27, 1960 the Commission had  
25 authorized the Executive Officer to take all necessary action  
26 in cooperation with the Attorney General's Office to affirm or

1 determine the State's sovereign ownership of lands which were  
2 felt to be artificially accreted waterward of the ordinary high  
3 water mark on the ocean side of Silver Strand in San Diego  
4 County.

5         The Attorney General's Office did bring action against  
6 Coronado Beach Inc., the upland owner, and the matter went to  
7 trial. In the trial both litigants relied substantially on the  
8 opinion of expert witnesses. The judge personally viewed the  
9 premises, and the report of the Attorney General's Office is  
10 that the experts were in conflict -- experts for the State  
11 stated that the accreted lands were formed artificially; the  
12 defendant's experts testified that they were formed naturally.  
13 The decision of the trial court was in favor of the defendant,  
14 Coronado Beach, Inc.

15         Motion for new trial was made, argued, and denied;  
16 and we have a written report from the Office of the Attorney  
17 General that it is the opinion of the Office of the Attorney  
18 General that the judgment is supported by substantial evidence  
19 that no error adverse to the State occurred during the trial,  
20 and accordingly no merit can be urged in support of appellate  
21 review -- that therefore it is recommended no appeal should be  
22 taken.

23         The Lands Commission being the client in this action,  
24 the Attorney General's Office desires concurrence by the Lands  
25 Commission in this recommendation that no appeal be taken in  
26 this action and that the judgment be permitted to become final.

1 MR. CRANSTON: I move no appeal be taken.

2 MR. LUEVANO: Second.

3 GOV. ANDERSON: Moved and seconded. Any further  
4 comments? (No response) If not, carried unanimously.

5 Item 17 -- Informative only, no Commission action  
6 required -- report on status of major litigation.

7 MR. HORTIG: This being a report on the balance of  
8 the major items of litigation in which the Commission is the  
9 client, in addition to the Coronado Beach Inc. problem, of  
10 which you have just disposed.

11 GOV. ANDERSON: No further comments on these?

12 MR. HORTIG: No sir.

13 GOV. ANDERSON: Passing on to Item 18 -- which is  
14 confirmation of the date and time of the August Commission  
15 meeting to be held in Los Angeles. I believe that's the one  
16 you set at nine o'clock, is that it? What was the date on that?

17 MR. CRANSTON: 28th.

18 MR. HORTIG: August 28th, a month from today.

19 GOV. ANDERSON: The next meeting of the Commission  
20 will be August the 28th at nine a.m. at Los Angeles. If there  
21 is no objection, it is so ordered.

22 Then, the supplemental item is the underwater explo-  
23 sion tests by the United States of America. Mr. Hortig, do  
24 you wish to comment on that?

25 MR. HORTIG:  
26 The Corps of Engineers, U. S. Army, have requested  
authorization from the State Lands Commission for approval of

1 the conduct of a series of underwater explosion tests for  
2 national defense purposes, because these tests would by the  
3 nature of the desired location be conducted on State submerged  
4 lands. The State Department of Fish and Game are also consider-  
5 ing this application for the tests and will assure maximum  
6 feasible protection of marine life.

7 From the data which have been furnished with the  
8 application, the staff of the Commission is confident that  
9 there can be no structural damage to either installations on-  
10 shore or offshore by reason of the limitations, safety pre-  
11 cautions, and so forth which will be involved in the tests.  
12 Complete safety precautions will be maintained by the United  
13 States Government and under the proposed authorization the  
14 United States Government, its agencies and its contractors  
15 would be liable for and agree to indemnify the State against  
16 any loss, damage, claim, or action caused by or arising out of  
17 the detonations -- all of which it appears cannot occur in the  
18 first instance; and, therefore, it is recommended that the  
19 Executive Officer be authorized to issue to the United States  
20 of America a permit to conduct a series of underwater detona-  
21 tions on State submerged lands as specified, commencing August  
22 21 and ending on or before December 31, 1961, with the proviso  
23 that complete safety precautions are to be maintained by the  
24 United States Government, its agencies and its contractors;  
25 that the United States Government, its agencies and its con-  
26 tractors shall be liable for and agree to indemnify the State

1 against any loss, damage, claim, demand or action caused by or  
2 arising out of or connected with the detonations; and it is  
3 recommended that this permit be issued at no monetary fee,  
4 the consideration to be the interests of national defense.

5 MR. CRANSTON: I move approval.

6 MR. LOEVANO: May I ask a question?

7 GOV. ANDERSON: Yes. I want to ask a question, too.  
8 These two 25-mile circles, radius of Pasadena and Berkeley.  
9 Taking Berkeley area, would that mean upstream, for example?

10 MR. HORTIG: No sir. The proposed locations are  
11 plotted here on the map, Governor. There are three locations  
12 within the 25-mile circle. Here is San Francisco (indicating  
13 on diagram)

14 GOV. ANDERSON: They are out in the ocean, then.  
15 Now, these would be the only sites?

16 MR. HORTIG: That's correct -- within the 25-mile  
17 circle.

18 GOV. ANDERSON: Does this permit give them the right  
19 to do more than just these sites?

20 MR. HORTIG: They could, but they would report prior  
21 to the time they did.

22 GOV. ANDERSON: If they wanted to go up further, they  
23 would report back to us?

24 MR. HORTIG: Yes sir.

25 GOV. ANDERSON: The one in Santa Monica -- where  
26 would that be? (Mr. Hortig indicated on diagram) Is there

only one blast site there?

MR. HORTIG: Only one proposed site at the northerly end and offshore, with explosive charges held to a magnitude that there can be no structural damage.

Mr. Chairman, I should like to report that a representative of the United States Army Corps of Engineers is here today for the specific purpose of amplifying and replying to any questions the Commission might have. Frankly, the staff felt that there being security items involved, among other things, in an operation of this type, that a minimal presentation should be made to the Commission and perhaps a representative of the United States of America, who knows what is cleared for security and is not, would be here -- and we have so provided for any further questions you would like to have answered on this project.

GOV. ANDERSON: I would be a little interested to know what the extent of the detonation would be; in other words, how audible it would be.

MR. HORTIG: If you would call on Mr. Allan Thode, who is here for the U. S. Army Corps of Engineers, Sacramento, and Mr. Healy, Geophysicist for the United States Geological Survey .....

GOV. ANDERSON: Are these gentlemen here?

MR. HORTIG: They are here. They can give you the information without violating security.

GOV. ANDERSON: They know what they can tell us and

1 what they can't tell us. My concern is when these go off and  
2 we are contacted, who gave us permission and so on.

3 MR. THODE: Mr. Chairman, my name is Allan Thode.  
4 I am with the Real Estate Division of the Corps of Engineers,  
5 and this is Mr. Healy of the United States Geological Survey.  
6 The magnitude of these explosions, I understand, is to be  
7 6,000 tons of explosive and then nuclear underwater. *"NEN"* *I specifically*  
*asked about*  
*the word*

8 GOV. ANDERSON: This could give, then, a pretty good  
9 shock in the area?

10 MR. HEALY: We have had a little experience with  
11 this in the vicinity of Mono Lake several years ago, where we  
12 fired a 6,000-pound charge in the Lake and it was not felt by  
13 anyone in the City of Leevining, about three miles away from  
14 the place where we detonated the charge. The only way we knew  
15 we had made the charge was by the instruments.

16 GOV. ANDERSON: Are there any sonic effects?

17 MR. HEALY: By containing the explosion under the  
18 water it should eliminate all sonic effects and the radius  
19 of the places where it could be detected would be quite small  
20 I should say a mile and a quarter to three miles.

21 GOV. ANDERSON: You wouldn't expect we would receive  
22 too much reaction from Santa Monica?

23 MR. HEALY: We would expect the only ones who would  
24 realize it would be the fishermen in the area.

25 MR. THODE: (In response to question by Mr. Lucvano,  
26 which was inaudible to reporter) All safety precautions will

1 be taken that are deemed necessary.

2 MR. LUEVANO: And these have been done in other  
3 coastal locations?

4 MR. THODE: The United States Government conducted  
5 some tests last weekend in the Southern California area and  
6 the control body of the Department of Fish and Game was within  
7 a half mile radius of the place, which is similar to the one  
8 proposed here, and everything went off as anticipated.

9 GOV. ANDERSON: Any further questions? (No response)  
10 I am satisfied. It has been moved and seconded we carry out  
11 the recommendations of the Executive Officer and carried unani-  
12 mously.

13 Any further items, Mr. Horig?

14 MR. HORTIG: No sir.

15 GOV. ANDERSON: Anything further to be brought up by  
16 anyone? If not, we stand adjourned.

17 ADJOURNED APPROX. 11:15 a.m.  
18  
19  
20  
21  
22  
23  
24  
25  
26

CERTIFICATE OF REPORTER

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

I, LOUISE H. LILLICO, hereby certify that the foregoing twenty-seven pages contain a full, true and correct transcript of the shorthand notes taken by me in the meeting of the STATE LANDS COMMISSION held at Sacramento, California, on July 28, 1961.

Dated: Sacramento, California, August 1, 1961.

*Louise H. Lillico*