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TRANSCRIPT OF  
MEETING  
of

STATE LANDS COMMISSION

SACRAMENTO, CALIFORNIA

October 22, 1964

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PARTICIPANTS:

THE STATE LANDS COMMISSION

Hon. Glenn M. Anderson, Lieutenant Governor, Chairman

Hon. Alan Cranston, Controller

Hon. Hale Champion, Director of Finance

Mr. F. J. Hortig, Executive Officer

OFFICE OF THE ATTORNEY GENERAL:

Mr. Jay L. Shavelson, Assistant Attorney General

APPEARANCE:

Mr. Harold A. Lingle, Chief Deputy City Attorney  
City of Long Beach

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I N D E X  
(IN ACCORDANCE WITH CALENDAR SUMMARY)

3	<u>ITEM CLASSIFICATION</u>	<u>ITEM ON</u> <u>CALENDAR</u>	<u>PAGE OF</u> <u>CALENDAR</u>	<u>PAGE OF</u> <u>TRANSCRIPT</u>
4	1 Call to order			
5	2 PERMITS, EASEMENTS, RIGHTS- OF-WAY, NO FEE:			
6				
7	(a) County Sanitation Dist. of Orange County	24	1	1
8	(b) State of California, Dept. of Fish & Game	19	2	1
9				
10	(c) State of California, Div. of Highways (1)	9	3	1
11	(2)	18	4	1
11	(3)	23	5	1
12	3 PERMITS, EASEMENTS, LEASES, RIGHTS-OF-WAY, FEE:			
13				
14	(a) Georgia Pacific Corp (1)	30	6	2
14	(2)	31	7	2
15	(b) Lloyd N. Inslee	25	8	2
16	(c) Lawrence H. Kerns	1	9	3
17	(d) Pacific Gas & Elec. (1)	21	10	3
18	(2)	20	11	3
18	(3)	28	12	3
19	(e) United Towing Company	27	13	3
20	(f) Lindsey H. Spight	13	14	3
21	(g) Mrs. Howard J. McQuigg	5	15	3
22	(h) Leo J & Edna R. Nolan	6	16	3
23	(i) Northern Calif. Plywood, Inc.	14	17	3
24	(j) Chas. D. Warner & Son, Inc.	15	18	3
25	(k) Humble Oil & Refining Co.	22	19	4
26	(l) Phillips Petroleum Co.	7	21	4

continued

I N D E X  
(IN ACCORDANCE WITH CALENDAR SUMMARY)

ITEM CLASSIFICATION	<u>ITEM ON</u> <u>CALENDAR</u>	<u>PAGE OF</u> <u>CALENDAR</u>	<u>PAGE OF</u> <u>TRANSCRIPT</u>
3 PERMITS, EASEMENTS, LEASES, AND RIGHTS-OF-WAY, FEE: cont'd			
(m) Richfield Oil Corp.	11	23	4
(n) Richfield Oil Corp., Tide- water Oil Co., Marathon Oil Co., Socony Mobil Oil Co.	10	24	4
(o) Standard Oil Co. of Calif. and Humble Oil & Ref. Co.	12	25	4
(p) Texaco Inc.	16	26	4
4 CITY OF LONG BEACH			
(a) Rainbow Lagoon	32	28	5
(b) Shoreline Development betw. Daisy Ave. and Third Pl	33	33	5
(See supplemental)			
5 Services of Attorney General re U.S. vs. California, No. 5, Original, U.S. Supreme Court	2	37	8
6 Amendment to State Compens. Royalty Agreement Kirby Hill Gas Field P.R.C. 255.1	8	38	8
7 Settlement U.S. Bureau of Land Management, Dept. of Interior re timber trespass Lassen County	26	41	9
8 CONFIRMATION OF TRANSACTIONS OF EXECUTIVE OFFICERS:	3		9
Mobil Oil Co.		43	
Phillips Petroleum Co.		42	
Recreational Permits		44	
Standard Oil Co. of Calif.		42	
9 INFORMATIVE - Litigation	34	45	9

continued

I N D E X  
(IN ACCORDANCE WITH CALENDAR SUMMARY)

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<u>ITEM CLASSIFICATION</u>	<u>ITEM ON CALENDAR</u>	<u>PAGE OF CALENDAR</u>	<u>PAGE OF TRANSCRIPT</u>
<u>SUPPLEMENTAL</u>			
10	CITY OF LONG BEACH:		
	(a) Beach parking lot 16th Pl. and 20th Place	35	47 6
	(b) Marine Stadium West	36	50 6
	(c) Marine Park west of J.H. Davies Bridge	37	53 6
	(d) Belmont Pier	38	55 6
11	Modification of resolution - Proposed oil and gas lease City of Los Angeles, Santa Monica Bay	39	59 10
12	Approval of notice inviting bids and bid forms for contractors' agreement, Long Beach Unit, Wilmington Oil Field	40	60 12
	NEXT MEETING		17

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

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<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	9	3	24	1	1	
2	37	8	25	8	2	
3	42	9	26	41	9	
4	not on calendar		27	13	3	
5	15	3	28	12	3	
6	16	3	29	not on calendar		
7	21	4	30	6	2	
8	38	8	31	7	2	
9	3	1	32	28	5	
10	24	4	33	33	5	
11	23	4	34	45	9	
12	25	4	<u>SUPPLEMENTAL</u>			
13	14	3	35	47	6	
14	17	3	36	50	6	
15	18	3	37	53	6	
16	26	4	38	55	6	
17	not on calendar		39	59	10	
18	4	1	40	60	12	
19	2	1				
20	11	3	NEXT MEETING			17
21	10	3				
22	19	4				
23	5	1				

1           GOV. ANDERSON: The meeting of the State Lands  
2 Commission will come to order. The secretary will note that  
3 we are all here.

4           The first item will be: Permits, easements, and  
5 rights-of-way to be granted to public and other agencies at  
6 no fee, pursuant to statute:

7           Applicant (a) County Sanitation Districts of Orange  
8 County -- Amend lease increasing area from 16.07 acres to  
9 18.46 acres of tide and submerged lands in Gulf of Santa  
10 Catalina near Newport Beach, for extension of existing out-  
11 fall sewer.

12           Item (b) State of California, Department of Fish  
13 and Game -- Life-of-structure permit, San Joaquin River near  
14 Lathrop, San Joaquin County, for construction of angling  
15 access and launching ramp.

16           Item (c) State of California, Division of Highways  
17 (1) Right-of-way easement, Sutter and Colusa counties, for  
18 two-lane fixed-span bridge one-half mile north of Meridian;  
19 (2) Right-of-way easement, Sacramento and Yolo counties, for  
20 construction of bridge across the river; (3) Right-of-way  
21 easement, Sacramento River near Elkhorn Ferry, for construc-  
22 tion of bridge across the river.

23           MR. CHAMPION: Move approval.

24           MR. CRANSTON: Second.

25           GOV. ANDERSON: Carried unanimously. Frank, items  
26 (2) and (3) -- these are rights-of-way for the Division of

1 Highways, is that right?

2 MR. HORTIG: Yes, both of them.

3 GOV. ANDERSON: What highway is that, actually?

4 MR. HORTIG: Proposed east-west freeway on the  
5 north side of Sacramento in the first instance, which is  
6 designated as Route 880, which would cross the Sacramento  
7 River immediately north of the Sacramento City limits; and  
8 the other is the crossing proposed for Route 5 from the north  
9 to the south.

10 GOV. ANDERSON: Where does that go?

11 MR. HORTIG: It interconnects the other freeways.

12 GOV. ANDERSON: 3. Permits, easements, leases, and  
13 rights-of-way issued pursuant to statutes and established  
14 rental policies of the Commission:

15 Applicant (a) Georgia Pacific Corporation -- (1)  
16 15-year outfall easement, 3.06 acres tide and submerged lands  
17 Pacific Ocean near Samoa, Humboldt County (outfall line to  
18 carry waste products from applicant's pulp mill); total  
19 rental, \$911.55; (2) One-year permit, 45.97 acres tide and  
20 submerged lands, Pacific Ocean near Samoa, Humboldt County  
21 (temporary working area for construction of outfall line),  
22 total rental \$827.46.

23 Applicant (b) Lloyd N. Inslee -- Five-year non-  
24 commercial minor-structure permit, 0.049 acre tide and sub-  
25 merged land of Taylor Slough (for construction of private  
26 floating boathouse, bulkhead, and walkway), total rental \$25.

1 Applicant (c) Lawrence H. Kerns -- 12-year lease,  
2 Sacramento River, Yolo County, for boat landing, annual  
3 rental \$150.

4 Applicant (d) Pacific Gas and Electric Company --  
5 (1) Easement lease for pipeline crossing, annual rental  
6 \$52.96; (2) Easement lease for pipeline crossing, annual  
7 rental \$158.88; (3) 10-year renewal of Lease P.R.C. 435.1 for  
8 100-foot wide overhead easement, total rental \$409.50.

9 Applicant (e) United Towing Company -- 10-year  
10 renewal of Lease P.R.C. 515.1, for mooring of river barges,  
11 annual rental \$252.

12 Applicant (f) Lindsey E. Spight, d.b.a. Diablo  
13 Communications Center -- Sublease to Standard Oil Company of  
14 California, for installation of mobile repeater transmitting.

15 Applicant (g) Mrs. Howard J. McQuigg -- Assignment  
16 to Jim Willis and Robert Harris of Lease P.R.C. 2988.2, Fish  
17 Canyon, Los Angeles County; annual rental \$65.

18 Applicant (h) Leo J. and Edna R. Nolan -- Assignment  
19 to John D. and Joan Hooper of Lease P.R.C. 2662.1, covering  
20 an ark site on Petaluma River, Marin County; annual Rental  
21 \$65.

22 Applicant (i) Northern California Plywood, Inc. --  
23 Acceptance of quitclaim and termination of Lease P.R.C. 2590.1,  
24 submerged land of Klamath River, Humboldt County.

25 Applicant (j) Chas. D. Warner & Son, Inc. --  
26 Acceptance of quitclaim and termination of Lease P.R.C. 2547.1,

1 submerged land of Tuolumne River, Stanislaus County.

2 Applicant (k) Humble Oil & Refining Company --

3 Deferment of drilling requirements under Oil and Gas Lease

4 P.R.C. 186.1, Belmont offshore Field, Orange County.

5 Applicant (l) Phillips Petroleum Company -- Defer-

6 ment of drilling requirements under Oil and Gas Lease P.R.C.

7 2207.1, Santa Barbara County.

8 Applicant (m) Richfield Oil Corporation -- Deferment

9 of drilling requirements under Oil and Gas Lease P.R.C. 2793.1,

10 Santa Barbara County.

11 Applicant (n) Richfield Oil Corporation, Tidewater

12 Oil Company, Marathon Oil Company, and Socony Mobil Oil Com-

13 pany, Inc. -- Deferment of drilling requirements under Oil and

14 Gas Lease P.R.C. 2726.1, Santa Barbara County.

15 Applicant (o) Standard Oil Company of California and

16 Humble Oil & Refining Company -- Deferment of drilling require-

17 ments under Oil and Gas Lease P.R.C. 1824.1, Santa Barbara

18 County.

19 Applicant (p) Texaco Inc. -- Deferment of drilling

20 requirements under Oil & Gas Lease P.R.C. 2206.1, Santa

21 Barbara County.

22 MR. CHAMPION: Before I move approval, what is an

23 ark site? Is it just what it says it is, or does somebody

24 know something we don't know?

25 MR. HORTIG: This is the terminology that has come

26 to be applied to waterfront structures that are occupied as

1 residences, primarily on the Petaluma River and Corte Madera  
2 Creek. Originally, boats were actually floated in and moored,  
3 and construction placed on top of them, so the dockage, to  
4 designate that it was on State lands, was designated as an  
5 ark site -- irrespective of whether the structure would or  
6 would not float at this time.

7 MR. CHAMPION: Move approval.

8 MR. CRANSTON: Second.

9 GOV. ANDERSON: Approved unanimously.

10 Item 4 -- City of Long Beach -- Capital improvement  
11 expenditures in excess of \$50,000 by the City of Long Beach  
12 pursuant to Chapter 138/64, 1st Extraordinary Session, Section  
13 6: Project (a) Rainbow Lagoon -- Expenditure of \$768,500 for  
14 construction of Rainbow Lagoon, a portion of City of Long  
15 Beach Shoreline Development Project between Los Angeles River  
16 and Alamitos Avenue;

17 Project (b) Shoreline Development between Daisy  
18 Avenue and Third Place -- Expenditure of \$10,811,191 for con-  
19 struction of rock dikes, concrete sheet pile walls around  
20 harbor, aluminum handrail and electrical distribution systems,  
21 for creation of an area to provide site for Maritime Museum,  
22 and for demolition and removal of existing Rainbow Pier and  
23 related finger pier.

24 It has been suggested right here that we go to the  
25 Supplemental Item Number 10, as it fits in here.

26 MR. HORTIG: Those items 10 (a) through (d) are in

1 the same category.

2 GOV. ANDERSON: So if there is no objection we will  
3 go straight through here to Supplemental Item 10, (a) through  
4 (d):

5 Capital improvement expenditures in excess of  
6 \$50,000 by the City of Long Beach pursuant to Chapter 138/64,  
7 1st E. S., Section 6:

8 (a) Construction of a beach parking lot on and  
9 adjacent to Long Beach tidelands south of Bixby Park between  
10 16th Place and 20th Place; estimated expenditure \$275,000.

11 (b) Construction of further developments of Marine  
12 Stadium West, on or adjacent to Long Beach tidelands or  
13 aquatic recreational area; estimated expenditure \$1,790,000.

14 (c) Construction of a marine park on south shore of  
15 the Marine Stadium immediately west of the J. H. Davies Bridge;  
16 estimated expenditure \$254,000.

17 (d) Removal of existing pier and construction of new  
18 Belmont Pier; estimated expenditure \$275,000.

19 MR. HORTIG: Mr. Chairman, a typographical correction  
20 in item (d), as reflected in the full calendar item, pages 55  
21 to 58: Instead of \$275,000, which is the amount that relates  
22 to item (a), that item should be indicated as \$1,294,160.

23 GOV. ANDERSON: That would complete Item Classifica-  
24 tion Number 4 and the Supplemental Calendar Item Number 10  
25 (a) through (d). Does someone want to make a motion to approve  
26 that, or is there any question?

1 MR. CRANSTON: I'll make a motion to approve.

2 MR. CHAMPION: I'll second. What we have here are  
3 proposals made under the new statute, which the staff has  
4 looked at and sees no reason why we should enter any objection.  
5 Under the new statute we must enter an objection within sixty  
6 days. In your recommendation you are saying, "We have looked  
7 at this project as submitted and we do not enter an objection  
8 so long as it is constructed as submitted." I notice your  
9 recommendation is rather clear on that point.

10 What happens if we think it is not -- that you say  
11 to us, and we agree, that it is not constructed as submitted?

12 MR. HORTIG: Then we proceed to enter objection and  
13 take the actions provided for under Chapter 133.

14 MR. CHAMPION: Even though this happens after the  
15 sixty-day period?

16 MR. HORTIG: I believe so -- which immediately in-  
17 volves the Office of the Attorney General, and Jay Shavelson  
18 can amplify on that.

19 MR. SHAVELSON: I think it is clearly implicit in  
20 Chapter 138 that the project is to be actually implemented and  
21 is constructed specifically in accordance with the approval  
22 of the Commission.

23 MR. CHAMPION: I just wanted to know, if we get into  
24 that, what would happen. What raises that in my mind is this  
25 recommendation that "the work conform in essential details."  
26 The right to object carries over, apparently.

1 MR. SHAVELSON: My position is the approval is  
2 only effective if they would conform.

3 MR. CHAMPION: Does the City agree with you?

4 MR. SHAVELSON: I believe they would.

5 MR. LINGLE: I am Harold A. Lingle, Chief Deputy  
6 City Attorney of Long Beach. I would agree with Jay that we  
7 are obliged -- I think the word is "substantial compliance."  
8 If you authorize us to build one thing and we build something  
9 different, you haven't authorized us to spend tidelands money  
10 for this other project. So I would agree with him.

11 MR. CHAMPION: Thanks very much. I second.

12 GOV. ANDERSON: Carried unanimously. Then we will  
13 go back to regular Calendar Item Number 5 -- Authorize Execu-  
14 tive Officer to execute interagency agreement with the Depart-  
15 ment of Justice providing for services of the Attorney General  
16 in the action United States vs. California, No. 5, Original,  
17 U. S. Supreme Court, for fiscal year 1964-65, at a total cost  
18 not to exceed \$268,389.

19 MR. CRANSTON: Move approval.

20 MR. CHAMPION: Second.

21 GOV. ANDERSON: Moved and seconded, carried unani-  
22 mously. Item 6 -- Authorization for Executive Officer to  
23 execute amendment to State Compensatory Royalty Agreement,  
24 Kirby Hill Gas Field, P.R.C. 255.1, Solano County, with  
25 Standard Oil Company of California, Western Operations, Inc.

26 MR. CRANSTON: Move approval of that.

1 MR. CHAMPION: Second.

2 GOV. ANDERSON: Carried unanimously. Item 7 (a)  
3 Approve settlement with United States Bureau of Land Manage-  
4 ment, Department of the Interior, of timber trespass on State  
5 land in Lassen County near Bieber, involving removal and sale  
6 of 125 million board feet of lumber; settlement to be \$1,380.55,  
7 the amount of actual damage incurred; and, (b) Authorize  
8 Executive Officer, following payment of above sum, to execute  
9 agreement, subject to approval by the office of the Attorney  
10 General, to relieve the Bureau of further liability.

11 MR. CRANSTON: I move approval.

12 MR. CHAMPION: Second.

13 GOV. ANDERSON: Carried unanimously. Item 8 is to  
14 confirm transactions consummated by the Executive Officer  
15 pursuant to authority confirmed by the Commission at its  
16 meeting on October 5, 1959.

17 MR. CRANSTON: Move approval.

18 MR. CHAMPION: Second.

19 GOV. ANDERSON: Carried unanimously. Item 9 is for  
20 information only, no commission action needed -- a report of  
21 the status of major litigation. Frank, do you have anything  
22 on that?

23 MR. HORTIG: Only as a progress report to the Com-  
24 mission, so the Commissioners have in their own files a record  
25 of what transactions are going to be culminated in the near  
26 future litigation-wise. Of course, the principal item with

1 which we are concerned is the hearing of oral argument in  
2 the case United States vs. State of California, relating to  
3 tidelands more than three miles offshore, which hearings are  
4 now scheduled before the United States Supreme Court on  
5 December 7th of this year.

6 GOV. ANDERSON: Proceeding, then, with the calendar  
7 at this time, we move on to Item 11 -- Modification of resolu-  
8 tion relative to proposed oil and gas lease (meeting of  
9 September 24, 1964) City of Los Angeles, Santa Monica Bay ,  
10 Los Angeles County.

11 MR. HORTIG: Is there a question? Would you like  
12 an explanation of this, Mr. Chairman?

13 ALL COMMISSIONERS: Yes.

14 MR. HORTIG: The Commission will recall, and by  
15 reference to page 59 of the supplemental calendar item, Mr.  
16 Cranston and the Governor made and seconded a motion which  
17 stated, and I quote: "That we deny the application that is  
18 before us; that we instruct the staff to explore with the City  
19 the alternate approaches that we have discussed today." We  
20 have already at staff level taken steps on alternative ap-  
21 proaches with the City of Los Angeles; and the City of Los  
22 Angeles was concerned, if this former language was to go into  
23 the resolution of the State Lands Commission, there would no  
24 longer be, on the denial of the application, anything before  
25 the Lands Commission for the City of Los Angeles which could  
26 be reviewed for alternate approaches and possible amendments.

1 Therefore, it was suggested in order to eliminate any con-  
2 cern on anyone's part that a modification of the motion, to  
3 be so reflected in the resolution, be undertaken to state  
4 "that action is deferred on the application," and then all the  
5 rest of the motion would remain exactly as it was originally  
6 adopted on Septem<sup>r</sup> 24th -- in order that there be an active  
7 issue before the Lands Commission which the staff of the City  
8 and the State can work on as to possible alternate amendments.

9 There can be no action nor conclusion until this  
10 matter would come back to the Commission again and be approved,  
11 so the staff recommends this modification.

12 MR. CHAMPION: Now it changes the resolution only  
13 in the respect that instead of to say "deny" we say "defer"?

14 MR. HORTIG: That is correct.

15 MR. CHAMPION: May I ask a substantive question on  
16 this thing? Except for the immediate concern expressed by  
17 various Los Angeles representatives and the newspapers the  
18 next day, what have we had -- Is there now some sort of work-  
19 ing understanding as to how we proceed to the task; whether  
20 we might enter into joint exploration or anything of this  
21 kind? Are they now agreeable to doing that instead of talking  
22 about suits?

23 MR. HORTIG: As far as the City administrative  
24 officer and his staff and the State Lands Division staff are  
25 concerned, we have had a conference to lay the groundwork for  
26 how these alternatives would be explored and it is the desire

1 of the staff to cooperate.

2 MR. CHAMPION: This is the City's policy -- to try  
3 to cooperate with us, to try to find some way...?

4 MR. HORTIG: This is correct. Additionally, there  
5 probably will be before the Commission at the December meeting  
6 an application which has already been received by staff, in  
7 which the City desires to go forward with possible development  
8 on the first mile, which permits development from the uplands  
9 without any offshore structure, and submarine structure under  
10 the beach similar to that at Redondo, to offset any possible  
11 threat of drainage -- which was their concern with respect to  
12 this other parcel. So actually the timing with respect to  
13 this original application is not now as critical as it was  
14 previously.

15 MR. CHAMPION: I am glad. There was no information  
16 available. All I ever saw was that they were appalled and  
17 were going to court.

18 MR. HORTIG: We have had no direct statement from  
19 the City Attorney's Office with reference to filing litigation  
20 at this time.

21 MR. GRANSTON: I move approval.

22 MR. CHAMPION: Second.

23 GOV. ANDERSON: Moved and seconded, carried unani-  
24 mously.

25 Item 12 -- Approval of notice inviting bids, and  
26 bid forms for Contractors' Agreement, Long Beach Unit,

1 Wilmington Oil Field. Frank, do you want to explain that?

2 MR. HORTIG: Yes, Mr. Chairman. As you will recall  
3 at the last meeting of the Commission on October 9th, the  
4 Commission approved the forms of documentation identified as  
5 Unit Agreement, Unit Operating Agreement, and Exhibits to  
6 Unit Agreement for the Long Beach Unit of the Wilmington Oil  
7 Field, but did suggest reconsideration by the City of Long  
8 Beach as to selection of dates when bids would be received,  
9 both for the field contractor interest, the 80% interest,  
10 and for a sequential schedule for receiving bids on the  
11 smaller undivided interests ranging from 10% down to 1%.

12 The City of Long Beach on Tuesday of this week by  
13 a vote of seven to nothing of the City Council adopted a modi-  
14 fied resolution, which incorporates the provisions which are  
15 outlined in the calendar item you have before you, pages 60  
16 and 61, and which would set opening of bids for the field  
17 contractor for February 9th and would schedule sequential  
18 receipt of bids for the remaining interests between February  
19 10th and February 17th, 1965 -- precisely in conformance with  
20 the discussion held at the last Lands Commission meeting.

21 Therefore, the resolution of the City of Long Beach  
22 with respect to the notice inviting bids and bid forms for the  
23 contractors' agreement is now before the Commission for approval  
24 pursuant to Chapter 138; and it is the recommendation of the  
25 staff that the Commission approve this notice and the bid  
26 forms. Then the advertising can take place and ultimately