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TRANSCRIPT OF
MEETING
of
STATE LANDS COMMISSION

SACRAMENTO, CALIFORNIA
September 23, 1965

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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. Warren J. Abbott, Deputy Attorney General

APPEARANCES:

(In the order of their appearance)

- Mr. L. A. Kimball, Assistant General Manager
San Francisco Bay Area Rapid Transit District
- Mr. Wallace L. Kaapcke, General Counsel for
San Francisco Bay Area Rapid Transit District
- Mr. Justin M. Jacobs, Jr. of McEnerney and Jacobs,
representing Construction Aggregates, Inc.
- Mr. John E. Porter, District Manager
Construction Aggregates Corporation
- Mr. Willis A. Evans, Fisheries Supervisor, Region III
Department of Fish and Game
- Mr. Harold A. Lingle, Chief Deputy City Attorney
City of Long Beach
- Mr. Joseph Terns, Kaiser Industries

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

<u>ITEM CLASSIFICATION</u>	<u>ITEM ON</u>	<u>PAGE OF</u>	<u>PAGE OF</u>	<u>CALENDAR</u>	<u>CALENDAR</u>	<u>TRANSCRIPT</u>
1 Call to order						
2 Confirmation of minutes of meetings May 27 and July 2/65						1
3 PERMITS, EASEMENTS, RIGHTS-OF-WAY, NO FEE:						
(a) Contra Costa County Water District	5		1			1
(b) Humboldt Bay Municipal Water District	9		2			1
(c) San Francisco Bay Area Rapid Transit District	20		3			1
MOTION ON Item (c) only						13
(d) State Dept. of Public Wks. Div. of Bay Toll Crossings	19		5			14
(e) State Dept. of Public Works, Division of Highways	22		6			14
(f) State Dept. of Public Works Division of Highways	21		7			14
(g) U.S. Dept. of Interior, Bureau of Reclamation	7		8			14
4 PERMITS, EASEMENTS, LEASES, and RIGHTS-OF-WAY, FEE:						
(a) Crown Zellerbach Corp.	11		9			15
(b) Decon Corporation	10		10			15
(c) McKinney Shores Property Owners Association	4		11			15
(d) Harvey R. Willis	6		12			15
(e) Standard Oil Co. of Calif.	1		13			15

continued

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

<u>ITEM CLASSIFICATION</u>	<u>ITEM ON</u>	<u>PAGE OF</u>	<u>PAGE OF</u>
	<u>CALENDAR</u>	<u>CALENDAR</u>	<u>TRANSCRIPT</u>
4 PERMITS, EASEMENTS, LEASES, RIGHTS-OF-WAY, FEE continued			
(f) Richfield Oil Corporation	3	15	16
(g) Mobil Oil	13	16	16
(h) Richfield Oil Corporation	18	17	16
(i) Texaco Inc.	17	18	17
(j) Standard Oil Co. of Calif. and Shell Oil Co.	15	19	17
(k) Union Oil Co. of Calif.	12	20	17
5 LAND SALES			
(a) William J. Swallow, Jr. 640 ac. San Bern. County	8	21	17
6 OIL AND GAS LEASES:			
(a) W.O. 5584, San Joaquin County	14	23	18
(b) Parcel 27 Ventura County	24	24	18
7 CONFIRMATION TRANSACTIONS OF EXECUTIVE OFFICER:	16		18
Humble Oil & Refining		25	
Pauley Petroleum		32	
Richfield Oil Corporation		26	
Phillips Petroleum		33	
Shell Oil Co.		30,31,32	
Standard Oil of Calif. West. Op.		28,29	
Texaco Inc.		27	
8 ELECTION OF CHAIRMAN	2	34	19
9 INFORMATIVE - Litigation	23	35	19
10 NEXT MEETING			20

continued

I N D E X

(In accordance with Calendar Summary)

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ITEM CLASSIFICATION

ITEM ON PAGE OF PAGE OF
CALENDAR CALENDAR TRANSCRIPT

SUPPLEMENTAL CALENDAR:

11	CITY OF LONG BEACH AND THUMS PROPOSAL re oil-well tubular products	25	37	20
12	Agreement with Dept. of Interior superseding Operations Line Agreement of 1962	26	43	33

1 SEPTEMBER 23, 1965 - 10:10 A.M.

2

3 GOVERNOR ANDERSON: The meeting of the State Lands
4 Commission will come to order.

5 First item is the motion to confirm the minutes of
6 meetings of May 27 and July 2nd.

7 MR. CRANSTON: So move.

8 MR. CHAMPION: Second.

9 GOV. ANDERSON: Carried unanimously.

10 Item 3 -- Permits, easements, and rights-of-way to
11 be granted to public and other agencies at no fee, pursua t
12 to statutes:

13 Applicant (a) is Contra Costa County Water District --
14 49-year easement across 10-foot-wide strip of tide and sub-
15 merged lands, Pacheco Creek, Contra Costa County (for opera-
16 tion and maintenance of a water pipeline).

17 Applicant (b) is Humboldt Bay Municipal Water
18 District -- 49-year easement, 0.38 acre tide and submerged
19 lands of Mad River Slough, Humboldt County (for construction,
20 operation, and maintenance of a water transmission pipe and
21 pipeline bridge).

22 Applicant (c) is San Francisco Bay Area Rapid
23 Transit District -- Permit to dredge one million cubic yards
24 from the Presidio Shoal-Alcatraz Island area of P.R.C.s 709.1
25 and 2036.1; two million cubic yards from the Angel Island
26 area of P.R.C. 709.1; and one million cubic yards from the

1 Southampton Shoal area of P.R.C. 2498.1; and to dredge a
2 four million cubic yard trench for portion of the Trans-Bay
3 Tube lying within the City and County of San Francisco.

4 MR. HORTIG: Mr. Chairman, since the preparation of
5 this agenda item for the Commission, a formal protest has
6 been filed with the Commission to the item as here drafted
7 by one of the Lands Commission's lessees for extraction of
8 sand in San Francisco Bay, Construction Aggregates Company.

9 Suggestions for modification have been received by
10 letter from the San Francisco Port Authority; and the Depart-
11 ment of Fish and Game has reported a desire to comment on
12 and request an opportunity to review this application.

13 The representatives of the San Francisco Bay Area
14 Rapid Transit District, who have been in discussions as
15 recently as yesterday both with the San Francisco Port Auth-
16 ority and Construction Aggregates, Inc., are here. A repre-
17 sentative of the Construction Aggregates Company is also
18 here, as well as Mr. Willis A. Evans, Fisheries Management
19 Supervisor, who wishes to comment on behalf of the Department
20 of Fish and Game.

21 Therefore, action on the staff recommendation at
22 the present moment should be withheld until a determination
23 is made by the Commission that in view of the presentations
24 either the matter should be taken under advisement or that
25 the form of permit to be granted should be modified.

26 GOV. ANDERSON: Do you wish this to be withdrawn

1 and referred to staff?

2 MR. HORTIG: This depends entirely on the presenta-
3 tions that will be made by the Bay Area Rapid Transit District
4 on how close they are to a solution for a basis on which the
5 Lands Commission could, without further study at this time,
6 grant a permit.

7 GOV. ANDERSON: Do you recommend hearing from them
8 at this time?

9 MR. HORTIG: Yes, sir; briefly.

10 GOV. ANDERSON: Will you gentlemen step forward and
11 identify yourselves for the record?

12 MR. KIMBALL: Mr. Chairman, I am L. A. Kimball,
13 Assistant General Manager of the District, and this is Mr.
14 Wallace Kaapcke, our general counsel. If it please the Com-
15 mission, Mr. Kaapcke will outline what steps we have taken.

16 MR. KAAPCKE: I am sure in just a moment or two I
17 can put this in a position where there will be no substantial
18 conflict here that need concern you. First, I will speak of
19 discussions we had yesterday with Construction Aggregates
20 representatives.

21 Let me say to the Commission that the legislation
22 which provides for the construction of the tube provides that
23 it is to be and it is being financed by the State, and basi-
24 cally provides that the tube is to be constructed by the
25 Department of Public Works.

26 MR. CHAMPION: Excuse me. I understand you to say

1 this is to be financed by the State. The State has many
2 mansions and separate funds.

3 MR. KAAPCKE: As to the financing, it is the Cali-
4 fornia Toll Bridge Authority who is to do that and the
5 Department of Public Works is to construct the tube. Another
6 part of the legislation provides that the authorities may
7 arrange for responsibility for construction and under that
8 arrangement, it has been arranged that the District takes
9 care of the construction of the tube against that contract.

10 Our discussions with the Construction Aggregates
11 representatives yesterday afternoon disclosed that under
12 their leases they do not consider that the grant to us would
13 impinge upon their rights. I remind you their lease is ex-
14 pressed to be "non-exclusive" and in view of the public
15 character and the particular framework under which we are
16 proceeding, I understand the term "non-exclusive" allows this
17 grant to us without conflict to them.

18 I understand it is their further purpose to sug-
19 gest that the Commission clarify and eliminate that term
20 "non-exclusive" in its application to certain other possible
21 applicants, and as to that I can say that we don't find our
22 interests conflict in any way with that request.

23 I believe that I have fairly stated the accord we
24 have reached with them yesterday. In respect to the San
25 Francisco Port Authority's representation, I think Mr.
26 Kimball can comment on that.

1 MR. KIMBALL: Mr. Chairman, members of the Commis-
2 sion, the area delineated -- or areas delineated -- in the
3 request for the permit are four in nature. Two of the areas
4 referred to in the correspondence you have received from the
5 San Francisco Port Authority's chief engineer are areas
6 which we are told by our engineers the District could forego.

7 Therefore, if it were the Commission's desire to
8 restrict us to the area on Southampton Shoals and Angel
9 Island and Port Knox, this would be in accordance with our
10 needs, and is satisfactory.

11 Perhaps to further clarify as regards the Fish and
12 Game Commission, I have a copy of correspondence from Mr.
13 H. M. Fisher of the Resources Agency to the District Engineer
14 of the Corps of Engineers, on the similar application made --
15 which you may understand would be required to be made to the
16 Corps of Engineers for this activity -- and covering many
17 other areas including the Department of Fish and Game, in
18 which the comment is: "Having received no other adverse
19 comments from the above agency, the State of California
20 interposes no objection."

21 The comment is to the effect that the Water Pollu-
22 tion Board advises that due to possible adverse effects on
23 fishery resources, the quality of material, the time involved,
24 the Board will have a continued interest - - and we will
25 indicate to them our willingness to advise them at all times
26 of our schedule, so they will be fully informed; but they

1 interpose no objection to the granting of the permit, per se,
2 so I think this should be in your records.

3 One last thing -- the problem I am going to mention
4 is ours rather than yours -- our time table is quite urgent
5 because our present expectation is to advertise for bids a
6 week from today and with bid opening on the 2nd of December.
7 We would be very appreciative if the things we have just
8 said could induce you gentlemen to act upon our request this
9 morning.

10 MR. CHAMPION: How critical is the bidding schedule
11 to this determination?

12 MR. KIMBALL: I think it is a critical one, Mr.
13 Champion, having in mind that before we can call for bids on
14 a concrete job, a specific and well-defined job, and before
15 the contractor is in a position to assess the amount of
16 their bids, they have got to know the availability of these
17 resources and that kind of thing. It could have a very im-
18 portant effect because if this sand is not available to us
19 and if this sand had to be hauled from remote areas, the
20 effect on the tube job, I think, would be astronomical.

21 MR. CHAMPION: I understand that. I assume the
22 problem is not whether you are going to get this, but under
23 what circumstances.

24 MR. KIMBALL: Yes. As far as it would appear to
25 me, there is no indication that there would be any limitation
26 that would have any bearing. Some others may have something

1 to say that may be different; but so far we have no conflict.
2 We can accommodate the Port Authority; and in respect to the
3 Resources Agency, Hugo Fisher's organization, we are deter-
4 mined to keep them fully advised and give them an opportunity
5 to participate in the development of the work as it goes
6 along.

7 GOV. ANDERSON: Mr. Hortig, what comment do you
8 have on this?

9 MR. HORTIG: Under the circumstances, it would ap-
10 pear that it would be well for the Commission to hear from
11 the representative of Construction Aggregates and the Depart-
12 ment of Fish and Game; and if there is a consensus, then
13 there is a basis for issuing a modified permit here today.

14 MR. CHAMPION: Before you do that, I am a little
15 curious about the fund situation here. I am not raising an
16 objection now, but I want to be clear as to the basis of
17 this decision. We are making no charge at all for this?

18 MR. HORTIG: This is correct -- because the net
19 result is that sand is not being removed from San Francisco
20 Bay; it is being re-arranged and remaining in the Bay.

21 MR. CHAMPION: So there is no change in that
22 resource and no special benefit involved, and this would be
23 our normal practice. The only reason I am raising this --
24 You say the State is building it and the State isn't; so you
25 would have the General Fund involved on one side and the
26 Toll Bridge funds on the other. I wanted to make sure we

1 weren't making a gift from one to the other.

2 GOV. ANDERSON: Is there a spokesman here for
3 Construction Aggregates?

4 MR. JACOBS: My name is Justin Jacobs. I am with
5 the firm of McEnerney and Jacobs in San Francisco. This is
6 Mr. Porter, with Construction Aggregates.

7 I think we have two purposes to be here: One is
8 for me briefly, if I may, to outline the position of Con-
9 struction Aggregates under its present lease with the State;
10 and then for Mr. Porter to outline to you Construction
11 Aggregates' position with respect to the application for
12 specific dredging permits. I'll do this very briefly, if I
13 may.

14 There is a present lease dated 1951, on the first
15 page of which it refers to a "non-exclusive lease" of certain
16 shoal property in San Francisco Bay to Construction Aggregates.
17 Now, the lease is a State form and it was, in effect, modi-
18 fied by interlineations to become a profit lease; so there
19 are ambiguities in this document.

20 The document states that there will be a "non-
21 exclusive" lease. We interpret this as being non-exclusive
22 in right of possession to the area -- that there are, of
23 course, reserved commerce rights, navigation rights, and
24 fishery rights; and this is consistent with the rights which
25 the State has reserved to itself by legislation. And, of
26 course, a profit normally involves the non-exclusive right

1 to enter and possess, but as to the profit position -- the
2 taking of sand from the area -- we interpret the lease, the
3 document, as meaning this is an exclusive right with Construc-
4 tion Aggregates for these reasons:

5 The lease, in paragraph 12, states that the State
6 reserves all natural resources "except the minerals enumerated
7 hereinbefore for extraction" -- which is sand; and the lease
8 goes on in paragraph 6 to state, in effect, that the State
9 must not grant rights to others which are inconsistent or in-
10 compatible with Construction Aggregates' rights.

11 Now, there is an attachment to our memorandum on
12 file which refers to previous minutes of this Commission.
13 It is Appendix F, which refers to minutes of this Commission
14 of July 25, 1963, wherein the State Lands Commission granted
15 permission to the Port Authority to dredge this area, subject
16 to acquiring a mutual agreement between State Lands Commis-
17 sion, the Construction Aggregates people, and the Port
18 Authority.

19 Now, we look upon this as a recognition by the
20 State Lands Commission of Construction Aggregates' exclusive
21 profit rights to the sand in this area.

22 Secondly, even assuming for the purpose of argument
23 that this document was interpreted as a non-exclusive profit,
24 we feel that any granting of dredging rights or leasehold
25 rights to this sand by the Commission would be inconsistent
26 and incompatible with Construction Aggregates' rights,

1 exclusive rights, under paragraph 12 of the document. I am
2 informed that there is a potential economic exhaustion of
3 these sands and that dredging without compensation to Con-
4 struction Aggregates would possibly render the lease and
5 deposits worthless, even though under the terms of the docu-
6 ment Construction Aggregates must pay a minimum annual
7 amount. We look upon this minimum annual amount as implying
8 that the document must not be rendered worthless and, of
9 course, this is a contract; and we would interpret it as a
10 breach by the State -- who is one party, the lessor, to this
11 contract -- if by this action it made it impossible for
12 Construction Aggregates to enjoy the benefits of the lease
13 or document.

14 MR. HORTIG: Mr. Chairman, if I might interrupt,
15 at least at this moment it would appear to the staff that we
16 do not have a clear-cut consensus; that extensive analysis
17 of these presentations being made on behalf of Construction
18 Aggregates certainly should be made by the technical and
19 legal staff before this matter is considered for action by
20 the Commission.

21 In view of the extreme time problem, which has
22 already been reported by the Bay Area Rapid Transit District
23 I would suggest that the Commission consider taking this
24 matter under advisement; that the staff and all the other
25 participants work diligently toward a clear-cut consensus
26 solution that can be recommended to the Lands Commission --

1 possibly for consideration even at a special meeting, which
2 would be feasible during the time that the special legisla-
3 tive session is on, and which could be at an earlier date
4 than the next regular meeting of the Lands Commission, if
5 such a resolution of the problem can be achieved.

6 MR. PORTER: John E. Porter, District Manager,
7 Construction Aggregates Corporation.

8 For no other purpose than we have to cross that
9 bridge after five o'clock, we will not object to this.
10 Let's not dirty the water by any future negotiations. In
11 this particular instance, Construction Aggregates will waive
12 any interest or any sand necessary for the tube, but we would,
13 at the leisure of the staff, like to sit down and clarify
14 just exactly what goes on in the interpretation of the lease.

15 MR. CHAMPION: What you are saying, really -- you
16 think in this case, if you wanted to, you could potentially
17 have a claim here, but you are willing to waive that right
18 to a claim?

19 MR. PORTER: Yes, whatever right we have in this
20 particular instance -- because we are fully aware of the
21 necessity of this tube.

22 MR. JACOBS: Just so that it does not prejudice
23 any further interpretation of the document.

24 MR. CHAMPION: Does that change your view?

25 MR. HORTIG: Yes, with that interpretation and
26 the recognition that the Bay Area Rapid Transit District

1 will be restricted to shoal areas as indicated satisfactory
2 by the San Francisco Port Authority -- with that, the staff
3 recommendation that the permit be issued is acceptable at
4 this time.

5 MR. CRANSTON: Is that acceptable?

6 MESSRS. JACOBS, PORTER, KIMBALL and KAAPCKE: Yes.

7 MR. JACOBS: May we ask that you go ahead and do
8 your legal analysis, so we have some form of definition from
9 the Commission's legal staff as to what you feel the inter-
10 pretation of this document is?

11 MR. HORTIG: Yes, as it applies to future applica-
12 tions and future authorizations that may be granted for
13 operations, we will.

14 We haven't heard from Fish and Game, Mr. Evans.

15 MR. EVANS: Mr. Chairman and members of the Commis-
16 sion, my name is Willis Evans. I am a Fisheries Supervisor
17 for Region III in San Francisco, with the Department of Fish
18 and Game.

19 I like the comment of the gentleman from Construc-
20 tion Aggregates, when he says "Let's not dirty the water" --
21 even though he was using it in a different form of termin-
22 ology.

23 Very briefly, our problem seems to be one primarily
24 of lack of information. In looking at your item 3(c), all
25 of our communications to date relative to your proposal have
26 been on the matter of the four million cubic yards of material

1 for the Trans-Bay Tube; and these other items which you have
2 on the agenda -- our primary interest and concern is merely
3 to find more information to not so much where these materials
4 are going to be removed from, but where they are going to
5 be deposited. That happens to be our major concern.

6 There are two factors with which we are primarily
7 concerned: One is the matter of the depositing of spoil
8 materials in the Bay in those shoal areas affected by the
9 tidal prism. This has some very direct effects on our fish
10 and wildlife resources and we, therefore, want to view very
11 carefully disposal in those areas.

12 The second factor that has been alluded to already
13 is this matter of possible turbidity of the water during the
14 operations. Relative to this last factor, I agree with the
15 gentleman who spoke previously. We feel this matter of
16 turbidity can be worked on in an amiable manner, as they
17 proceed with their schedule, by merely examining their opera-
18 tion and disposal areas periodically.

19 However, on this matter of disposal of four million
20 cubic yards, as indicated in the agenda item, we would appre-
21 ciate some information as to where those materials are going
22 to be deposited. We have no data to date on that.

23 MR. KIMBALL: Mr. Chairman, perhaps I can help.
24 The disposal area is the area of the trench of the tube.
25 The material is to be used for back fill over the tube after
26 it is in place; and I believe the gentleman does have a

1 description of the tube. So it is simply to be used as a
2 backfill , to fill the area in essentially the way it was
3 before. That's the only area.

4 MR. EVANS: Thank you. We have commented on the
5 previous deposition of the four million cubic yards, so if
6 it is in the same area, we would have no objection to the
7 second four million yards; and rest with the major comment by
8 Mr. Fisher that we will want to examine the operational
9 schedules and work closely with you during the project
10 period.

11 MR. CRANSTON: Subject to that, I move approval,
12 subject also to the understandings that were reached in our
13 earlier discussion.

14 MR. ABBOTT: Mr. Chairman, may I suggest approval
15 also be subject to a written waiver from Construction
16 Aggregates?

17 MR. CRANSTON: The motion is amended to that
18 effect.

19 MR. CHAMPION: I'll second in accordance with that.

20 GOV. ANDERSON: Is any modification necessary?

21 MR. HORTIG: It will be modified in accordance
22 with the motions and opinions expressed in the reporter's
23 transcript.

24 GOV. ANDERSON: You feel you have everything
25 sufficient, without rewriting it?

26 MR. HORTIG: Yes, sir.

1 GOV. ANDERSON: No further discussion, carried
2 unanimously.

3 Applicant (d) State Department of Public Works,
4 Division of Bay Toll Crossings -- Permit to anchor drill
5 barges as necessary to perform soil test borings, 3,673
6 acres tide and submerged lands, San Francisco Bay, San Mateo
7 County (preliminary to bridge construction).

8 Applicant (e) State Department of Public Works,
9 Division of Highways -- Temporary right-of-way permit (for
10 highway construction purposes), 0.17 acre submerged land in
11 Stanislaus River, Stanislaus and San Joaquin counties (to
12 terminate on date notice of completion is filed on Bridge
13 10-Stan, SJ-99-24.5).

14 Applicant (f) State Department of Public Works,
15 Division of Highways -- Authorize Executive Officer to
16 execute agreement for reservation for a two-span bridge
17 right-of-way over 0.9-acre parcel of sovereign lands of the
18 Stanislaus River, Stanislaus and San Joaquin counties.

19 Applicant (g) U. S. Department of the Interior,
20 Bureau of Reclamation -- Amend legal description of Lease
21 P.R.C. 3335.9, abandoned bed of Colorado River, San
22 Bernardino County, to reflect a realignment of the proposed
23 channel.

24 GOV. ANDERSON: A motion will be in order to take
25 care of all those items, except item (c).

26 MR. CRANSTON: So move.

1 MR. CHAMPION: Second.

2 GOV. ANDERSON: Carried unanimously.

3 Item 4 is permits, easements, leases and rights-of-
4 way issued pursuant to statutes and established rental
5 policies of the Commission:

6 Applicant (a) Crown Zellerbach Corporation --
7 Approve termination of Mineral Extraction Lease P.R.C.
8 3211.1, Humboldt Bay, Humboldt County, and authorize accept-
9 ance of quitclaim effective August 16, 1965.

10 Applicant (b) is Decon Corporation -- 15-year lease,
11 0.610 acre tide and submerged lands in Sunset Bay, Orange
12 County (for construction and maintenance of eleven small-
13 boat slips for use of condominium owners). Annual rental,
14 \$2,197.84.

15 Applicant (c) McKinney Shores Property Owners
16 Association -- Approve assignment from McKinney Shores to
17 McKinney Shores Property Owners Association, and to McKinney
18 Shores Water Service as its interest may appear in Parcel 1
19 of Lease P.R.C. 2816.1, covering two parcels of sovereign
20 land in Lake Tahoe, Placer County.

21 Applicant (d) Harvey B. Willis -- Five-year recre-
22 ational minor-structure permit, 0.041 acre tide and submerged
23 land in Piper Slough, Contra Costa County (for erection and
24 maintenance of a floating boathouse and walkway). Total
25 fee, \$25.

26 Applicant (e) Standard Oil Company of California --

1 15-year extension of Lease P.R.C. 2785.1, tide and submerged
2 lands in Santa Monica Bay, Los Angeles County, with descrip-
3 tion of leased area to be amended to cover 81.454 acres in-
4 stead of 81.16 acres. Annual rental to continue at unad-
5 justed rate of \$8,680.29 until a firm rental is established
6 by mutual agreement, at which time retroactive adjustment is
7 to be made to September 14, 1961.

8 Applicant (f) Richfield Oil Corporation -- Defer-
9 ment of drilling requirements under Oil & Gas Lease P.R.C.
10 2793.1, Santa Barbara County, through April 26, 1966.

11 (Production operating problems encountered have made it im-
12 possible to secure a production history to date which would
13 give an evaluation of the economics of drilling additional
14 wells.)

15 Applicant (g) Richfield Oil Corporation, et al --
16 Deferment of drilling requirements under Oil & Gas Lease
17 P.R.C. 2726.1, Santa Barbara County, through May 3, 1966.
18 (Additional time needed to study latest subsurface data).

19 MR. HORTIG: Mr. Chairman, on item (g), it should
20 read Mobil Oil Company rather than Richfield Oil Corporation.
21 Richfield is one of the joint lessees, but Mobil Oil is the
22 current operator on the lease.

23 GOV. ANDERSON: Applicant (g) is corrected to
24 Mobil Oil Company.

25 Applicant (h) Richfield Oil Corporation -- Defer-
26 ment of drilling requirements under Oil & Gas Leases P.R.C.s

1 308.1 and 309.1, Santa Barbara County, through May 17, 1966.
2 (Remedial work being conducted and additional geological
3 information being correlated and studied).

4 Applicant (i) Texaco Inc. -- Deferment of drilling
5 requirements under Oil & Gas Lease P.R.C. 2725.1, Santa
6 Barbara County, through April 11, 1966 (in order to conduct
7 a high resolution seismic survey prior to additional explora-
8 tory drilling.)

9 Applicant (j) Standard Oil Company of California
10 and Shell Oil Company -- Deferment of drilling requirements
11 under Oil & Gas Lease P.R.C. 2198.1, Santa Barbara County,
12 through April 13, 1966 (to review, analyze, and correlate
13 well, geological, and geophysical data).

14 Applicant (k) Union Oil Company of California --
15 Deferment of drilling requirements under Oil & Gas Lease
16 P.R.C. 2879.1, Santa Barbara County, through April 11, 1966
17 (to allow time to negotiate for additional upland drillsites
18 and to make "feasibility studies" of most economical means
19 of transporting oil and gas to market).

20 MR. CRANSTON: Move approval.

21 MR. CHAMPION: Second.

22 GOV. ANDERSON: Moved and seconded, carried
23 unanimously.

24 Item 5 -- Land Sales. Cleared with all State
25 agencies having a land-acquisition program.

26 (a) Authorize sale to William J. Swallow, Jr., the

1 highest qualified bidder, of 640 acres vacant State School
2 Land, San Bernardino County, at \$31,600. (Appraised value,
3 \$30,320).

4 MR. CHAMPION: Move approval.

5 MR. CRANSTON: Second.

6 GOV. ANDERSON: Moved and seconded, carried
7 unanimately.

8 Item 6 -- Oil and Gas Leases:

9 (a) is to authorize Executive Officer to offer for
10 oil and gas lease 970 acres tide and submerged lands and
11 132.71 acres of lands in which minerals have been reserved
12 to the State, and 75.71 acres of land in which the State owns
13 both the surface and mineral rights, all in San Joaquin
14 County, designated as W.O. 5584.

15 (b) is to authorize Executive Officer to offer
16 for oil and gas lease approximately 5,362 acres of tide and
17 submerged lands in Ventura County, lying south of the Rincon
18 Oil Field and west of Pitas Point, designated as W.O. 5858
19 (Parcel 27).

20 MR. CHAMPION: Move approval.

21 MR. CRANSTON: Second.

22 GOV. ANDERSON: Carried unanimately.

23 Item 7 is confirmation of transactions consummated
24 by the Executive Officer pursuant to authority confirmed by
25 the Commission at its meeting on October 5, 1959.

26 MR. CHAMPION: Move approval.

1 MR. CRANSTON: Second.

2 GOV. ANDERSON: Carried unanimously.

3 Item 8 is election of Chairman, State Lands
4 Commission.

5 MR. CHAMPION: I offer a nomination of Controller
6 Cranston.

7 GOV. ANDERSON: I'll second the motion.

8 MR. CHAMPION: And I would move, because of some
9 special circumstances, that upon election he immediately
10 assume the Chair.

11 GOV. ANDERSON: Immediately following the meeting?

12 MR. CHAMPION: Yes, immediately following the meet-
13 ing -- the circumstances being that he will serve on the Bay
14 Area Commission in the next day or two.

15 MR. HORTIG: Two o'clock this afternoon.

16 GOV. ANDERSON: All in favor signify by saying
17 "Aye."

18 GOV. ANDERSON and MR. CHAMPION: Aye.

19 MR. CRANSTON: I accept, provided you release me in
20 time to get to San Francisco. Thank you very much.

21 Item 9 -- Informative only: (a) Report on status of
22 major litigation. Anything, Frank?

23 MR. HORTIG: For the record, no major developments
24 in the litigation being processed and handled and followed by
25 the Office of the Attorney General on behalf of the State
26 Lands Commission. There have been no substantial changes

1 since the last report of the Commission.

2 Item 10 -- Reconfirmation of date, time and place
3 of next Commission meeting -- Thursday, October 21, 1965, at
4 10:00 a.m. in Los Angeles.

5 MR. CRANSTON: So move.

6 MR. CHAMPION: Since there is some likelihood that
7 the special session still will be going on, why shouldn't we
8 change that to Sacramento?

9 MR. CRANSTON: I am agreeable.

10 GOV. ANDERSON: It has been changed, then, to
11 Sacramento -- next meeting on October 21, 1965 at ten o'clock
12 in Sacramento. No objections, so ordered.

13 Supplemental calendar items:

14 Item 11 -- City of Long Beach and THUMS Long Beach
15 Company proposal for restrictive purchases of oil-well
16 tubular products.

17 Mr. Hortig, do you wish to take over here?

18 MR. HORTIG: Yes, Mr. Chairman. The item before
19 the Commission for consideration, of course, is pursuant to
20 the request of the City of Long Beach and the THUMS Long
21 Beach Company for consideration of approval of a restricted
22 bidding procedure to effect purchases of oil country tubular
23 products to be used in the development of the Long Beach Unit
24 of the Wilmington Oil Field.

25 In view of numerous requests for opportunity to
26 present data with respect to this question, the Lands

1 Commission held a public hearing on this matter on August 26,
2 1965 in Los Angeles. The propositions by both the proponents
3 and opponents are summarized on pages 37 and 38 of your agenda.

4 Following this public hearing, written representations
5 bearing on the proposal to restrict bidding were presented
6 by a number of organizations, which are again reported on
7 pages 38, 39, and 40 of your agenda -- so that the conclu-
8 sions and recommendations of the staff being presented here
9 today are based on the total testimony presented at the pub-
10 lic hearing and on all information subsequently submitted or
11 developed, as has already been outlined.

12 The conclusions and recommendations provide - - I
13 will read them rapidly:

14 (1) The development of the Long Beach tidelands is,
15 in essence, a commercial enterprise in which the State of
16 California has a predominant, although not exclusive, econ-
17 omic interest rather than a strictly governmental activity
18 which would dictate compliance with the California Buy
19 American Act.

20 (2) In this instance, there is general agreement
21 among both the proponents and opponents of the THUMS pro-
22 posal that there could be a direct saving to the State of
23 California of between six and ten million dollars if bidding
24 is open and competitive.

25 (3) Although much has been made of the adverse effect
26 that a decision to insist upon open bidding would have upon

1 the nation's economy, particularly with respect to its bal-
2 ance of payments, the facts submitted do not and did not
3 support this argument. The Honorable John T. Connor, Secre-
4 tary of Commerce, stated in a telegram submitted in evidence
5 to the Commission that "We have excluded this (curtailment
6 of imports) as a technique to improve our balance of payments
7 since it would be inconsistent with our policies for the ex-
8 pansion and liberalization of world trade. I cannot comment
9 on the specific cases mentioned in your letter of August 19
10 but we expect choices between domestic and foreign goods to
11 be based solely on commercial considerations."

12 Additionally, a letter from the Acting Assistant
13 Secretary of Commerce for Economic Affairs addressed to the
14 Commission confirms this attitude on the part of the Depart-
15 ment of Commerce.

16 It is recognized as a result of staff discussions
17 with the Department of Commerce that this is the staff opin-
18 ion of one agency of the federal government and might not
19 reflect other federal policy considerations. However, public
20 knowledge of the proposed purchase and the lack of any other
21 communication from the federal government on the matter would
22 cause the staff to concur with the Department of Commerce
23 that this is primarily a California concern.

24 MR. CHAMPION: There was one other communication
25 to the Governor from the Under Secretary of State, I think
26 Mr. Mann, which in substance says the same -- which I think

1 should be part of the record.

2 MR. HORTIG: We will add that to the record upon a
3 receipt of a copy, Mr. Champion.

4 (4) Both the federal government and the State of
5 California have, in recent years, engaged in aggressive
6 promotional efforts to increase world trade. During 1963
7 goods valued at \$450 million dollars were shipped to Japan
8 through the California custom districts; and principal
9 products of at least partial California origin included
10 cotton, \$70.5 million; meat and animal products, \$42 million;
11 iron ore and concentrate and iron and steel scrap, \$50.1
12 million; petroleum products, \$42 million; and other agri-
13 cultural products, \$35.6 million.

14 Imports from Japan through the California customs
15 districts alone in 1963 totaled \$463 million. Total U. S.
16 exports to Japan in 1964 amounted to \$1,893,704,630, while
17 imports from Japan totaled \$1,763,415,674, thus the over-all
18 balance of trade with Japan is favorable to the United States.
19 This data was obtained by the staff from the World Trade
20 Center Authority.

21 It is apparent, therefore, that foreign trade, and
22 particularly trade with Japan, is of mutual benefit and that
23 it results in the creation of jobs, income, and other revenues.
24 An unfavorable attitude toward such trade by an agency of the
25 State Government of California might well have harmful and
26 lasting effects on many sectors of the California and

1 national economies dependent upon the inter-action of trade
2 with other nations.

3 (5) If, at any future time, the Commission is in-
4 formed by responsible officials of the federal government
5 that the requirement for open, competitive bidding is ad-
6 versely affecting the nation's economy, the Commission would
7 be free to review its findings and revise its procedures,
8 of course.

9 (6) Mr. Sheehan, representing the United Steel-
10 workers of America, made the point that failure to place the
11 order for oil well casing with domestic producers would re-
12 sult in a loss of 1,600,000 man hours of employment by those
13 engaged directly in steel production. This statement, ana-
14 lyzed in view of the six-year interval estimated to be the
15 period of major development in the field, shows that it would
16 mean employment for only 135 steelworkers during this period.
17 For this reason, this was not considered to be a major argu-
18 ment and hence was not included among the listing of the
19 arguments of the proponents which you have before you.

20 (7) Testimony presented at the hearing indicated
21 that open bidding has been the practice by THUMS in the pur-
22 chase of line pipe and welded conductor casing, both of
23 which are manufactured by California firms, and that Japanese
24 firms have in fact obtained orders; whereas THUMS now proposes
25 to limit bidding on the seamless steel tubing, which is not
26 produced in the state, to preclude bidding by foreign firms.

1 This is an apparent inconsistency which, in the opinion of
2 the staff, tends to invalidate many other arguments put forth
3 by the proponents of the limited bidding procedure.

4 (8) The Staff is informed that there are in the
5 world only fourteen major producers of the type of oil well
6 tubular goods under consideration. Seven of these concerns
7 are located in the United States; two are in Japan, and the
8 remainder are in the countries of Western Europe. All of
9 these firms manufacture according to specifications estab-
10 lished by the American Petroleum Institute and are authorized
11 to use the official monogram of the Institute. For this rea-
12 son, there seems to be no reason at this time to question the
13 quality of tubular goods produced by any of these manufac-
14 turers.

15 (9) A procedure for bidding on an increment or
16 increments of requirements for a total of not more than those
17 required for the anticipated annual development program ap-
18 pears to be most practical for all concerned for the follow-
19 ing reasons: (a) Contracts for casing and tubing would tie in
20 with the budgeting for field development and therefore would
21 permit orders to be placed on the basis of realistic predic-
22 tions; (b) In the event that technological advancements result
23 in improvements in the quality of the tubular goods required,
24 there would be no long-term commitment to purchase pipe of a
25 particular, and possibly inferior, specification; (c) Any
26 long-term contract would necessarily have to contain

1 escalation provisions which could not be predicted with
2 precision.

3 Therefore, it is recommended that oil well casing,
4 tubing, and line pipe requirements for the Long Beach Unit
5 Development Program be purchased under a procedure specifying:
6 A. Open competitive bid by all suppliers.
7 B. Award of bid to lowest responsible bidder.
8 C. Bids to be received on an increment or increments
9 of requirements for a total of not more than those required
10 for the anticipated annual development program.

11 MR. CHAMPION: Mr. Chairman, while I subscribe to
12 most of the staff report, it seems to me that, looking at the
13 immediate situation, we should proceed with this first budget.
14 I think there are about fifty wells involved, something of
15 this kind.

16 On the basis of the staff recommendation, the
17 language here that concerns me is: It says "It is recommended
18 that oil well casing, tubing, and line pipe requirements for
19 the Long Beach Unit Development Program be purchased under a
20 procedure specifying open competitive bidding and the awarding
21 of bid." It may be, for delivery reasons or other reasons
22 within the economic policy of California -- of jobs or devel-
23 opments in industry or other reasons -- that we may not wish
24 to have this to be a permanent policy. I would rather see us
25 proceed with the recommendation of the staff on this matter
26 at this time with this first increment, but that we leave the

1 policy of the Commission open as to what further direction
2 we may wish to give them at a further time, rather than
3 establish a firm policy for the whole six-year period.

4 I see no advantage to us in having that kind of a
5 fixed policy. For one thing, I think it may discourage the
6 most advantageous bidding; and we may learn several things in
7 the bidding on the first increment about what the actual dif-
8 ferential is as compared to the differential we now antici-
9 pate. I simply think that the policies are fine for that
10 first increment, but should not be interpreted to go to
11 further purchases.

12 GOV. ANDERSON: I agree. You are talking about
13 item (b)? You are talking about annual bidding. I think
14 instead of saying "annual bidding" it should be done for a
15 limited time or limited amount.

16 MR. HORTIG: I am sorry, Mr. Chairman. The recom-
17 mendation is actually for bidding on an increment or incre-
18 ments of requirements totaling not more than the annual
19 anticipated development.

20 MR. CHAMPION: My complaint was directed toward (b),
21 which would seem to set a permanent policy of "open competi-
22 tive bid by all suppliers."

23 MR. HORTIG: This is not evident from the recommen-
24 dation, Mr. Chairman, however a reference back to item (5)
25 states clearly that under circumstances that would justify
26 it, the Commission on information would be free to review its

1 findings and, as I already reported, revise its procedures
2 and program. It was not intended that this be permanent and
3 the Commission is certainly not foreclosed from amendment at
4 any future meeting.

5 MR. CHAMPION: I specifically would like to have the
6 question raised again, so there isn't any misunderstanding by
7 THUMS or by the Long Beach people that the decision being
8 made is for this increment only; and we would like to have
9 the question raised for review after we have had the experi-
10 ence in that first increment.

11 MR. HORTIG: I concur fully. This is only the first
12 step and there is no precedent being set by what we do in
13 this first period.

14 MR. CRANSTON: I'd like to ask this: Is the number
15 of wells involved in this first increment approximately fifty?

16 MR. HORTIG: Now under study would be a total of
17 ninety-two.

18 MR. ABBOTT: Plus forty the first year.

19 MR. HORTIG: Those are already provided for.

20 MR. LINGLE: One hundred nineteen next year. Forty
21 are already drilled.

22 MR. CHAMPION: Forty of the one hundred nineteen?

23 MR. LINGLE: Forty for the balance of this year;
24 one hundred nineteen next year.

25 MR. CHAMPION: For the next budget year?

26 MR. LINGLE: Right.

1 MR. CRANSTON: What would be included in what we
2 are doing now?

3 MR. HORTIG: This has not been determined. We
4 would have to evaluate with the City of Long Beach and the
5 THUMS group what size increment would insure the greatest
6 flexibility and still would not result in an increased price
7 because of lower unit or volume delivery.

8 MR. CRANSTON: In what range would this be?

9 MR. HORTIG: An increment of possibly forty of the
10 one hundred nineteen would be in the first increment.

11 MR. CRANSTON: You are taking into account the
12 matter of it being large enough so there would not be an in-
13 crease in the price?

14 MR. HORTIG: This is one of the essential elements
15 to go into the evaluation.

16 MR. CHAMPION: And the staff will attempt to work
17 out what the first increment would be?

18 MR. HORTIG: This is correct, and report back to
19 the Commission.

20 MR. CRANSTON: With those understandings I move
21 the staff recommendation be approved.

22 MR. CHAMPION: I second your motion including the
23 correction I have made.

24 GOV. ANDERSON: Is there anything here about leav-
25 ing it solely to the staff about the forty wells or one
26 nineteen? My information was that it would be not to exceed

1 fifty and this would be a large enough number to do the
2 purchasing on an economic basis, and we would still have an
3 idea of what the bidding might be. I would kind of hate to
4 see it to up to one hundred nineteen. I'd rather see it
5 limited to fifty.

6 MR. HORTIG: On the basis of evaluation of what
7 that number should be, we will report this back to the Com-
8 mission. We would certainly report any reasons for a need,
9 or apparent need, to go to the one hundred nineteen wells
10 before this action was taken.

11 MR. CHAMPION: I think with that understanding
12 this is all right.

13 GOV. ANDERSON: I'd also like to have a little
14 understanding of this item 7 of your report, where you are
15 commenting upon the inconsistency. I understand most of the
16 people's positions that were there trying to sell domestically-
17 made or foreign-made; but I am a little confused on why THUMS
18 recommended to us their procedure and then, according to
19 your report, purchased tubing that is manufactured in Cali-
20 fornia, which is really domestic, from a Japanese concern;
21 and then I just read in the papers given to me they are also
22 awarding another one to a German steel manufacturer.

23 I was just wondering why they would have the policy
24 of purchasing their steel, some of which or most of which is
25 made in California, from foreign companies and then recommend
26 we not do this here. I never have understood this.

1 MR. HORTIG: Frankly, the staff didn't either except
2 as a custom which has grown generally, it has been the major-
3 ity practice -- although this again has exceptions -- of
4 companies to purchase the heavier steel items, particularly
5 the oil well casing and tubing which are the larger dollar
6 volume, and larger steel volume products in the country where
7 the operation is being conducted if this type of pipe is be-
8 ing manufactured in this particular country.

9 GOV. ANDERSON: How would this apply to the tubing
10 you refer to, where the contract went to the Japanese firm;
11 and the one I am referring to, where it went to a German firm?

12 MR. HORTIG: It was line pipe and conductor casing,
13 which is not a large volume item.

14 GOV. ANDERSON: But is made here?

15 MR. HORTIG: They are made here.

16 GOV. ANDERSON: Completely contrary to the policy
17 you say they normally follow.

18 MR. HORTIG: No; the majority policy I said was
19 with respect to the oil well casing and tubing, which goes
20 down into the ground to produce the oil, but different from
21 the line pipe and conductor casing; but even there, while
22 this is the majority practice, there have been purchases of
23 these by the major companies in the United States from
24 foreign sources.

25 GOV. ANDERSON: This article I have was on sheet
26 steel and this is the one on German steel purchased by the

1 THUMS Company.

2 MR. HORTIG: Patently, the commercial considerations
3 and the inter-company relationships make this determination
4 in what they see to be their best economic advantage.

5 MR. CHAMPION: Was all of this line pipe done on
6 open competitive bidding, or were some of these purchases made
7 on a negotiation basis?

8 MR. LINGLE: Everything has been. The only thing
9 we ever suggested was on the tubular goods.

10 MR. CHAMPION: Everything has been strictly on
11 a competitive basis?

12 MR. LINGLE: Except on tubular.

13 GOV. ANDERSON: Why did you recommend this?

14 MR. LINGLE: We followed what these five big com-
15 panies said -- that all this tubular pipe, which is so critical
16 to them, their company bought it domestic.

17 GOV. ANDERSON: In addition to the line pipe, isn't
18 sheet made here?

19 MR. TERNS: This is a specialized steel not made in
20 California. It is not manufactured in California.

21 GOV. ANDERSON: I thought these things ought to be
22 brought out, because I think we have been asked to do one
23 thing and they have done another.

24 Any further discussion?

25 MR. CRANSTON: I am very glad the question was
26 brought up. I have one question. What portion, Frank, are we

1 talking about in this first increment? How many wells are
2 there where this will be in issue?

3 MR. HORTIG: Well, from here on out the remainder
4 of the eleven hundred to fifteen hundred total wells that may
5 ultimately be drilled.

6 MR. CRANSTON: Eleven to fifteen total, so we are
7 doing somewhere around ten percent at this time?

8 MR. HORTIG: Right.

9 MR. CRANSTON: At most.

10 MR. HORTIG: At this time.

11 GOV. ANDERSON: I'd rather see it a smaller amount.
12 Any further discussion? (No response) If not, all in favor
13 of the staff recommendation signify by saying "Aye."

14 Carried unanimously.

15 Item 12 -- Authorize Executive Officer to enter
16 into agreement with the Department of the Interior supersed-
17 ing the Operations Line Agreement of 1962, providing for the
18 conduct of geophysical exploration and geological survey
19 operations on the Outer Continental Shelf.

20 MR. HORTIG: Mr. Chairman, you and the Commission-
21 ers will recall that there has been an agreement which was
22 in effect during the time that the title to the submerged
23 lands more than three miles offshore of southern California
24 and more than three miles away from the off-lying islands was
25 in dispute. Under this agreement with the Department of the
26 Interior, geophysical and geological explorations were

1 carried on under effectively a joint permit issued by the
2 State of California and the U. S. Department of the Interior.

3 In view of the Supreme Court opinion of May 17,
4 1965, that the majority of this disputed area is outer con-
5 tinental shelf under the jurisdiction of the United States of
6 America, it has been recommended by the U. S. Attorney General
7 and the California Attorney General that there be a modifica-
8 tion to this operating agreement and to remove the requirement
9 that there be necessarily a California permit on those lands
10 which are clearly under the jurisdiction of the United States,
11 and to substitute an agreement which is in the form attached
12 on pages 44 and 45 of your agenda, to be substituted for the
13 1962 agreement, under which -- upon acceptance by the Depart-
14 ment of the Interior and approval of the U. S. Department of
15 Justice -- operations in the former disputed area will be
16 conducted only under U. S. permit and no operations will be
17 conducted initially for exploration in those two segments
18 that are still under dispute and are the subject of a peti-
19 tion for rehearing by California, specifically San Pedro and
20 Santa Monica Bays.

21 It is the recommendation of the Attorney General's
22 Office that, as a matter of cooperation with the United States,
23 this agreement be approved to supersede the former agreement
24 which was approved by the Lands Commission with the Department
25 of Interior for exploration operations offshore California.

26 MR. CHAMPION: Now, is there any relationship

1 involved here with our petition for rehearing?

2 MR. HORTIG: No. The areas that are the subject for
3 rehearing are excluded under the provisions of the proposed
4 agreement and are subject to further negotiation if it should
5 be felt by the United States that it would be desirable to
6 conduct exploration operations in those areas prior to final
7 determination by the Court.

8 GOV. ANDERSON: Do we have a copy of that agreement?

9 MR. HORTIG: Yes, sir -- the new one.

10 GOV. ANDERSON: The one you are proposing to enter?

11 MR. HORTIG: Pages 44 and 45, Exhibit A -- this is
12 the one that is being proposed.

13 GOV. ANDERSON: And what does that do as far as
14 authorizing - - I am thinking about the area off Santa Monica.
15 I want to know what possible change we will have on that.

16 MR. HORTIG: It makes no change in Santa Monica Bay
17 at the present time claimed by the State of California.

18 GOV. ANDERSON: I am talking about three miles out.

19 MR. HORTIG: Three miles out from headland to head-
20 land, from Pt. Vicente to Point Dumé.

21 GOV. ANDERSON: In other words, the agreement you
22 are entering into excludes Santa Monica Bay?

23 MR. HORTIG: This is correct. It also excludes San
24 Pedro.

25 MR. CHAMPION: Move approval.

26 MR. CRANSTON: Second.

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GOV. ANDERSON: Moved and seconded, carried
unanimously.

Anything further to come before the meeting? (No
response).

We are adjourned.

ADJOURNED 11:10 a.m.

CERTIFICATE OF REPORTER

1
2
3 I, LOUISE H. LILLICO, reporter for the Office of
4 Administrative Procedure, hereby certify that the foregoing
5 thirtyseven pages contain a full, true and accurate transcript
6 of the shorthand notes taken by me in the meeting of the
7 STATE LANDS COMMISSION of the STATE OF CALIFORNIA held in
8 Sacramento, California, on September 23, 1965.

9
10 Dated: Los Angeles, California, October 14, 1965.

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13 Louise H. Lillico
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