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MEETING
STATE LANDS COMMISSION

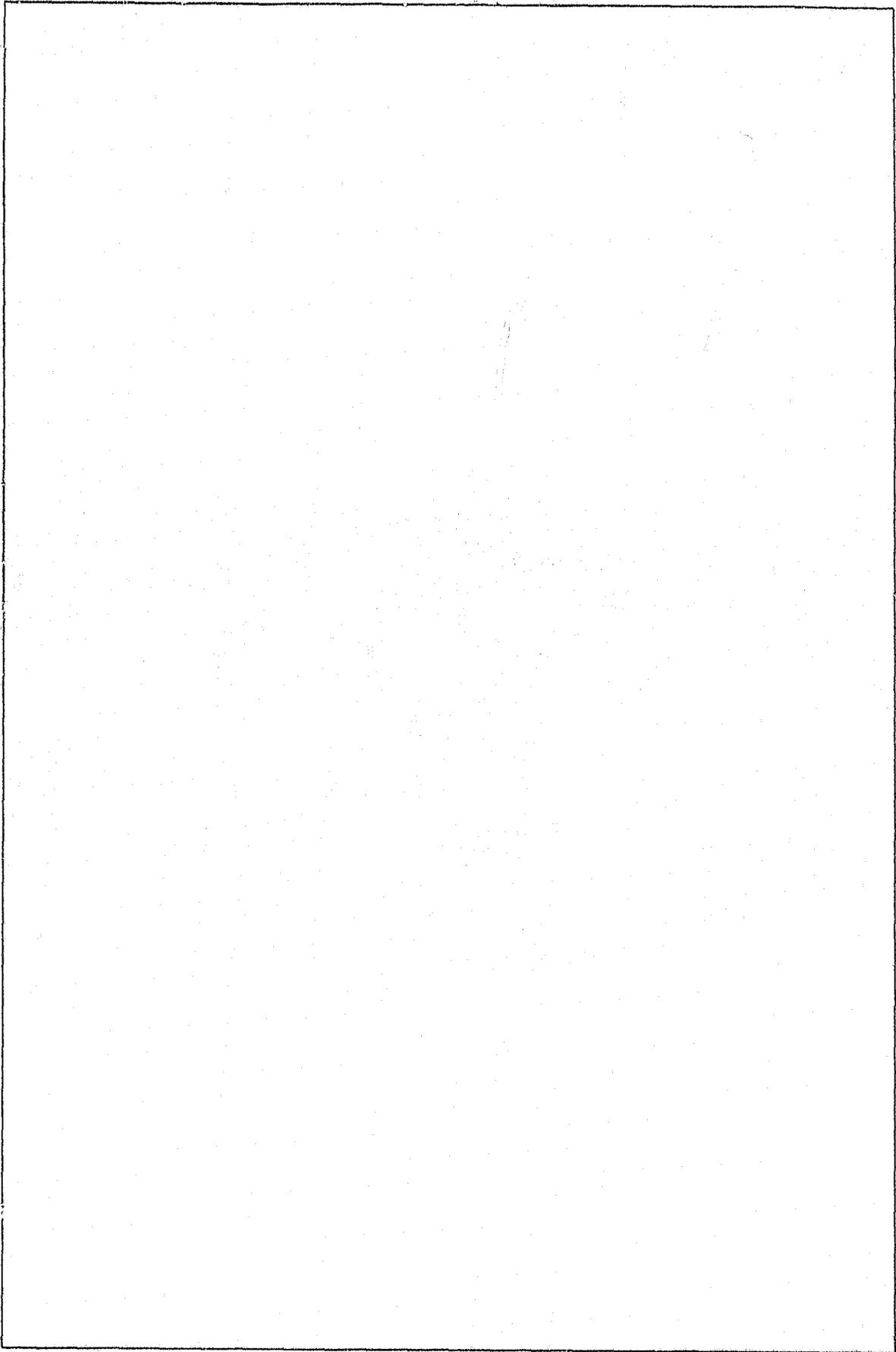
1020 N Street
Room 102
Sacramento, California

WEDNESDAY, JANUARY 26, 1977
10:00 A.M.

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MEMBERS PRESENT

1
2 Hon. Kenneth Cory, Controller, Chairman
3 Hon. Mervyn M. Dymally, Lieutenant Governor
4 Mr. Sid McCausland, Deputy Director of Finance, representing
5 Roy M. Bell
6 Ms. Betty Jo Smith, representing Mervyn M. Dymally

MEMBERS ABSENT

7
8 Hon. Roy M. Bell, Director of Finance
9

STAFF PRESENT

10
11 Mr. William F. Northrop, Executive Officer, State Lands
12 Commission
13 Mr. Robert C. Hight, Staff Counsel, State Lands Commission
14 Mr. James F. Trout, Manager, Land Operations, State Lands
15 Commission
16 Mr. W. M. Thompson, Manager, Long Beach Operations

ALSO PRESENT

17 Mr. W. Gregory Taylor, Deputy Attorney General
18 Mr. Jan Stevens, Attorney General's Office
19
20
21
22
23
24
25

P R O C E E D I N G S

--oOo--

1
2
3 CHAIRMAN CORY: Everybody in their appointed
4 places, we will not have a roll call at this point, and
5 we'll deviate from the agenda just for a brief moment for
6 the Lieutenant Governor to make some comments. Merv?

7 MR. DYMALLY: Thank you, Mr. Chairman. I simply
8 wanted to formally introduce Miss Betty Jo Smith of the
9 staff counsel in the Lieutenant Governor's Office as my
10 alternate to the Commission, and I do so because I think
11 it's the first time that a woman has assumed this responsi-
12 bility. And I think it's worthy of note that there is a
13 woman who will be serving on the Lands Commission.

14 Additionally, Mr. Chairman, I note with a great
15 deal of interest the Chairman of the Ways and Means Committee
16 is here, and I want to highly recommend that we give
17 Contra Costa County back to the people.

18 (Laughter.)

19 MR. DYMALLY: And my good friend Vince Thomas
20 is there, we have been talking about annexing Catalina
21 to Watts, and you might want to take that off today, do
22 that today and give Vince whatever he wants.

23 Thank you very much, Mr. Chairman. I've got to
24 go to Lodi to explore some oil possibilities.

25 CHAIRMAN CORY: Thank you very much, Merv.

1 Betty Jo, glad to have you with us. We will go ahead with
2 some of the technical formalities of the meeting and in
3 anticipation that Mr. McCausland should be joining us
4 shortly, and hopefully we can get over some of our non-
5 controversial and nonsubstantive items.

6 The first item is the confirmation of the minutes
7 of the meeting of December 15th. Are there any corrections
8 or additions to those minutes? Satisfactory?

9 Mr. McCausland has arrived.

10 MR. McCAUSLAND: Tardy as usual, Mr. Chairman.

11 CHAIRMAN CORY: We were in the process of confirm-
12 ing the minutes of the previous meeting. Do you have any
13 corrections or additions?

14 MR. McCAUSLAND: I like them.

15 CHAIRMAN CORY: Without objection, they will be
16 confirmed as presented.

17 And the next item which you probably could just
18 as well have missed would be the Report of the Executive
19 Officer.

20 MR. McCAUSLAND: I wouldn't want to miss the
21 confirmation of the Executive Officer.

22 (Laughter.)

23 EXECUTIVE OFFICER NORTHROP: Mr. Chairman and
24 Members: Preliminary investigations by staff in conjunction
25 with continuing responsibility in the location of county

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1 lines and state land boundaries indicate that it may be
2 necessary to clarify the position of portions of the
3 California State Line. Staff is continuing to investigate
4 the matter, in cooperation with representatives from the
5 Attorney General's Office. And at the present time, we
6 plan to report the findings on that boundary line location
7 in approximately two months.

8 CHAIRMAN CORY: That's a question of --

9 EXECUTIVE OFFICER NORTHROP: Where the line really
10 is between Nevada and California or Oregon and California,
11 excuse me.

12 CHAIRMAN CORY: I don't think we have time to
13 get any further into that subject at this meeting.

14 (Laughter.)

15 EXECUTIVE OFFICER NORTHROP: Mr. Chairman, with
16 the Commission's approval, staff entered into a contract
17 with the City of Hermosa Beach. The contract was to prepare
18 a geological evaluation of lands granted to the City
19 relative to the potential drainage of oil and gas on
20 adjacent lands.

21 We have conducted the study, as I indicate with
22 reasonable assurance, that drainage has occurred by wells
23 drilled and completed along the common boundary within
24 the granted lands. Based on the current performance
25 characteristics of the wells, however, it is unlikely that

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1 significant drainage continues. The Evaluation Report was
2 delivered to the City on January the 14th, you may recall
3 that was in a contract with the City.

4 Occidental Petroleum Corporation has proposed
5 to establish oil drilling districts in the Pacific Palisades
6 area. Staff review of that proposal has indicated that
7 the potential productive area could impact state oil and
8 gas sanctuary.

9 On December 30th, the Chairman wrote Mayor Bradley,
10 calling the Mayor's attention to the fact that such impaction
11 could result in drainage of State-owned land and State-owned
12 oil and gas resources. The Chairman further stated this
13 Commission did not wish to be forced into a program of its
14 own to offset the drainage, and urged that Occidental be
15 required to enter into formal agreements with the State
16 as a precedent to any exploratory or production operations.

17 As a result of the correspondence with Mayor Bradley,
18 representatives of Occidental have met with the Division's
19 Extractive Development staff on January 19th and have
20 agreed to cooperate with the Commission in any way required.
21 A follow-up meeting has been set for early February, at
22 which time Occidental has agreed to provide all the geologic
23 data on the one well that was drilled, as well as to give
24 us information.

25 Staff is continuing to negotiate the gravity

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1 differential regarding the Long Beach and State tidelands.
2 There have been partial payments made under protest with
3 indications that the majority will be made in the future --
4 also under protest. One contractor has indicated they
5 will file a court action against the City of Long Beach
6 with regard to payment of gravity differential. Unless the
7 Commission desires otherwise, the Attorney General will
8 be involved in that suit and intervene in whichever manner
9 is considered proper.

10 The fourth and final hearings --

11 CHAIRMAN CORY: Pardon me. What is the term,
12 "intervene in whichever manner is considered proper?" What
13 are you trying to tell us?

14 EXECUTIVE OFFICER NORTHROP: The discretion --
15 the Attorney General feels that they would like to -- really,
16 what we're asking for is the Commission's permission for
17 the Attorney General to represent us in whatever manner
18 the Attorney General thinks the most expeditious way to
19 handle it.

20 MR. TAYLOR: We don't know exactly what form
21 the action will take or whether there will be more than
22 one action. The choice of language here might be a bit
23 smoother, but it really is --

24 CHAIRMAN CORY: My reaction is that, yes, you
25 should be representing us and that implies you should do

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1 what lawyers think is necessary as long as you keep reporting
2 to us as the meter's running.

3 MR. TAYLOR: Obviously, we would not take any
4 action without consulting you.

5 CHAIRMAN CORY: That seems to imply that you had
6 something specific in mind, that there was more than one
7 action.

8 EXECUTIVE OFFICER NORTHROP: There well may be
9 more than one action. At the present time, we feel that --

10 CHAIRMAN CORY: But, if we are not parties, you
11 anticipate that there may be actions to which we would not
12 be parties?

13 MR. TAYLOR: We will be prepared to intervene
14 if we felt that it was appropriate. In other words, the
15 action may be only against the City of Long Beach, or it
16 may be in some other manner. It may be -- the possibility
17 may be between the oil industry itself, although that's
18 remote, that is a possibility.

19 CHAIRMAN CORY: Okay.

20 EXECUTIVE OFFICER NORTHROP: The fourth and
21 final hearing on the proposed coastal regulations was held
22 in this room yesterday. Written comments to the revised
23 regulations will be accepted by staff until January 31st.
24 At the next Commission meeting, staff will present the
25 final version of the regulations. Reine Corbeil, representing

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1 Southern California Gas has indicated he would like to
2 address the Commission now. But, is he in the audience?
3 I don't see him.

4 CHAIRMAN CORY: Mr. Corbeil?

5 EXECUTIVE OFFICER NORTHROP: Mr. Corbeil's comments
6 were generally favorable, and he expressed the fact that
7 he wanted to tell the Commission he appreciated the staff's
8 help in making changes.

9 CHAIRMAN CORY: We are not adopting this?

10 EXECUTIVE OFFICER NORTHROP: No, this is just
11 a report of where we're going.

12 CHAIRMAN CORY: Okay.

13 EXECUTIVE OFFICER NORTHROP: The adoption is next
14 month.

15 MR. McCAUSLAND: My question, I guess, Mr. Chairman,
16 is whether or not it's necessary for the State Lands
17 Commission to move on these regulations this early in the
18 year with the fact that the new Coastal Zone Commission
19 has just been seated, the Act has just been reinstated
20 by the Legislature, and would it not be appropriate for
21 us to have a joint meeting with the State Lands Commission
22 to discuss our regulations before we adopted our own at
23 this point? What is your objective?

24 EXECUTIVE OFFICER NORTHROP: With the State
25 Coastal Commission rather than the State Lands Commission?

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1 MR. McCAUSLAND: I'm just suggesting that perhaps
2 we should have a joint meeting with the Coastal Zone
3 Commission to discuss our regulations in view of the fact
4 that they have an extremely active interest in the same
5 areas that we're discussing in our regulations.

6 EXECUTIVE OFFICER NORTHROP: What we've attempted
7 to do in adopting each regulation, Mr. McCausland, has been
8 to overlay the coastal regulations as suggested by the
9 Legislature -- as directed by the Legislature under our
10 own regulations. And that's been the basis of our hearing,
11 initially. I see no problem with meeting with the Coastal
12 Commission. However, I really feel that we have been the
13 bell cow in this operation in our leading all the other
14 State agencies in that position.

15 MR. McCAUSLAND: You may well feel like a bell
16 cow. I've felt like horses' many things, but I don't feel
17 like a bell cow. My concern is that, when this Commission
18 authorized us to go to hearing on our regulations, I asked
19 at that time that there be close coordination with the
20 Coastal Zone Commission. I believe we have been working
21 with their staff, but I'd like to know a lot more about
22 the relationship we've had with the Coastal Zone Commission
23 before I'd be prepared to adopt final regulations.

24 Thank you, Mr. Chairman.

25 CHAIRMAN CORY: Okay. Did that item -- we will

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1 take no action at this point. At some future point, it
2 may or may not come before us.

3 EXECUTIVE OFFICER NORTHROP: Well, the staff will
4 be advised at the Commission's pleasure that we will meet
5 with the Coastal Commission's staff on our regulations and
6 certainly, if the Commission would like to have us have
7 some kind of a joint hearing on our regulations, we will
8 do that.

9 MR. McCAUSLAND: Can we talk about it later?

10 EXECUTIVE OFFICER NORTHROP: Okay. The last
11 item, Mr. Chairman, refers to Item Number C1. It is a
12 proposed Public Agency Permit to fish and wildlife -- Fish
13 and Game for the placement of an artificial fishing reef
14 at White's Cove off Santa Catalina Island.

15 A request has been made by Assemblyman Thomas to
16 name the proposed reef for Robert C. Butler. Mr. Butler
17 initiated the idea of removing unsightly scrap from the
18 island, treating it properly, and placing it on the ocean
19 floor to create a fish habitat. Fish and Game has indicated
20 willingness to accept this name. Mr. Butler has been
21 identified with Catalina Island Company and has worked for
22 the Wrigley family on the island for 51 years. He is still
23 a member of the Board of Directors of the Wrigley Company.
24 Although retired, he serves as Assistant to the President
25 of the Santa Catalina Island Company, is a Director of the

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1 Memorial Garden Foundation on Catalina Island, and been
2 concerned for many years with conservation on the island.

3 That completes my report, Mr. Chairman.

4 CHAIRMAN CORY: Okay. That refers to Item C1 on
5 the Consent Calendar?

6 EXECUTIVE OFFICER NORTHROP: Yes, sir.

7 CHAIRMAN CORY: Do we have -- who has the technical
8 capacity to name the reef?

9 EXECUTIVE OFFICER NORTHROP: Mr. Chairman, I also
10 have a letter from (inaudible) --

11 CHAIRMAN CORY: Before you get to your letter,
12 who has the technical legal capacity in terms of the name?
13 Is that -- we're in essence giving a permit to the Department
14 of Fish and Game to use the property. I've got no quarrel
15 with it, but who -- should that be something we should do
16 or should it be something that Fish and Game --

17 EXECUTIVE OFFICER NORTHROP: Staff advises me
18 that Fish and Game would officially make the name. And
19 ours would be in the lease, and they have indicated willing-
20 ness to do that, and I just thought it would be well to
21 make it --

22 CHAIRMAN CORY: Greg, who is the legal mover?
23 If we're in essence leasing the submerged land for them to
24 create this lease on, is that what we're doing?

25 MR. TAYLOR: I think it's under the jurisdiction

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1 of both Agencies. Fish and Game has jurisdiction over all
2 of the fish aspects in this area, and we have the property.
3 So, if nobody has any objection to us recommending it, and
4 rather than getting into a squabble with Fish and Game,
5 I think we both have enough interest in the property that
6 we each agree to it that would be sufficient. There's an
7 Historic Names Commission that a representative of the
8 staff of the State Lands Division sits on, and I think that
9 might be the final one to make it complete, that everyone
10 has agreed that that would be proper. But, I think that
11 within the Commission's prerogative to make its recommenda-
12 tion that, say, as far as its Commission is concerned, it
13 has no objection to doing it. There are three agencies
14 that you could think about having possibility. I think
15 they're all going to agree in this case, so there isn't
16 any problem.

17 MR. McCAUSLAND: Has the State Lands Commission
18 ever named anything before?

19 CHAIRMAN CORY: We named an island, or requested
20 that an island be renamed.

21 EXECUTIVE OFFICER NORTHROP: Yes, we have named
22 islands, oil islands.

23 CHAIRMAN CORY: I was thinking about one that the
24 Lieutenant Governor and I suggested we could have --

25 EXECUTIVE OFFICER NORTHROP: We've objected to

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1 names and asked for changes, and in the Long Beach operation,
2 I believe the Commission approved the names of Islands
3 Grissom White and Chaffee in Long Beach Harbor.

4 CHAIRMAN CORY: We changed or somehow requested
5 to somebody that they change the name of Coon Island to
6 Raccoon Island, Merv and I had a little feedback on that,
7 we thought that might be a little better.

8 MR. McCAUSLAND: I recall that the Department of
9 Transportation Division of Highways has always named things
10 upon instruction of the Legislature, seldom, if ever, they
11 volunteer on their own, and historically, there's been a
12 tremendous amount of controversy over whose name and what
13 should bear. And if the State Lands Commission has not
14 found itself stuck in that awkward position, it might be
15 a good precedent not to start.

16 CHAIRMAN CORY: Betty?

17 MS. SMITH: Has the Historic Names Commission
18 been contacted?

19 EXECUTIVE OFFICER NORTHROP: No, ma'am.

20 MS. SMITH: So, you don't know what criteria they
21 use?

22 EXECUTIVE OFFICER NORTHROP: No, I do not, however
23 a member of our staff, Mr. Bud Uzes, is on that Commission
24 and I think that it may be well if Mr. Uzes gives his
25 feeling or gives the feeling that the Commission usually has

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1 on it.

2 MR. UZES: As I understand, this is an artificial --
3 my understanding is this is a proposed artificial reef?
4 The Geographic Names Board, which I sit on, gives advice
5 to the Federal Board on natural geographic features and
6 not artificial. Usually, I think the policy is that
7 artificial features can be named by the agency having
8 jurisdiction that controls them, such as a dam could be
9 named by the Department of Water Resources, or a trail by
10 Parks and Recreation, or something else by Highways. So,
11 my feeling would be this is more appropriate to be considered
12 by the agency having jurisdiction over the artificial reef.

13 CHAIRMAN CORY: Vince, do you want to comment
14 on this?

15 MR. THOMAS: Assemblyman Vincent Thomas,
16 representative -- Catalina Island's in my district. And
17 during the last five or six years, the program has been
18 developed tremendously with the assistance of this man
19 who has been outstanding in helping to create 87 percent
20 of the island into a conservancy and also into an agreement
21 with the Los Angeles County for a 50-year lease in public
22 use.

23 The whole island is going into public use, at
24 least 87 percent at this moment. So, in order to clean up
25 the island and -- which was Mr. Butler's idea, making it --

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1 in recreating, replanting, and doing all of this, he
2 suggested of creating this reef where all of the materials
3 and things would be placed in with the standards set by the
4 Fish and Game Commission, and the same happens in Santa
5 Monica Bay which we have, in Santa Monica Bay, one of the
6 most beautiful reefs, and now they're considering taking
7 a big tanker and sinking it down to develop fish reefs.
8 Now, he has had responsibility for all of this. And since
9 it's in the tideland's jurisdiction -- with the Island
10 Company Leases -- all of its tidelands from the Lands
11 Commission, its coves and all of these, they name coves
12 after various people, so there should be some name designated
13 for this fishing reef. And the City Council felt that if
14 anyone had done so much in 51 years, I think that it's
15 a deserving situation. And it will bring back fisheries
16 to the island because of the predators around there. And
17 there's no commercial fishing around the island, it's for
18 the sportsman.

19 Now, the big island over at Huntington Beach,
20 the Fish and Game Commission tried to have the Island
21 Company cleaned up, and there's a lot of cans and a lot
22 of junk and everything, but it has to be standardized or
23 cleaned up before you can sink it down permanently. And
24 he fought desperately to have this around next to Catalina
25 Island. And I think the person is well deserving, even

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1 though he's alive. I'm alive, and they named a bridge
2 after me. So, I don't see any problem involved, but as I
3 say, of all of the years, the only one outstanding person
4 that has done so much for bringing a whole island into
5 public use and creating this fishing reef that will bring
6 back the fish -- and remember, the seals each eat eight
7 pounds a day, and there's thousands of seals around the
8 island and sharks, so you have to have someone preserve it.
9 He thought of this idea, and he's been working on it
10 diligently. So, that's the only thing I can say is my
11 feeling.

12 MR. McCAUSLAND: I move.

13 CHAIRMAN CORY: Okay. We have a motion that the
14 Consent Calendar be adopted which is at this point grafted
15 with a -- it will go forward with a suggestion so that
16 the other agency is not offended. They can proceed with
17 the replicity (ph) of the dual nature. Pardon me -- I
18 was thinking about our own actions, Sid.

19 MS. SMITH: Second that motion.

20 CHAIRMAN CORY: We have a motion to second.

21 EXECUTIVE OFFICER NORTHROP: Mr. Chairman, C4
22 has been withdrawn from the Calendar.

23 CHAIRMAN CORY: Let me go through the entire
24 Consent Calendar, since this is part of a major Consent
25 Calendar Item. Is there anybody in the audience who wishes

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1 to address the Commission on any of the Consent Calendar
2 Items? They are Items C1 through 14, inclusive, with C4
3 excluded.

4 MR. McCAUSLAND: You might -- I think you made
5 it clear, the Calendar Item for C1 has been redrafted. So,
6 what I'm moving is not the one that was there already,
7 C1 through 14?

8 CHAIRMAN CORY: Yes. Without objection, the
9 Consent Calendar will be adopted with the exception of Item
10 C4 which was removed.

11 Okay. Item 15 is a special item which has been
12 set for 11:30. Has Mr. Thomas been informed -- are you
13 aware of that, Vince?

14 MR. THOMAS: I'm aware of it, Mr. Chairman, but
15 I understand that the circumstances have changed and the
16 opponents -- or, not the opponents -- but, the parties
17 involved all agree to ask for a postponement for four
18 months and to negotiate. That's the only thing they're
19 here for. Now, if they're here to present their case and
20 to answer my charges of mismanagement of the tidelands
21 grant which was given to the City of Los Angeles, well,
22 I'm willing to make my issue and present my case. Now,
23 I don't know what they want to do. I think Mr. Hughes is
24 here representing the Harbor Department.

25 EXECUTIVE OFFICER NORTHROP: Mr. Chairman, I had

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1 a call this morning from Mr. Piper, or Dr. Piper from the
2 Harbor Department informing me that a Mr. Tom Shields was
3 en route to Sacramento and had planned on being here, and
4 asked if we would hold until then. And I advised Dr. Piper
5 that we had set it for 11:30, and I thought that would
6 probably be time if he left on a 7:00 o'clock plane, even
7 if he was busing in from --

8 CHAIRMAN CORY: Mr. Shields is not here at this
9 point? As I understand it, the original request was that
10 Mayor Bradley wanted to be here, and we afforded him the
11 opportunity, because of his scheduling, to make this as
12 a special item at 11:30.

13 EXECUTIVE OFFICER NORTHROP: That's correct.

14 CHAIRMAN CORY: Okay.

15 MR. THOMAS: He is going to be here. None of
16 the principals are going to be here, they advised me.

17 CHAIRMAN CORY: Okay. Well --

18 MR. THOMAS: The only thing I want is fifteen
19 minutes to present my case.

20 CHAIRMAN CORY: I think, given the fact that
21 we have -- it's scheduled as a special item at 11:30, that
22 we probably should wait until 11:30 so they don't end up
23 getting upset.

24 MR. THOMAS: I have no objection. In fact, I
25 hope they don't show up.

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1 CHAIRMAN CORY: Okay. Thank you, Vince.

2 Item 16 is a one-year Public Agency Permit for
3 the United States Navy, Naval Facilities Engineering Command.
4 And I believe --

5 EXECUTIVE OFFICER NORTHROP: Mr. Chairman, we
6 have a slight problem with that and we're looking for the
7 lease because there has been a last minute interpretation,
8 and I wonder if we shouldn't put this over and --

9 MR. BOATWRIGHT: Assemblyman Dan Boatwright,
10 Tenth Assembly District.

11 CHAIRMAN CORY: Chairman of the all-powerful
12 Ways and Means Committee.

13 MR. BOATWRIGHT: Rules, I don't want.

14 CHAIRMAN CORY: Source of all things important
15 to us, however.

16 (Laughter.)

17 MR. BOATWRIGHT: I think this can be resolved.
18 It's my understanding, and there were two items that were
19 raised, and I would like at this time to introduce to you
20 the Commanding Officer of the Concord Naval Weapons Station,
21 Captain Joe Paulis. Captain Paulis is here, and Al Compaglia,
22 who is the Officer who is working on this matter with me.
23 And, as I understand the intent in the question that was
24 brought up by Captain Paulis this morning, that perhaps
25 the way the proposed lease is drafted only gives them the

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1 right to erect the barrier, but does not grant to them
2 anything else. It's my understanding, it was the intent
3 of the people who drafted the proposed lease that it would
4 give whatever rights they could give by lease, but no more,
5 because of course, they will not give a right for example
6 to cite a person who is trespassing, if that cannot be
7 given. And that's the question. Because, the legal opinion
8 that was rendered was that it appeared the way it was
9 drafted, the only permit that was being given by the State to
10 the Navy was simply to erect a barrier and nothing more.

11 I think if it is the intent that you are entering
12 into a lease, to lease to the Navy these lands under the
13 water, Hastings Slough, and any rights that you have, but
14 no more, I think that would fulfill the intent. If that
15 is your understanding, and that's my understanding as to
16 what they intended. And, there would -- this matter has
17 carried on, as you may recall, for, I guess now, about
18 six or eight months. And the reason for the request from
19 the Navy was because, you may recall that Hastings Slough
20 cuts through some Navy lands, and that this area is used
21 by people who come in in small boats, but it's also an
22 area where they suspect the people came in based upon a
23 statement made by the person who allegedly took a shell --
24 I forget, I think it's a five millimeter shell or something,
25 out of an ammunition car that was in the security area at

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1 the Bay. He came through the slough and over the fence
2 there because it's through tules and hard to -- well, it's
3 almost impossible to guard, once they get into the slough --
4 took the shell out that way, took it and placed it, I believe,
5 somewhere in Alameda or somewhere on the pier and notified
6 them. And there have been several threats directed against
7 the Weapons Station by people that they are going to seek
8 to wreck havoc, to blow up portions of this kind of stuff,
9 and we all remember Port Chicago. This is the chink in
10 their armor according to their security personnel, and they
11 have no authority to close this off. What they're asking
12 is the right to close off a portion of this slough that
13 runs through an area where they cannot see, and to be able
14 to take whatever action is necessary to escort people off
15 there, but no more than the State would be able to give.

16 If that is their intent, I think, if that were
17 expressed, that the lease be so worded or that be so drafted
18 that that is the intent of the Commission, that would
19 settle that portion of the matter.

20 CHAIRMAN CORY: Greg Taylor, Bob Hight, does
21 that --

22 MR. TAYLOR: Mr. Trout has a copy of the lease,
23 Mr. Chairman.

24 MR. TROUT: Mr. Chairman, the lease now provides,
25 under Land Use or Purpose, is to provide securities for

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1 Naval Weapons Station, Concord and for public safety. And
2 then, it limits authorized improvements to temporary
3 barriers with fencing, because that prevents trespass on
4 the slough, no permanent wiring or structures. It also
5 indicates that the lessee shall take all necessary steps
6 to ensure the safety of the general public and may attempt
7 to use the slough after the closing, including warning
8 signs and signal lights. And I think we get, under Land
9 Use and Purpose, we could add in there a brief sentence
10 stating that the Navy would have the right to seek whatever
11 however we'd want to word it -- the remedies of any
12 leaseholder in -- calling the Sheriff or doing whatever
13 other actions --

14 MR. BOATWRIGHT: Or evicting trespassers, taking
15 whatever remedy is normal in these situations to protect
16 the lands. And I suppose, when you grant your leases to
17 piers or to private lands and they build piers, the people,
18 if there's a trespasser, have a right to call someone to
19 help them evict them or cite them. That same procedure,
20 I would suppose, could apply here, but whatever is necessary,
21 and I understand that was the intent --

22 CHAIRMAN CORY: That seems fine.

23 MR. McCAUSLAND: Move.

24 CHAIRMAN CORY: Second?

25 MS. SMITH: Yes.

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1 CHAIRMAN CORY: The amendment to the lease,
2 be adopted.

3 MR. BOATWRIGHT: Now, the second point, it's a
4 one-year lease. Originally, we had, and you may recall
5 this, it was a 49-year lease. One year doesn't do much.
6 I would suggest at the very minimal, and you do have the
7 right, of course, to under -- changing circumstances and
8 conditions to even step in, but it should be so we don't
9 have to come back every year on this. It should be a
10 minimum of ten years. And originally, it was a 49-year
11 lease that was proposed, because if the Station goes out
12 of business, obviously it would revert to the State. If
13 they don't, it should remain as long as security is necessary.
14 A one-year permit really doesn't do anything.

15 CHAIRMAN CORY: Is there a cancellation clause
16 in the lease? Is there a cancellation clause in our
17 standard lease?

18 FROM THE AUDIENCE: Yes, there is.

19 CHAIRMAN CORY: And what is the cancellation
20 notice of time?

21 MR. HIGHT: It provides that it may be cancelled,
22 I think, at 30 days by either party.

23 MR. BOATWRIGHT: Right.

24 CHAIRMAN CORY: So that if we gave it a ten-year
25 lease, and if for some reason -- I can't anticipate what

1 they would be -- but, if there were problems, with certain
2 notice, could cancel within 30 days?

3 MR. BOATWRIGHT: It just saves us coming back.
4 This is -- you know, with the, a lot of work in getting
5 on the Agenda and working the things out again, it just
6 saves a lot of work.

7 CHAIRMAN CORY: We're glad to see you, though.
8 We may have next year's budget on the stand.

9 MR. BOATWRIGHT: We'll do that in the office.

10 CHAIRMAN CORY: Well, with that invitation, it
11 would seem that those amendments are in order to make it
12 a ten-year lease?

13 MR. McCAUSLAND: I'd just like to put on the
14 record, I think one of the reasons that a one-year lease
15 was drafted was there was some concern by those of us who
16 are professional second-guessers that there were a lot of
17 chinks in the armor, and that this was not the only problem
18 that that munitions facility faces, and that we were hoping
19 to ascertain over the course of the year whether or not
20 this really was an appropriate or adequate step in that
21 direction. It may be that you need a lot more electronic
22 surveillance along that whole side of the perimeter or
23 something of that nature. But, to close fishermen out of
24 the slough for ten years, without being able to ascertain
25 whether good faith efforts were being made to improve the

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1 general security of the facility was -- I think the basic
2 reason for the one-year thing -- I have no problems with
3 going along with the Chairman's recommendations.

4 MR. BOATWRIGHT: You have the right to cancel
5 on 30-day notice. You're protected.

6 CHAIRMAN CORY: Captain, you --

7 CAPTAIN PAULIS: Yes, sir, if I may --

8 CHAIRMAN CORY: Would you identify yourself?

9 CAPTAIN PAULIS: I'm Captain Paulis, the Commanding
10 Officer of the Naval Weapons Station, and I regret that we
11 did not bring all of the charts, because I assumed that
12 they were here already. But basically, the section of
13 the slough we're talking about is the one that goes from
14 the Suisun Bay up to Harbor Drive -- Waterfront Road.
15 This section, we have found people "Fishing men" with no
16 fishing gear. People with high-powered rifles when they
17 shouldn't be on our property. We own on either side of
18 the slough, but I can't control the access of people coming
19 in who quote, are "fishermen," but that aren't fishermen.
20 I have no objection, particularly on the Government property,
21 to allow people to fish from the roads, from the bridge,
22 and on the other side of the Highway which most of the
23 people fish on now. It's those people who come in that
24 I don't know what they're doing. And regretablely, a lot
25 of people don't know what the trajectory of a high-powered

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1 rifle is. And when I have boxcars loaded with tons of
2 high explosives, I can't accept that danger. I have no
3 objection to fishermen or hunters, but not on my lands,
4 because it was purchased as a buffer zone to protect people.

5 MR. BOATWRIGHT: Incidentally, this is an area
6 where they can't see. They are going to provide and
7 continue and build a barrier back from the road so that
8 people who want to fish from the roadway will still have
9 access and can fish from the roadway. We have negotiated
10 that out.

11 CAPTAIN PAULIS: Yes.

12 MR. McCAUSLAND: I move adoption.

13 CAPTAIN PAULIS: The other thing is, we have
14 jurisdiction to the land on both sides, and we cite people
15 for trespassing or loitering or carrying firearms within
16 the restricted buffer zone to the U.S. Magistrate in
17 San Francisco. So, we have the citing authority there.
18 We don't call the Sheriff or anybody, we cite them to the
19 U.S. Magistrate.

20 Thank you.

21 MS. SMITH: Second.

22 CHAIRMAN CORY: Okay. We have a motion and a
23 second for a ten-year lease, be approved with the added
24 language that was suggested, with a clear understanding
25 that there's a 30-day cancellation provision.

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1 CAPTAIN PAULIS: But that gives us the authority
2 to exclude people from trespassing within the slough area.

3 MR. BOATWRIGHT: Whatever authority the State
4 can give you in that area, they will give you.

5 MR. HIGHT: We cannot give you the authority to
6 arrest people because that's an authority that we can't
7 delegate.

8 MR. McCAUSLAND: Who delegates that, the
9 Legislature?

10 MR. TAYLOR: If they have a property, if it
11 becomes a Federal property interest, then they have certain
12 rights that they can do under that. That's their right,
13 but they have an interest from us in the property, they
14 can protect the property interest they have, which would
15 include the right of eviction. I think what Bob was
16 referring to is whether there was a cession of jurisdiction
17 over this area, and at this point, I don't know what the
18 status of cession is, but if there is a request for cession
19 of jurisdiction over the Port Chicago area, that would be
20 a matter which would have to be requested by the Federal
21 Government through channels like, in the Department of
22 Defense to the State Lands Commission, and the State Lands
23 Commission could see jurisdiction, for criminal purposes
24 over this area for a period of ten years if the Commission
25 was satisfied as to the terms of the conditions of the

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1 request that would be made by the Department of Navy.

2 But that would have to be done separately. The
3 Captain would have to forward that to the Department of
4 Defense, and they would have to make a request to the
5 Commission and advertise notice and hearings, and then
6 come back to the Commission for action.

7 MR. McCAUSLAND: Well, I think that the intent
8 of this lease is to give them as much authority as they
9 need to protect the national security and the public health
10 and safety, and if we have to take additional action to
11 grant them the full authority, then I'm sure the Commission
12 would be willing to do that.

13 CHAIRMAN CORY: Yes, technically, from what you
14 are saying that if the existing law, giving them a property
15 leasehold interest in the slough allows the Federal Magistrate
16 jurisdiction, that's one possibility. But, we don't know
17 what the law is.

18 MR. TAYLOR: No, if he has a property interest
19 in the property, he can protect that property interest
20 by citing people for violations in that area. Now, the
21 Commander --

22 CHAIRMAN CORY: But, is that Federal Court or
23 State Court?

24 MR. TAYLOR: That would be a Federal offense,
25 and they'd go to Federal Court under this lease. There is a

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1 second problem, and that would be crimes of one person on
2 another. Say, you have two of the people with rifles or,
3 two people going in, one of them has a rifle and accidentally
4 shoots somebody in the slough. At that point, unless there
5 has been a cession of jurisdiction, and I don't know whether
6 there has or not -- apparently Mr. Trout indicates that
7 we do not have a cession in this area. At that point, the
8 Federal Magistrate could not take jurisdiction. They would
9 have to call the Sheriff, and the Sheriff would have to
10 affect the arrest.

11 Crimes against the Government on Government
12 property or property in which the Government has an interest,
13 they can take into Federal Court. Crimes between people,
14 theft, any kind of crime, murder, rape, or any kind of
15 attack that would occur in this slough, there would be no
16 Federal jurisdiction for that. And, they would have to
17 call the local Sheriff without a cession of jurisdiction.

18 CHAIRMAN CORY: I'm sure that the Hastings Slough
19 rapist is glad to know that.

20 MR. BOATWRIGHT: I think the real point is
21 trespassers, and it's my understanding, based upon what
22 he said, that the lease carries with it the right in
23 Federal law, for them to cite to the Magistrate for trespass
24 without a cession of, or seating in jurisdiction, otherwise,
25 right?

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1 MR. TAYLOR: That's my understanding from talking.

2 MR. McCAUSLAND: Move.

3 MS. SMITH: Second.

4 CHAIRMAN CORY: We have a motion and a second.

5 All those in favor?

6 (Ayes.)

7 CHAIRMAN CORY: No objection. Thank you. I'll
8 be glad to come over and visit with you in your office, sir.

9 MR. BOATWRIGHT: Thank you.

10 CHAIRMAN CORY: Item 17, Assignment and Subletting
11 of Industrial Lease for C&H Sugar Company to the California
12 Pollution Control Financing Authority.

13 MR. McCAUSLAND: Move adoption.

14 CHAIRMAN CORY: Technical question, since I sit
15 on the Pollution Control Financing Authority and I have an
16 interest in that, do I have a problem with assigning or
17 passing on the assignment of this?

18 MR. McCAUSLAND: I'd say that you can't waive
19 any rights in this instance because both the Director of
20 Financing and the Controller sit on that Authority. So,
21 we have to exercise the responsibilities. But, you're
22 not going to have a problem with this, anyway, I figured
23 that out already.

24 CHAIRMAN CORY: I'm trying to stop it, I'm a
25 sugar beet grower.

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1 (Laughter.)

2 CHAIRMAN CORY: Okay. Any question or debate
3 from anybody in the audience?

4 MR. McCAUSLAND: Move adoption.

5 CHAIRMAN CORY: Without objection, Item 17 will
6 be adopted as presented.

7 Item 18? Approval of Proposed Drilling of New
8 Well; "Rio Vista State" Number 18, State Gas Lease Easement
9 415, Rio Vista Gas Field, Sacramento and Solano Counties,
10 Standard Oil Company of California.

11 MR. McCAUSLAND: Move adoption.

12 CHAIRMAN CORY: Motion for adoption. Is there
13 anybody in the audience who wishes to address the Commission
14 on Item 18? No objection? Without objection, Item 18
15 will be approved as presented.

16 Item 19? Aminoil Oil (sic) wants Approval of
17 the Resumption of Drilling Operations under State Oil and
18 Gas Leases of the previous leases in Orange County,
19 Huntington Beach Offshore Field. EIR's and all of the
20 hearings and everything have been completed on this. And
21 this is an existing operation commensurate with the recent
22 court case that sort of resolved all this, vested rights,
23 and we're to proceed; is that correct?

24 EXECUTIVE OFFICER NORTHROP: The EIR has been
25 completed only, I heard, in Huntington Beach. I do have a

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1 letter from Mr. Polans I'd like to make part of the record
2 which finally wraps up the part --

3 CHAIRMAN CORY: Mr. Polans' letter will be made
4 a part of the record. Is there anybody in the audience who
5 wishes to address themselves to Item 19?

6 MR. McCAUSLAND: I think the record should show
7 that we've all seen Mr. Polans' letter and also seen, in
8 response to these, request to personally inspect the
9 facilities that occur in our findings.

10 CHAIRMAN CORY: For those in the audience,
11 Mr. Polans is a citizen who would like to personally make
12 inspections of the platform to make his own personal
13 assessment of whether or not the EIR is valid or not valid,
14 as I believe he put it.

15 There are serious insurance complications to
16 having citizens go out to oil rigs, and who is and isn't
17 responsible. And therefore, we have declined Mr. Polans'
18 kind offer to make this personal inspection, and he is
19 not particularly happy about our declining his kind offer.
20 But, there seems to be no good way out of his dilemma in
21 preserving both Aminco's financial security and the State's
22 if something adverse should happen to him.

23 MR. McCAUSLAND: Moving his testimony, I'll move
24 adoption.

25 MS. SMITH: Second it.

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1 CHAIRMAN CORY: Moved and seconded, Item 19 will
2 be approved as presented. Without objection, such shall
3 be the order.

4 Item 20 is Assignment of Exxon's Interest in the
5 Main Zone Unit of the Huntington Beach Field to Aminoil,
6 and as I understand it, that Exxon will in essence stand
7 in position to make the state -- in essence, is guaranteeing
8 Aminoil's performance.

9 EXECUTIVE OFFICER NORTHROP: Right.

10 CHAIRMAN CORY: So, we are not having any lessening
11 of the interest. Is there anybody in the audience who
12 wishes to address themselves to Item 20? Commissioner?

13 MR. McCAUSLAND: Move adoption.

14 MS. SMITH: Second it.

15 CHAIRMAN CORY: Without objection, Item 20 will
16 be approved as presented.

17 Item 21, Dredging Permit for Del Norte County
18 Flood Control, 20,000 cubic yards.

19 MS. SMITH: Move adoption.

20 MR. McCAUSLAND: Second.

21 CHAIRMAN CORY: No royalty, public benefit. Is
22 there anybody in the audience on Item 21? We have a motion
23 and a second. Without objection, 21 will be adopted as
24 presented.

25 Item 22, Dredging Permit for the City of Sacramento

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1 from January 26th -- well, to '79. Miller Park, Garcia Bend.
2 Public benefit, no royalty. Anybody in the audience on
3 Item 22?

4 MR. McCAUSLAND: Move adoption.

5 CHAIRMAN CORY: Without objection, Item 22 will
6 be adopted as presented.

7 Item 23, Dredging Permit for John Barclay and
8 Rod Ketelsen, et al, 120,000 yards in the Fairfield-Suisun
9 area; is that correct?

10 EXECUTIVE OFFICER NORTHROP: That's correct.

11 CHAIRMAN CORY: Fifteen cents per cubic yard
12 royalty because it's being removed from public lands and
13 placed on private property. Anybody on Item 23 in the
14 audience?

15 MS. SMITH: Move adoption.

16 CHAIRMAN CORY: Without objection, Item 23 will
17 be approved as presented.

18 Item 24, Sausalito Yacht Harbor Dredging Permit
19 for 2600 cubic yards. This is Sausalito Yacht Harbor in
20 Marin County to increase the depth for navigability.
21 Royalty charge of fifteen cents per cubic yard will be
22 spoiled on the Army Corps of Engineers Site; is that correct?

23 EXECUTIVE OFFICER NORTHROP: That's correct.

24 MR. McCAUSLAND: Would you slow down for just
25 a second? My mind is not too fast. On Item 23, for just a

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1 moment, I concur with the recommendation or with the
2 adoption, but my question is, what is the status of the
3 Suisun Marsh Protection Plan as enacted by the Legislature
4 at this point in time? BCDC has adopted a proposed plan,
5 submitted to the Legislature for legislative adoption.
6 In there, there's permitting requirements for the County
7 and the cities and BCDC, but is there anything in the law
8 that you're aware of that affects the administration of
9 dredging in Suisun Marsh prior to adoption of the plan
10 by the Legislature?

11 EXECUTIVE OFFICER NORTHROP: I don't know. But,
12 we are in the process, as you know, of putting together
13 some hearings on dredging in the Bay. And it's -- probably
14 would be a germane point. Do you happen to know?

15 MR. HIGHT: Mr. McCausland, I believe that there
16 were no rights to the Commission that were affected by
17 that plan, although I will double check it for you.

18 MR. McCAUSLAND: Thank you.

19 CHAIRMAN CORY: Okay. Are you ready to proceed?
20 Item 24, Sausalito --

21 MR. McCAUSLAND: Move adoption.

22 CHAIRMAN CORY: Anybody in the audience on 24?

23 MS. SMITH: No objection.

24 CHAIRMAN CORY: Without objection, Item 24 will
25 be approved as presented.

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1 Item 25, County of Sacramento, Department of
2 Public Works. This is ratification of the permit issued
3 by the Executive Director for some test holes on Sacramento
4 River. Anybody in the audience on Item 25?

5 MS. SMITH: Move adoption.

6 CHAIRMAN CORY: Without objection, Item 25 will
7 be approved as presented.

8 Item 26, the Long Beach operations, we have
9 approval of the Fourth Modification of the plan in the
10 Wilmington Field. Who's going to tell us what we are doing
11 here, so we don't make a mistake?

12 EXECUTIVE OFFICER NORTHROP: Mr. Chairman,
13 Mr. Thompson from our staff will --

14 MR. THOMPSON: In this Fourth Modification,
15 several months ago, you approved a contract with the
16 Federal Government, the Energy Resources Development
17 Association to run a micellar fiscal project in the Long
18 Beach Unit. At that time, we identified capital investments
19 in the investment part of the budget. Now, for convenience
20 in accounting, we'd like to transfer those to the Expense
21 section, there's no augmentation of funds.

22 CHAIRMAN CORY: These are expenditures approved
23 in the budget, we had hearings in detail on this, now for
24 convenience purpose, we put them first of all where they
25 would be clearly visible in the capital outlay portion of

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1 the budget, now we want to move them into the normal expense,
2 the normal operating --

3 MR. THOMPSON: The Federal Government is picking
4 up part of the expense of this. So therefore, it's a
5 much easier compound to get at the expense.

6 CHAIRMAN CORY: Is there anybody in the audience
7 on Item 26?

8 MR. McCAUSLAND: Move adoption.

9 MS. SMITH: No objection.

10 CHAIRMAN CORY: Without objection, Item 26 will
11 be approved as presented.

12 Item 27, Second Supplemental Letter Agreement
13 of Modification to Cooperative Agreement for Water Injection
14 Operations, Fault Block V Ranger Zone, Parcel "L". This
15 is where we're converting a producing well with a high-water
16 cut to a water injection well?

17 MR. THOMPSON: To an injection well that's been
18 damaged between property that you said.

19 CHAIRMAN CORY: Any questions from members of
20 the Commission? Anybody in the audience on Item 27?
21 Without objection, Item 27 will be approved as presented.

22 Item 28? Tax Litigation Settlement Agreement re
23 Powerine Oil Company in the County of Los Angeles concerning
24 ad valorem taxes on Parcel "A". Mr. Taylor, this is a
25 recommendation of the --

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1 MR. TAYLOR: Mr. Chairman, there was a considerable
2 amount of litigation over ad valorem taxes in connection
3 with the oil field at Long Beach. Powerine wasn't involved
4 in that because it didn't become the operator until after
5 the suit was underway. They brought a separate action.
6 This action is being settled. It's being agreed that they
7 have a taxable interest in the future and, as part of the
8 settlement, we are to receive, directly from the County,
9 \$54,000 in cleaning up some of the back tax matters. They
10 also authorize the payment of some \$60,000-odd to Powerine
11 which primarily reimburses them for legal fees. This is
12 an action which we have been aware of, but not a party to.
13 And the settlement is consistent with the other settlements
14 that have been made, and it's a one-time situation where
15 we're the beneficiary to the extent of \$52,000 in it.

16 CHAIRMAN CORY: Was there potential of greater
17 amounts that should have come to the State? I mean, where
18 does Powerine get their 60 from? I mean, we aren't paying
19 that?

20 MR. TAYLOR: We are not paying that, the County
21 is paying it. We, in effect, the County is paying the
22 legal expenses of Powerine, and Powerine as a result of
23 its bringing this action has benefited the trust, or
24 benefited our interest in the trust. And its coming
25 to us as opposed to going through -- this is just a clean-up

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1 of some very complicated litigation.

2 CHAIRMAN CORY: Anybody in the audience on Item
3 28?

4 MS. SMITH: No objection.

5 CHAIRMAN CORY: Without objection, Item 28 is
6 approved as presented.

7 Item 29. Monitoring of possible Geologic Hazards
8 and I'm sorry, well, for this item and the next item that
9 Mr. Boatwright isn't here, but go ahead. Mr. Thompson,
10 are you going to --

11 MR. THOMPSON: Yes. Every six months, their
12 elevations run on the ground in the City of Long Beach
13 adjacent to the Long Beach Unit and the Tidelands Area.
14 That map up there shows the actual change in elevation
15 since the -- prior to the Long Beach Unit being drilled.
16 And all of the areas to the left of that green line, on
17 the right of the map, are increase in ground elevations
18 since May of 1964.

19 CHAIRMAN CORY: To give reference, Jim, if you
20 can point out that green line again. That is coming down
21 into probably the middle of Seal Beach.

22 MR. TROUT: Here's the Lakewood traffic circle.

23 MR. THOMPSON: But, it's a little bit northeast
24 of the Pacific Coast Highway.

25 The Long Beach Unit is outlined and is the dashed

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1 line down there and up -- goes up there. And the reason
2 we do this is because we actually have a contingent
3 liability fund established in the harbor.

4 CHAIRMAN CORY: Can Long Beach collect from us
5 for negative subsidence if we're racing?

6 (Laughter.)

7 MR. THOMPSON: No, the Attorney General has
8 advised us that you can act as only the amount that's gone
9 down, not what's gone down and come back.

10 CHAIRMAN CORY: Not much Long Beach can say.

11 MR. THOMPSON: This is a summary of what's
12 happened, the whole regional trend reversal plus the
13 stopping of subsidence -- major subsidence over to the
14 west.

15 CHAIRMAN CORY: Okay. And was it monitoring
16 unit there that was able to pick up -- the monitoring units
17 that you used to develop this data was also the monitoring
18 units that picked up the explosions?

19 MR. THOMPSON: We're reporting two items here.
20 We're actually reporting ground elevation changes here
21 which were actually gone out and surveyed, and also we
22 measure seismic events out there by having five seismic
23 stations down there to indicate any earthquakes or any
24 seismic events, to make sure that any water injection
25 operations are not triggering any seismic events. This has

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1 been alluded to in the past, and we want to make this to
2 know confirmation. What we're alluding to is this also
3 picked up the explosion on the tanker down there.

4 CHAIRMAN CORY: Okay. Any questions from members?

5 MS. SMITH: No.

6 CHAIRMAN CORY: All right. Item 29 is informa-
7 tional only.

8 Item 30 is authorization to conduct a public
9 hearing for Subsidence Remedial Costs at Gas Department
10 Plant No. 1, City of Long Beach, authorizing the staff to
11 go ahead with the hearing. Is there anybody in the audience
12 on this item? Any questions from members of the Commission?
13 I think we probably should take a second here to state
14 that there appears to be some clouds on the horizon in
15 terms of ascertaining what the state's costs are or are
16 not in the subsidence, and the purpose of this is fact-
17 finding, so that all the facts are on the table before
18 we are required to reach a decision as to what should or
19 should not be paid in terms of the subsidence costs.

20 MS. SMITH: Consent.

21 CHAIRMAN CORY: So, without objection, Item 30
22 authorization will be granted as presented.

23 Item 31, filing with the Secretary of State
24 amendments to Administrative Code which are the changes
25 in our pier permits and our regulations that were adopted.

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1 Okay. Are there any questions? Anybody in the audience
2 on Item 31? Any questions from Commissioners?

3 MR. McCAUSLAND: Move adoption.

4 CHAIRMAN CORY: Without objection, Item 31 will
5 be approved as presented.

6 Item 32, authorize appropriate action to institute
7 changes in the regulations. If you want to have some
8 hearings on the environmental -- processing of environmental
9 documents, EIR's and the like, there are some technical
10 changes you wish to make in that?

11 MR. HIGHT: That's correct, Mr. Chairman.

12 MS. SMITH: No objection.

13 MR. HIGHT: This item will come back to the
14 Commission when we --

15 MR. McCAUSLAND: Will these changes expedite
16 the process?

17 MR. HIGHT: It's hopeful that they will, yes.

18 CHAIRMAN CORY: Hope springs eternal. Without
19 objection, then, Item 32, authorization is granted as
20 requested.

21 Item ³² 32 (sic), approving the expenditure of
22 tidelands revenues in the amount of \$442,752.

23 MR. TAYLOR: Mr. Chairman, the recommendations
24 of the staff, after further review and consultation and
25 briefing sessions on 33 in the Calendar Summary, should be

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1 changed to disapprove.

2 CHAIRMAN CORY: Okay. And Mr. Lehman, who is
3 representing the Orange County Environmental Unit, is en
4 route from Oakland by bus due to weather conditions here.
5 That being the case, I would guess we should probably
6 postpone this until the end of the special item.

7 MR. McCAUSLAND: No objection.

8 MS. SMITH: No objection.

9 CHAIRMAN CORY: Without objection, Item 33 will
10 be put over to be taken up after the special order item
11 at 11:30.

12 Item 34, approve settlement of the case of
13 Ferma Corporation versus California in an amount not to
14 exceed \$5,000; and authorize the staff of the Division
15 and/or the AG to take all necessary actions to implement
16 the foregoing. This is, as I understand it, where somebody
17 in Ferma thinks we stole their good ideas, and the Attorney
18 General would like to have this authorization to negotiate
19 with them; is that --

20 MR. TAYLOR: We have a settlement of the case.
21 Miss Kathy Stone is here to explain it if you want to get
22 into it. But essentially, this is just a compromise to
23 get it dismissed as a nuisance matter. There is no
24 precedent involved in this. And we have a considerable
25 amount of other litigation. This will barely cover their

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1 costs, and it appears that it is an appropriate case for
2 settlement.

3 CHAIRMAN CORY: If the case is without merit,
4 by paying legal costs, do you not encourage further nuisance
5 suits which encourage --

6 MR. TAYLOR: We feel that they had a -- that they
7 would have kept us in court and we could have had a trial,
8 and you see from the Calendar Item, there is an exposure
9 of the state, and if you believe their prayer up to a million
10 dollars, which there is some argument that could be made
11 for it. Obviously, if we were in the situation where there
12 was a precedent involved, if it was land title problems
13 or something, we have no choice but to proceed with the
14 litigation. In this particular instance, there are some
15 gray things about this lawsuit which we could discuss
16 with you in an Executive Session. But, we don't consider
17 it to be 100 percent nuisance lawsuit. They have some
18 things which they can say. We believe we have good defenses
19 to those, but we believe that they would eventually get
20 to a jury, get to a jury on one of the causes of action
21 which are stated. That's one element.

22 The other element is an allocation of the
23 resources of the Division and of our office. I'd say on
24 behalf of the attorneys that are handling this that they
25 find it to be a fascinating lawsuit, and if they had their

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1 choice for experience and also because of the unique
2 questions presented, it's against their professional
3 interests as far as expanding their horizons in copyright
4 law and common law title, common law property interests
5 and ideas and several other aspects of this case, that I'm
6 sure that if Mrs. Stone had your concurrence, she would
7 just as soon try this case. But, I think there are some
8 practical things that have to enter into it.

9 MR. McCAUSLAND: You want to represent the State?

10 MS. SMITH: I'd be happy to.

11 (Laughter.)

12 CHAIRMAN CORY: Suggesting that we'll just have
13 Betty Jo handle the case since there are so many educational
14 values to this. What's the wish of the Commissioners? I
15 have a mild conflict of interest. My wife, having passed
16 the Bar, is in favor of more litigation.

17 MR. McCAUSLAND: On the other hand, she might
18 like this form of blackmail. Maybe she should consider
19 this as a career opportunity. I move adoption.

20 MS. SMITH: I second.

21 MR. McCAUSLAND: But, I sure hope we don't get
22 in trouble.

23 CHAIRMAN CORY: Moved and seconded that Item 34
24 be approved as presented. Anybody in the audience on Item
25 34? Without objection, Item 34 will be approved as presented.

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1 Item 35?

2 EXECUTIVE OFFICER NORTHROP: Item 35, Mr. Chairman,
3 has been removed from the Calendar.

4 CHAIRMAN CORY: That's why it didn't -- I sure
5 didn't recall that from the briefing. I was at a total
6 loss there. I thought wow, what was I thinking about when
7 you went over that item. Item 35 is off the Calendar.

8 Item 36. I don't think there's any substance
9 to that, but why don't you preside, and there are reasons
10 why I think I'm better off not participating.

11 MR. McCAUSLAND: Item 36 relates to the approval
12 of general permits in the City of Huntington Beach so that
13 they don't have to come back to us for an individual permit
14 on each lot. Is there anyone who wishes to testify on
15 Item 36? Any objection?

16 MS. SMITH: No.

17 MR. McCAUSLAND: If not, Item 36 is approved.

18 Item 37? Item 37 is a settlement of a timber
19 trespass on State school lands in the value of -- what's
20 the value of this one, Mr. Northrop?

21 EXECUTIVE OFFICER NORTHROP: Mr. Chairman, I would
22 like to approach the Commissioner. May we have a conference,
23 Mr. Chairman?

24 MR. McCAUSLAND: Sure. We've got to slow down,
25 anyway. It's a long time until 11:30.

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1 EXECUTIVE OFFICER NORTHROP: You may want to join
2 the conference.

3 Mr. Chairman, Item Number 37 is a settlement of
4 timber that was harvested in error by Sierra Pacific
5 Industries who, at the time they were harvesting, assumed
6 they were buying it from the U.S. Department of Agriculture.
7 The staff has made a survey and the amount of settlement
8 is \$78,961.60 which includes our estimate of the value
9 plus interest and time, plus an additional 2,000 from the
10 U.S. Department of Forestry for reforestation.

11 MR. McCAUSLAND: Does anyone wish to testify
12 on Item 37? If not, without objection, Item 37 is approved.

13 We'll recess until 11:30 -- yes, Mr. Thomas.

14 MR. THOMAS: I understand all of the parties
15 interested in the Item 15 are here. I don't know whether
16 you would want to recess now, because I want to be given
17 sufficient time before noon to present my case.

18 MR. McCAUSLAND: Well, good, Mr. Cory's back.

19 MR. THOMAS: And the parties are here. As I
20 understand, the only thing the parties want to do, as they
21 told me over the telephone, is to postpone this thing.
22 And I want to make it clear that the Commission promised
23 me definitely that this issue would be heard today, because
24 we postponed it from December 15th. And I know that the
25 opponents like to have as long a delay as much -- in fact,

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1 I would think they want the issues brought before the
2 public and I'd like to ask the interested parties what
3 they had in mind?

4 CHAIRMAN CORY: Well, is Mr. Shields here?

5 MR. HUGHES: Mr. Chairman, I understand that
6 Mr. Shields was intending on coming this morning. I just
7 called down there. Probably, due to the fog, is delaying
8 his getting here. I don't know whether he'll be able to
9 make it or not.

10 MR. THOMAS: He represents the L.A. Harbor
11 Department and the gentleman represents the City on the
12 right.

13 CHAIRMAN CORY: But I think the question is, is
14 the person who was sent here to discuss this particular
15 issue, or are these people authorized -- is there a
16 representative from the City of Los Angeles who is
17 authorized to address the Commission on this subject or
18 not?

19 MR. CORLEY: No, I represent the L.A. City Council,
20 and my understanding was that Mr. Shields would be
21 representing on behalf of the City, he is a member of the
22 City Administrative Office, the CAO of the city, and he
23 would be here. But with the fog and the airplane, trying
24 to find out where he's at --

25 MR. THOMAS: My contention is, I was notified

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1 by the parties, the only thing they wanted is to postpone
2 this 120 days and they've asked your staff to do it. The
3 staff convenes, and the Attorney General's Office -- wasn't
4 that the understanding of all the parties who asked for
5 120 days' extension?

6 MS. STONE: Are we really ready to start this?

7 CHAIRMAN CORY: No. Well, it would seem to me
8 appropriate that we not commence until 11:30 or Mr. Shields
9 arrives. If Mr. Shields arrives before 11:30, --

10 MR. THOMAS: Are you adjourning at noon?

11 CHAIRMAN CORY: Not necessarily. We've worked
12 through noon before.

13 MR. THOMAS: I want to make sure I have sufficient
14 time to --

15 MR. McCAUSLAND: We'll work until we're done,
16 Mr. Thomas.

17 CHAIRMAN CORY: We'll go until we're done. I
18 just do not want to be in a position of Mr. Shields not
19 having the benefit of -- the full benefit of your position,
20 because I would like to resolve the issue today if possible.
21 And, you know, we can spend too much time, and I hate to
22 have the twenty-five minute deadline, but if Mr. Shields
23 arrives, all he can do is sort of stand --

24 MR. THOMAS: I was only advising the Commission
25 what the opponents have told me. They don't want to hear

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1 the thing today at all.

2 CHAIRMAN CORY: Well, it's going to be heard at
3 11:30 or sooner if Mr. Shields arrives sooner.

4 MR. HUGHES: Mr. Chairman, I do want to be made
5 clear though, that I am here representing the Los Angeles
6 Harbor Department, and will speak on it when the time is
7 right.

8 CHAIRMAN CORY: Okay. Fine. We will reconvene
9 no later than 11:30.

10 (Thereupon a recess was taken.)

11 CHAIRMAN CORY: Okay. We'll call the meeting
12 to order. The hour of 11:30 having arrived, we will
13 proceed with Item 15 and allow Mr. Thomas to begin his
14 presentation with the assumption that we have a special
15 order and we have, in my opinion, the obligation to proceed.
16 We will proceed and there are some representatives here
17 who, when the other people arrive, they can inform them
18 of what has transpired thus far.

19 Mr. Thomas?

20 MR. THOMAS: Well, I was just wondering whether
21 or not the City and the Harbor Department want to make
22 their statement first; it is a request and I want to
23 answer the request that they're intending to make. As I
24 understand it, all of the parties, that is, the Harbor
25 Department, the City of Los Angeles, the City Council, are

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1 requesting the Commission to delay this for 120 days so
2 they can negotiate and come to some kind of an understanding
3 as to how much money was unlawfully taken from the trust
4 fund and how much should be repaid. Now, if they have any
5 other statement to make, I would like to know.

6 CHAIRMAN CORY: Mr. Hughes --

7 MR. THOMAS: Represents the Harbor Department.

8 CHAIRMAN CORY: -- does wish to make a statement?

9 MR. HUGHES: Yes, would you like me to?

10 Mr. Chairman, Members of the Commission, I'm
11 Glenn Hughes, representing the Los Angeles Harbor Department.
12 And this morning, the Los Angeles Board of Harbor
13 Commissioners met and this was one of the items that they
14 took up and they asked me to relate to you that they
15 unanimously voted to question this Commission to accept
16 or approve your Alternative Recommendation Number 2, and
17 that if you do, they further pledge their full support to
18 cooperate with all of the involved parties to negotiate
19 with an open mind and do everything in their power to bring
20 the negotiation to an early completion. And I think that
21 the three points that are made in Alternative Recommendation
22 Number 2 does cover all of the areas of interest, including
23 the one Mr. Thomas referred to and it would be hopeful
24 that we would come back within the length of time allowed
25 there, probably much sooner, with our total agreement on what

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1 we would like the Commission to approve following our
2 negotiations.

3 CHAIRMAN CORY: You indicate hopefully much sooner.
4 What happens if we approve Alternate Number 2 but 60 days
5 rather than 120?

6 MR. HUGHES: Whatever this Commission would approve,
7 we would do everything in our power to come back to you
8 within that length of time. If that is your desire, then
9 we would just make every effort to do that.

10 CHAIRMAN CORY: Okay. We noticed some other
11 people come in. Would one of the people that arrived be
12 Mr. Shields? Okay. Well, you're waiting for your
13 representatives to speak, I would presume, Mr. Shields.

14 MR. HUGHES: Yes.

15 CHAIRMAN CORY: So, we will --

16 MR. CORLEY: As I understand, they're on a bus
17 between Oakland and here, any time. I could explain very
18 briefly, I'm Ray Corley, representing the Los Angeles
19 City Council in Sacramento, and Mr. Shields was our resource
20 man here. If we're going to get into the figures and the
21 debate over that, he was the one that he wanted from the
22 City. As I understand, his office is advocating Alternative
23 2, also. But, I can't debate whether 120 or 60 days.

24 CHAIRMAN CORY: Vince, what --

25 MR. THOMAS: Well, my contention is I'd like to

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1 have this hearing decided before the election for the
2 simple reason, this is 25 years and all parties are
3 prepared, all parties have their briefs, all parties have
4 their figures, the amount of money involved, and I might
5 as well proceed.

6 First of all, after 25 years of research of
7 case law and all of the Legislative Council's opinions
8 and all of the conferences I've had with the Attorney
9 General, we had a meeting in my office in August with,
10 you were present with our staff, the Attorney General,
11 Charles Barrett, the Chief Deputy, and Kathy Stone, and
12 the Legislative Council experts on tidelands.

13 Now, very briefly, the tidelands grant was given
14 to Los Angeles in 1911 and there was a series of amendments
15 to the grant which no one paid any attention to. Several
16 of my amendments, 51 and all of these, and this is -- so
17 I presented to all of the parties in August, all of the
18 letters from the City attorneys from 1935, and the Mayor,
19 Shaw, coming to Polson, Yorty, and all of them. All of
20 their correspondence and all of their correspondence adding
21 up, I gave you a fact sheet showing that 31 million was
22 requested from Los Angeles from the Harbor Department to
23 take money out of the trust fund. The Auditor General,
24 which I was Chairman of the Joint Audit Committee for 11
25 years, as you know, we made an audit, a quick audit and

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1 all of our findings were \$36 million which was requested
2 and taken out of the trust fund.

3 Now, to start this out, the commitment made by
4 Los Angeles when San Pedro and Wilmington became annexed
5 is that they would build piers and spend all of the money
6 in developing the harbor and that was the inducement, one
7 of the 22 promises made. And that was Section Number 3
8 which I have a copy of the -- now, the Legislative Council
9 held that this was not a contract. Of course, I agree
10 with that. They were commitments, inducements, and we were
11 annexed, and the City of Los Angeles knew that San Pedro
12 didn't want an annex, so they put the election separate
13 for Wilmington on August 4th, 1909; a week later, they put
14 the elections for annexation.

15 Because Long Beach was claiming half of Wilmington,
16 Long Beach contended we're filing a lawsuit. So Wilmington
17 immediately annexed and became part of Los Angeles. So,
18 in 1911, a week later, San Pedro said, well, what can we
19 do? So they annexed, too. The 1911 grant was given to
20 Los Angeles. From 1909 to 1925, there were no demands
21 by the City at all, no minutes, no facts of ever making
22 a demand for repayment of the general obligation bonds.
23 They put the matter on the ballot and the people voted in
24 1924 transferring the trust duties from the City of Los Angeles
25 to the Harbor Commission and transferring all navigable

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1 waters, all tidelands, all submerged lands, whether filled
2 or unfilled, and gave the Harbor Department of the
3 Commission full control over the trust. Except two situa-
4 tions that the City Council retained: One is to increase
5 the rates, and the second, increase leases over five years.
6 And that is the whip that Los Angeles City Council has over
7 the Harbor Department which is in my district. We can't
8 develop our harbor, we have no monies to compete with
9 Long Beach because of the tideland. We cannot compete
10 with Oakland, Seattle, in becoming the stagnant harbor.

11 So anyway, in this here, there's nothing mandatory
12 in the charter. But, when the charter was adopted and
13 voted on by the people, it came back to the Legislature.
14 And the Legislature sent it to the Committee, the Committee
15 recommended approval of the charter amendments transferring
16 the trust duties from the City of Los Angeles to the
17 Harbor Department, and the Legislature confirmed it and
18 approved it.

19 So, all the intent was to transfer the trust
20 duties away from Los Angeles to the Harbor Department.
21 Now, I had a bill in twice, I introduced it yesterday
22 again, of taking away from the City of Los Angeles those
23 two rights which they have retained from the trust. So,
24 it's been a harassment from mayor to mayor and they put
25 three members on the Commission from Los Angeles, two from

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1 the Harbor area: three to two vote. Always been a harass-
2 ment and some of the mayors and I'm not at present, I
3 have no evidence, I'm not talking about the present mayor.
4 I don't want to say nothing that would jeopardize his
5 elections coming up. But, all of the other mayors when
6 they gave their appointments, they had received a letter
7 of resignation. And one point in case that they tried to
8 prove is, when they made a demand for monies -- I don't
9 know whether I should mention his name -- but he said no,
10 and he was immediately kicked off the Commission. That
11 was Mr. Thomas, for the record, just recently.

12 So, my contention is that Los Angeles had no
13 right to take any monies out of the trust fund. Now, all
14 the private trust laws apply to public trusts. Now, to
15 make it clear, I have to admit my failures. I studied
16 trusts for two years, and I failed the Bar Exam. Now, I
17 want that clear. I'm not a lawyer. So, as I talk to you,
18 your staff was very good to me. The Attorney Generals,
19 especially Kathy, has been very nice in trying to resolve
20 this, what monies can be used out of the trust fund.

21 A trustee cannot give monies just because someone
22 says, asks. So, I went ahead and got opinions. You have
23 copies from the Legislative Council of July 20th, 1976
24 saying the Lands Commission has complete authority over
25 the subject matter. And, I will point that out a little

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1 later in this amendment to the grant. You have complete
2 authority since 1970. We gave you complete authority to
3 audit and to check the financing and the expenditures of
4 the L.A. Harbor and to report to the Legislature every
5 December. I'm not quarreling about who's right or wrong.
6 I want the Lands Commission to take a stand, now that you're
7 going to enforce the trust agreement. Also, since 1970,
8 every time the Harbor Department declares a surplus,
9 Los Angeles is in there to grab something for fire protec-
10 tion. I have an Opinion from the Legislative Council,
11 you have a copy: There's no obligation of the trust to
12 pay for fire and police protection. There's no obligation
13 to pay any of the general obligation bonds. I have the
14 Opinion, you have it. I have an Opinion from the Attorney
15 General sort of amending that theory, saying that, what was
16 the intent of the parties?

17 Okay. From 1909, 1925 there's no intent, no
18 requests, nothing. Then, after it became a charter amend-
19 ment, someone thought well, the Harbor should pay back all
20 of the monies it spent in developing the harbor which was
21 a commitment made in part of the agreement with the
22 community I represent. So, in 1970, we amended the charter
23 and you will notice on Page 10, and this is the irony of
24 the whole thing, when they ever declared a surplus, the
25 City would come in and grab some money, 750,000. And you

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1 have evidence on their request with letters that your staff
2 has.

3 Now, this here says 85 percent of any -- of any
4 surplus automatically goes to the State of California. So,
5 my contention is, the minute that that surplus was declared,
6 the State had a vested interest of 85 percent and 15 percent
7 for the City. That's right in the grant. And we amended
8 this in 1970 and tried to resolve and close this case once
9 and for all because of the harassment and the continuous
10 demand of using trust monies. And also, we amended it,
11 amended it on Page -- you will notice -- Page 11 gives the
12 Lands Commission complete authority of that document I gave
13 you. This is a grant trust. And on Page 12, it gives
14 the Attorney General, by resolution of either House of the
15 Legislature upon formal request of the State Lands Commission,
16 to pursue by case, by going to court, and reclaiming any
17 monies owed to the State.

18 My contention is that the City of Los Angeles
19 has violated the trust agreement. Secondly, they transferred
20 by charter amendment that the people voted on, and created
21 the trustees which is the Harbor Department. My contention
22 is the Harbor Department should be an independent agency
23 to develop that harbor for commerce, navigation and
24 fisheries. We know that's the fundamental law. I mean,
25 there's thousands of cases all holding that. But, there's

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1 been little difference on each issue. My contention is that
2 \$2 million was given to the City of Los Angeles, which
3 I discussed with Jim Trout, he disagrees with me, that
4 should have gone to the trust fund in drilling the \$2 million
5 bonus that the Standard Oil gave to the City.

6 Okay. Let's assume the City put that into the
7 General Fund, it's lost its identity. So, even though
8 they want to spend that 2 million, they have to spend it
9 in the tidelands for tideland purposes if they took that
10 \$2 million. Now, I'm sorry to say, the Lands Commission
11 approves all kinds of requests. The City came here not
12 too long ago, wanted to use trust monies to build a park.
13 You gave them permission. We have other priorities, or,
14 I beg that when Los Angeles comes before you to consider
15 priorities which would develop the harbor first before
16 building a park, certainly someone may say well, that's
17 trust purposes.

18 So, my contention is that this trust here has
19 never been carefully considered by Los Angeles. They don't
20 care. They think they can just violate the law and --
21 on Page 8, Section 3, that they comply with terms of the
22 trust or matters at state-wide -- of state-wide interest,
23 the Los Angeles trust is different than others. It says
24 that they should use the trust monies for state-wide
25 purposes, cannot use it for local purposes. My contention

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1 is, under this section, that a park is not a state-wide
2 interest, it's a local interest. And repair, maintenance,
3 and operation of the wharfs, docks, piers, slips, is so
4 clear. I know that the parties don't want to debate this
5 issue. The only thing I'm asking, that the Lands Commission
6 go back since 1970, and all of the surpluses that they
7 have declared surpluses, that you file a claim for 85
8 percent of the monies that's specifically defined in this
9 trust.

10 CHAIRMAN CORY: Vince, let me interrupt you.
11 Who has declared them to be surplus?

12 MR. THOMAS: The Harbor Commission. The Harbor
13 Commission. When they declare a surplus of monies every
14 year -- to me, I think that's a fictitious declaration in
15 order that Los Angeles may tap the trust monies. Now,
16 Los Angeles contends that we have to pay back the general
17 obligation bonds. There's nothing mandatory about it.
18 There's no obligation to pay it, but because of political
19 reasons, the Commission goes along because of the political
20 pressure. I don't want to talk about the political aspects.
21 I want to talk about the law, the law as it is. And you
22 study quite a bit and you read in the private trusts and
23 how a private trust works, the trustor can agree to appoint
24 a new trustee, and that is what happened when the Legislature
25 approved this charter amendment. You disagree with me on

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1 that question of law, but I can't see any other reasoning
2 than that.

3 Now, in this 1970 amendment, as I pointed out,
4 you have tremendous authority. You have the authority to
5 audit, you have the authority to report, and it's a
6 direction that you report to the Legislature. I have no
7 quarrel that you haven't done that. I'm asking that from
8 now on, let's do it. And the situation is, we cannot
9 compete in developing trade and commerce. We lost the line
10 last year. What line was it we lost last year?

11 MR. HUGHES: Pacific Far East Lines, I think.

12 MR. THOMAS: Pacific Far East. There's some
13 argument we may lose the American President Line. We
14 keep losing business, our harbor is not developed conscientiously,
15 but with interference. Los Angeles is like an octopus to
16 me. They get their tentacles out in the valley, Hollywood,
17 Venice and the harbor, and they get anything they want.
18 I have no quarrel with that. That's a legislative problem
19 which I failed to give the Harbor right, the CC from
20 Los Angeles.

21 The thing I'm trying to tell you, this has been
22 brewing and agitating all these years. And in the original
23 commitment, here are the original commitments of promises.
24 They will develop Saint Peter and Wilmington harbors as
25 a port, free commerce will require the expenditures of

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1 large sums of money. It is vital that jurisdiction of the
2 San Pedro-Wilmington Harbor shall be one municipality
3 financially able to bear the burden of the bond issues
4 required to carry forward the great projects in developing
5 wharfs, piers, docks and everything.

6 Now, they come along and say look, you've got
7 to pay back the bonds which they have collected. I think
8 it's disputed. I contend that out of the 30 million, I
9 contend at least 25 million was taken without authority
10 within the trust agreement. Not political expediency.
11 I thought perhaps that the City Council, the Harbor Manager
12 told me a week ago he's going to be here, sure, and he
13 called me the other day. He says, you know, I came to an
14 agreement. It's going to go before the Harbor Commission
15 today. Is it today?

16 MR. HUGHES: Yes.

17 MR. THOMAS: That they have come to the conclusion
18 that the City owes the Harbor Department 15,900,000.
19 Bert Pines, the City Attorney has another amount figure.
20 The Auditor General has another. So, I have no agreement
21 of meeting together, but I will never agree to 120 days.
22 I would never agree to that. I think the matter should
23 be determined within 60 days or possibly 65 days or some-
24 thing so that the issues can be once settled, once and
25 for all. And then, I think it's up to the Lands Commission

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1 to direct the responsibility of the trustees of not
2 determining a surplus merely so Los Angeles can claim some
3 monies from the trust. And also, I think the Lands
4 Commission has a right and a duty and obligation under
5 Page -- to file a claim, Page 10, and tell them from now on,
6 when you declare a surplus, the State of California is
7 entitled to 85 percent.

8 If you do that, there will never be a surplus.
9 All the money will be committed to developing the pier.
10 And so far --

11 CHAIRMAN CORY: Vince, let me make sure that I
12 have -- one of your points is that those amounts which have
13 been declared surplus previously by the Harbor Commission,
14 that those amounts -- 85 percent of those amounts are due
15 to the State pursuant to Section 6 or 7?

16 MR. THOMAS: Since 1970.

17 CHAIRMAN CORY: Since 1970?

18 MR. THOMAS: That's when we gave you the authority
19 to participate in the surplus, the Legislature.

20 CHAIRMAN CORY: Is there a range of amounts?
21 Have you totaled up since 1970, what those amounts are?

22 MR. THOMAS: No, I haven't.

23 MR. TROUT: Two and a half million.

24 CHAIRMAN CORY: Two and a half million.

25 MR. THOMAS: They owe you two and a half million,

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1 don't they?

2 CHAIRMAN CORY: Now, is that two and a half
3 million the gross amount or two and a half million is
4 85 percent of the total during that time that they have
5 alleged to be assessed?

6 MR. TROUT: According to the City Controller,
7 the two and a half million is the gross amount. There was
8 500,000, I believe, in '71-'72; 500,000 in '72-'73; and
9 three-quarters of a million in '74-5 and '75-6 fiscal
10 years.

11 CHAIRMAN CORY: So, it would be two and a quarter
12 million, two and an eighth million?

13 MR. THOMAS: I want to make --

14 CHAIRMAN CORY: Let me belabor that point just
15 so we clearly understand that you are suggesting if that
16 is the figure that that 2.125 million, City of Los Angeles
17 currently owes to the State of California or some --

18 MR. THOMAS: No. I say whatever surplus, I don't
19 know the surplus of '71, '72, '73, '74, '75, '76, and this
20 year, whatever surplus is declared by the Commission when
21 they say we have a million dollar surplus, automatically
22 the State has a vested interest in 85 percent of it, because
23 they had to pay it to the State and they haven't.

24 CHAIRMAN CORY: That's what I'm trying to make
25 the point --

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1 MR. THOMAS: Now, I don't know the amount.

2 CHAIRMAN CORY: Okay. But if I, as Controller,
3 you know, if you prevail and the figures say yes, it's
4 there, and if I, as Controller, start offsetting that money
5 or taking it back from Los Angeles, you would think I would
6 be operating properly within the scope of the law?

7 MR. THOMAS: Absolutely. You can ask the attorney.

8 CHAIRMAN CORY: And you will not be aggravated
9 when I do that?

10 MR. THOMAS: No.

11 CHAIRMAN CORY: I just want to make sure that
12 you don't turn around and bite me if I end up not doing
13 what you want.

14 MR. THOMAS: It isn't a question of biting. It's
15 a question of what the law is. That's why I limited the
16 political aspects. I'm only telling you that my feeling
17 is what the trust agreement states. It's the same formula
18 we use in Long Beach. Remember Chapter 128 when we made
19 a compromise with Long Beach under the Mallon Act? The
20 amount of formula was 85 percent goes to the State?

21 CHAIRMAN CORY: Uh-huh.

22 MR. THOMAS: And 15 percent to the City of Long
23 Beach. Now, what I'm trying to tell you is, the same
24 situation that existed in Long Beach prior to 1955, which
25 was the Mallon case, L.A. continued doing the same thing,

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1 disregarding the trust agreement, I don't think they've
2 read it. I've asked the attorneys. I've asked the Manager
3 at the Harbor Department what is the law and trust? I
4 haven't read it. They haven't taken time to read -- it's
5 so clear. But, this is the first time that I recall that
6 the Lands Commission has been given this broad authority,
7 and we did that in 1970. Before that, it was doubtful
8 as to whether the Lands Commission had any authority. I
9 asked a question in my office, you recall --

10 CHAIRMAN CORY: That change was included in the
11 City charter or a statutory provision.

12 MR. THOMAS: No, no. That's in the Legislature,
13 changed it in the grant.

14 CHAIRMAN CORY: Okay. That was done by statute?

15 MR. THOMAS: Certainly.

16 CHAIRMAN CORY: Who was the author of that
17 statute?

18 MR. THOMAS: Dills. No, he was the author of
19 the amendment to the charter.

20 CHAIRMAN CORY: Who carried the legislation?
21 Was that legislation that you carried?

22 MR. THOMAS: Gee, I can't tell you what I did
23 in 1970. I can't even tell you what I did when I first
24 came here. It's been a complicated --

25 CHAIRMAN CORY: Well, I'm trying to ascertain what

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1 the purpose of putting that in -- changing the grant,
2 whether the purpose of that was to assure --

3 MR. THOMAS: The purpose was to try to settle it.

4 CHAIRMAN CORY: To settle it and to require the
5 City to put pressure, financial incentives upon the Harbor
6 Commission to go ahead and spend the money to improve the
7 harbor rather than give all the money back to the State,
8 or 85 percent of it?

9 MR. THOMAS: No, no. We figured in Section 10,
10 if you read it, on Page 11, the Legislature wanted the
11 State to get some money on the same formula basis from
12 Los Angeles as we did receive from Long Beach. We felt
13 that the -- why should Long Beach pay the 85 percent
14 and Los Angeles pay nothing.

15 First, Los Angeles doesn't have the kind of
16 income from tidelands. But, my contention is they've been
17 violating the trust agreement and that is subject for
18 revocation by the Commission. And in 1970, the Legislature
19 gave the Attorney General the authority to use all legal
20 action to carry out -- and that's on Page 12. This is the
21 law, I'm talking about the law. I'm not speaking about
22 whether I would object. I would like to see Los Angeles
23 pay back every dime they've taken unless they can prove
24 that they had the authority to take trust monies from the
25 Harbor Department, from the trust fund.

1 What I'm trying to say also, we have nothing in
2 California, that is, an agency that has control in watching
3 the violations of trust agreements. We have no agency
4 that will immediately file a lawsuit when they see that
5 the trust is violated.

6 Now, the State still has title. The City may
7 have property around the tidelands. I have no objection
8 to having police protect that. But, when the tenants on
9 the tidelands pay a possessory interest tax that the City
10 gets, they expected some City services. And the Harbor
11 Department has its own police security. So, it's just
12 a complete arrogance on the City to keep sponging and
13 taking as much money as they can and putting it in the
14 General Fund.

15 Look what they did in 1965, no one complained.
16 They took all of the interest money from the trust fund,
17 created the trust fund -- all of the interest money,
18 several millions of dollars, and put it into the General
19 Fund and commingled and said, we're going to take all of
20 the interest money from the State's trust fund and use it
21 the way we want to use it. They did that. And in our
22 opening remarks that you put out last meeting, you directed
23 the City of Los Angeles to immediately repay that, remember?
24 Right? Am I right?

25 EXECUTIVE OFFICER NORTHROP: Yes.

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1 MR. THOMAS: Sure. That Los Angeles should
2 immediately repay and also you had directed, in your
3 documents, that no further monies be paid to the City of
4 Los Angeles until further matters are determined.

5 What I'm trying to tell you is the people of
6 Los Angeles don't care whether the cargo comes through
7 San Pedro or whether it comes through Long Beach. They
8 get the cargo same rates. But, I don't think that our
9 harbor should be stymied or bled to death so that it cannot
10 improve its piers and docks and facilities to meet
11 competition. They had a master plan. They had 15 master
12 plans. They had a lot of master plans. I saw the master
13 plan in 1935 of the L.A. Harbor, building slips and all
14 of that. And they haven't even touched that. Now they're
15 developing another master plan.

16 Up until 1935, they never lived up to the trust
17 which says commerce, navigation, and fisheries. All the
18 fishing boats had no place to moor. They had to go out
19 in the Bay and anchor. So, I became Chairman of the
20 Citizens Committee, and convinced the Harbor Department
21 to transfer Southern Pacific Slip, and how do they get
22 title to tidelands? That's something I haven't looked
23 into. How can a private corporation own tidelands? How
24 could Mormon Island, which is a tideland within the harbor,
25 become private property? Nobody -- they've quarreled about

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1 that.

2 So, the Harbor Department gave the Southern
3 Pacific a nice acreage of land to give up, the Southern
4 Pacific Slip which is now Fisherman's Wharf. So, not
5 until 1935 did they comply with the trust agreement to
6 provide for fisheries.

7 So what I'm telling you, this is a long story,
8 it's a sad story, and I think the Lands Commission, the
9 Attorney General should act with firmness and set your
10 rules and standards and say to the Harbor Department, you
11 are the trustees, you are responsible. And if they're
12 just going to declare a surplus so it could be tapped, then
13 they should be responsible.

14 I contend all of this money, and the law is clear,
15 I mean, you have the authority. If your attorneys can
16 read it any different than I as to the formula of the
17 distribution of surplus monies, I would have known. I've
18 lived in the harbor all my life. I've seen what's happened,
19 and it's sad. The ruthless management, not ruthless as
20 a matter to the Harbor Department, but there's a lot of
21 discontent in the harbor employees, the morale is down,
22 there's always an audit made by L.A., there's always
23 investigations, there's always interference. And you
24 can't have a harbor to develop all of its facilities unless
25 it has some independence. So, the Lands Commission could be

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1 the policing agency.

2 And with that, the Attorney General has it clearly
3 spelled out in the Acts. You can use any means, it says.
4 And another thing is, it has the authority to declare that
5 the grant under which the City holds such tidelands and
6 submerged lands is revoked for gross and willful violation.
7 The Attorney General has the authority now under this 1970
8 law to revoke it. If you revoke the grant, naturally, that
9 means that the Lands Commission has to enter in the lease
10 agreement with the Harbor Department or the Harbor Commission.
11 And you have the authority to -- the courts have held it
12 in Mallon versus Long Beach that you can have a partial
13 revocation, and it came to compromise. But, I don't want
14 a compromise. I'd never go to a compromise just to satisfy
15 parties. I'd like to see them compromise according to
16 the law, whatever the law is, whether it's one million,
17 ten million.

18 So, I appreciate the time you've given me, and
19 I want to thank your staff. Your staff has been wonderful
20 to me, and so has the Attorney General and Kathy Stone
21 has been very gracious in talking to me about these points
22 of law. Of course, we may come to some disagreement, but
23 there was no -- and the only man that made a request for
24 payment of general obligation bonds after this charter
25 was amended was a councilman who just got elected. He

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1 didn't know what he was talking about. He says L.A. Harbor
2 should pay back all of the costs of developing the harbor.
3 You go through this. I want you -- whenever you talk about
4 the L.A. trust, you should closely watch the charter
5 because it's a chartered city, governed by the charter.

6 I think -- I don't know -- we're all friends.
7 I'm not speaking with a malicious feeling, I'm not speaking
8 about the political aspects, but this is going to be a
9 very, very important point in the next election, whether
10 it be local, whether they be city-wide. Because the
11 people in my district have faith in me and -- putting a
12 little humor into the discussion, I was elected in 1940,
13 the least expected. And the only thing I said before I
14 started my speech, I hate Los Angeles, they tore the building
15 down. So, that was the feeling -- that's the humor part
16 of this little discussion. So, it's been going on and on,
17 and now that the Lands Commission has the ball, all of the
18 authority you need, the Attorney General has it. So, if
19 the Lands Commission ever wrote a letter to the Harbor
20 Department and say that we want you to forward 85 percent
21 of the surplus, I'm willing to wager there will never be
22 a surplus.

23 CHAIRMAN CORY: Okay, Vince. Your position is
24 that Alternate 2, if the time were collapsed to like 60
25 days, would be an acceptable way for them to get their act

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1 together if every --

2 MR. THOMAS: Certainly, because for the last
3 ten years, everybody was preparing. We know what -- they
4 know how much money they owe, like the Harbor Department
5 already decided.

6 CHAIRMAN CORY: I think Mr. Shields is here.

7 MR. SHIELDS: Yes, sir.

8 CHAIRMAN CORY: I think we've got the issue
9 framed, and the question before the Commission is that
10 we may be proceeding with Alternate 2, which is to have
11 some staff negotiations, and for those negotiations to be
12 culminated and report back to this Commission within 60
13 days. Now, you want to know -- is that agreeable with you
14 people? Are there any problems with the 60-day requirement
15 rather than June?

16 MR. McCAUSLAND: I have a proposal for that, too.
17 This is not in the form of a motion at this point, but
18 I'd like to consider inserting in Alternate 2 the provision
19 of Alternate 1(3), which says,

20 "Direct the Board of Harbor
21 Commissioners to refrain from
22 transferring surplus harbor revenues
23 to the City General Fund until such
24 interests have been accounted for
25 and credited."

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1 I don't believe that it would be inappropriate to make
2 that part of our 60-day --

3 CHAIRMAN CORY: During the interim?

4 MS. SMITH: Okay.

5 CHAIRMAN CORY: Okay. That is a worthwhile
6 suggestion, and Mr. Shields, as you comment on us proceeding,
7 are you familiar with what Alternate 2 in our Agenda item
8 is?

9 MR. SHIELDS: Yes, Mr. President, I am.

10 CHAIRMAN CORY: Okay. We have, I think, three
11 Commissioners who, at this point, are sort of inclined
12 to make it Alternate 2, plus Item (3) of Alternate 1 unless
13 you have some information to dissuade us from doing that.
14 And that's what we're saying. It's unclear where this
15 money is, so let's not be moving it around while these
16 negotiations go on, and let's get it resolved rather
17 quickly. It's your floor.

18 MR. SHIELDS: I think, sir, I would appreciate
19 a copy of the action, because I don't remember Paragraph 3
20 of Alternate 1.

21 CHAIRMAN CORY: Paragraph 3 is,

22 "Direct the Board of Harbor
23 Commissioners to refrain from
24 transferring surplus harbor
25 revenues to the City General Fund

1 until such interests have been accounted
2 for and credited to the Harbor Revenue
3 Fund."

4 MR. SHIELDS: I see. In other words, that there
5 would be no transfers from the Revenue Fund during the
6 period of negotiations?

7 CHAIRMAN CORY: Yes.

8 MR. SHIELDS: I think I understand the item
9 before the Commission. What I would like to comment on
10 is that we have had some extensive in-house discussions,
11 and our feeling was that four months was a pretty tight
12 time schedule for us. And I'm really worried about the
13 two-month figure.

14 CHAIRMAN CORY: I hear that. But I'm also,
15 frankly, sir, just tired of the issue. I hate to be blunt
16 about it, but I think maybe you can cope with our problems
17 a lot easier if you understand that, and I don't propose
18 to have to refresh my mind four months from now as to what
19 these issues are, because each month they come up.

20 If in fact everybody's been sort of feuding over
21 this for ten years --

22 MR. THOMAS: No, no, thirty.

23 CHAIRMAN CORY: Thirty. Pardon me. My memory's
24 always pretty good on those issues. If it is really an
25 accountant's -- you know, within 60 days, it seems to me,

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1 the accountants and the lawyers should be able to say,
2 these are the legal issues before us, these are the
3 accounting principles before us, and this is where the
4 dollars fall, let's fish or cut bait. Why does that take
5 four months? I mean, at some point, you have to stop
6 prolonging the agony. Somebody's right, somebody's wrong,
7 there's some agreeable compromise or there isn't. And it
8 would seem to me that we're saying, you know, it's put
9 in the Alternative --

10 MR. McCAUSLAND: We can make the decision for
11 them if they haven't made it.

12 CHAIRMAN CORY: Yes, rather than going off and
13 litigating, you know, maybe we should just go with one.
14 If it can't be done in that length of time, then we'll
15 litigate it in the normal course of events. If there's
16 a chance within a reasonable length of time, and 60 days
17 seems like a reasonable length of time to get moving, and
18 maybe you have to reassess your priorities in terms of
19 the use of your staff time, but frankly, from our side
20 of the table, we gave the City a grant of State property,
21 and we're being asked to invest and reinvest more and more
22 of our staff's time and overseeing it, and we want it to
23 go away. We want it to go away pursuant to the law.

24 Now, if there is some specific reason why you
25 can't meet 60 days, I'm willing to listen and I think the

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1 Commissioners are. Just a general concern, I don't think
2 is enough to get you that.

3 MR. THOMAS: But all parties have completed
4 their findings. The Administrative Officer has completed
5 his findings. I think that's filed with the staff. The
6 Harbor Department completed its findings which comes before
7 the Harbor Commission this morning. And I don't know how
8 far your staff has gone, but if you don't have the City
9 Administrator's brief, it was mailed to me.

10 MR. TAYLOR: We have it, Mr. Thomas.

11 CHAIRMAN CORY: Have you received that?

12 MR. THOMAS: He's completed his brief. He's
13 completed his findings and the Harbor Department -- here's
14 his findings, and I move --

15 CHAIRMAN CORY: Can we have copies of the findings,
16 and there may be some questions about how they arrived at
17 it. Is our staff willing to conclude during the negotia-
18 tions within the 60-day time frame?

19 MR. TROUT: Yes, sir.

20 MR. TAYLOR: The Administrative Officer essentially
21 contends that they don't owe us anything. That's the
22 ballgame.

23 MR. THOMAS: The City Attorney filed his brief
24 along with filing --

25 CHAIRMAN CORY: If everything is -- if everybody's

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1 position is ascertained, why don't we read them and weep
2 this morning or within 30 days if that's true, or am I
3 missing a point here?

4 MR. SHIELDS: We filed a report as was stated.
5 We are continuing research.

6 CHAIRMAN CORY: But your report, in essence, says
7 you don't owe us anything?

8 MR. SHIELDS: That is on the best information
9 that we have at the moment.

10 CHAIRMAN CORY: Including the transfer of the
11 interest money?

12 MR. SHIELDS: The report addresses, essentially,
13 the matter of the bond repayments. It lists the interest
14 item together with several others as issues which must be
15 resolved, and does not specifically recommend it. We are
16 doing additional research. We also have the procedural
17 problem of presenting and explaining the conflicting
18 positions to our Merit Counsel.

19 CHAIRMAN CORY: Do you need more than 60 days
20 to do that? All of them that I've met seem to be fairly
21 bright. They seem to be fairly quick.

22 MR. SHIELDS: The decision is yours, sir.

23 MR. THOMAS: The City Attorney has come to a
24 conclusion.

25 CHAIRMAN CORY: I will entertain a motion from

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1 the Commissioners. Sid, do you wish to make Item 2 --

2 MR. McCAUSLAND: I move that we adopt Alternate 2
3 with the insertion of position (3) from Alternate 1 and
4 that we amend the time for 60 days rather than --

5 MS. SMITH: Second.

6 CHAIRMAN CORY: Moved and seconded. All those
7 in favor signify by saying aye.

8 (Ayes.)

9 CHAIRMAN CORY: The record will reflect that that
10 was a unanimous decision of the Commission.

11 MR. THOMAS: Thank you very much. That will
12 come back to the Commission.

13 CHAIRMAN CORY: Yes, it will be back here. We
14 are, in essence, looking at our March meeting.

15 MR. SHIELDS: Thank you very much.

16 CHAIRMAN CORY: Let me double check that. Given
17 that it's the 26th, will that be available for the March
18 meeting?

19 EXECUTIVE OFFICER NORTHROP: The 26th seems to
20 work, Mr. Chairman, I think in our favor, because I would
21 imagine the March meeting is going to be toward the end
22 of the month, perhaps the 28th.

23 CHAIRMAN CORY: But, you've only got the 28
24 days in February. Somebody better do some counting before
25 we move on.

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1 EXECUTIVE OFFICER NORTHROP: Mr. Chairman, given
2 the seven-day notice of the calendar, you well may have
3 a point of difficulty getting within that, because the
4 seven-day notice implies that we should have some kind of
5 a resolution prior to the meeting and notify all parties.

6 CHAIRMAN CORY: Do you entertain putting it on
7 the March meeting?

8 MS. SMITH: I think it should be.

9 CHAIRMAN CORY: On the March meeting?

10 MR. McCAUSLAND: It's all right with me.

11 CHAIRMAN CORY: By unanimous consent, we will
12 amend that so that it will be before the March meeting
13 of this Commission. And we will expect the negotiations
14 to be concluded by time to be on that Agenda. Okay? So
15 that it's very clear whether that's 54 days or 59 days,
16 it requires that the notice requirement -- and you should --
17 the staff should confer with both the Harbor Department
18 and the City so that everybody clearly understands what
19 our Agenda item time frame requirements are.

20 Mr. Thomas, thank you very much for coming over.

21 MR. THOMAS: Thank you. I appreciate the time.

22 CHAIRMAN CORY: We have one other item, I think,
23 that we have not yet got to, and that is Item 33. Item 33
24 is -- okay. Item 33 is the question of expenditure of
25 tidelands revenues in the amount of \$442,752 for the

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1 redevelopment of Newport Harbor Sea Scout Base, Orange
2 County, requested by the County of Orange, Mr. Lehman
3 representing the -- is Mr. Lehman here? Is Mr. Wheelock
4 here?

5 MR. WHEELOCK: I'm here, Mr. Chairman.

6 CHAIRMAN CORY: Yes.

7 MR. WHEELOCK: I understand that Mr. Lehman was
8 delayed because of air connections. Mr. Hickenbottom,
9 who was to represent the Boy Scouts had similar problems
10 in getting here.

11 MR. TAYLOR: Mr. Chairman, we have a 90-day
12 notice problem. If the County would understand that the
13 alternative recommendation would be to 30 days --

14 CHAIRMAN CORY: Let me back up. Mr. Wheelock
15 is the Scout Executive of the Golden Empire Council which
16 is Sacramento area. So, I would imagine that you are
17 not particularly familiar with the details of Orange County,
18 and are here as a good scout to help your fellow scouts.

19 MR. WHEELOCK: You ascertained the problem
20 correctly.

21 CHAIRMAN CORY: Okay. So, is there a representa-
22 tive of Orange County here in the room today? Okay. The
23 record should reflect that we are aware that there were
24 some plane difficulties this morning due to fog, but we
25 have some time problems, legal restraint problems, that if

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1 we fail to act today, we have, in essence, acted by the
2 way the statute is constructed.

3 So, Mr. Greg Taylor will explain where we are
4 and what our quick options are before we go to lunch.

5 MR. TAYLOR: Mr. Chairman, I believe the recommended
6 recommendations are in front of you. I believe that it
7 has to be turned down without prejudice at this time to
8 reserve our ability to talk to the County, and it's with
9 the understanding that they can bring it back, and when
10 we have the additional information, that we could reconsider
11 the matter. In addition, it has been suggested that the
12 Executive Officer, because of a number of projects which
13 the County of Orange is discussing, and some problems we
14 may have with those, that the Executive Officer, if it was
15 the Commission's wish, should go down there and have a
16 hearing and talk to all the people and see just exactly
17 what the overall design for the expenditure of the surplus
18 funds in the Orange County Grant -- what all that's about,
19 and that's essentially the recommendation.

20 CHAIRMAN CORY: Any objection from members of
21 the Commission?

22 MS. SMITH: No.

23 MR. McCAUSLAND: No.

24 CHAIRMAN CORY: Without objection, such will be
25 the order, and the record should clearly reflect that the

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1 action was taken because of the structure of the law, and
2 it is without prejudice to preserve the State's rights to
3 deal with the issue and the fact that nobody's here that
4 we can discuss it with in detail. And we thank you very
5 much for your courtesy, sitting here. We're sorry we had
6 to detain you so long, but we were hopeful someone would
7 show up.

8 Are there any other items to come before --

9 EXECUTIVE OFFICER NORTHROP: Mr. Chairman, that's
10 all we have on the Regular Agenda.

11 CHAIRMAN CORY: The only other thing, I think we
12 would be remiss if we didn't make reference to, at a regular
13 meeting, that there was a lawsuit that the Attorney General
14 got lucky on -- no --

15 EXECUTIVE OFFICER NORTHROP: Yes, I think the
16 U.S. Corvallis case, I think will --

17 CHAIRMAN CORY: The Corvallis case did provide
18 some good case law, and we thank the Attorney General's
19 Office: very much for their efforts on our behalf, and on
20 behalf of the People of California in that regard.

21 MR. TAYLOR: Thank you very much, Mr. Chairman.
22 We appreciate that. I think it was a good exercise for
23 all of us on the staff of the Commission and the Commission's
24 support and authorization to proceed with it. It was well
25 worth it. I think it saved us a tremendous amount of time

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1 in other cases. Mr. Chairman, while we're here, I think
2 I'll introduce Mr. Goodman, who is a member of the section.
3 We have Sue Wylie, who's a new member of the section in
4 Los Angeles who was with the Criminal Section for four
5 years. And in the back of the room, we have Willard Shank,
6 who will be joining the section on March the 1st. Mr. Shank
7 is now the Deputy Commander of the National Guard, and
8 will be returning to our office on the 1st of March.
9 Willard's in the back of the room. Willard, would you
10 like to stand up?

11 CHAIRMAN CORY: And who is the other?

12 MR. TAYLOR: Oh, we have one other member,
13 Sue Wylie, she's not here today.

14 CHAIRMAN CORY: Okay. Because I was looking
15 around and I didn't --

16 MR. TAYLOR: She was at the hearing in Los Angeles,
17 but you were with the press at the time we were introducing
18 her.

19 CHAIRMAN CORY: I'll strike that from the record.

20 MR. TAYLOR: We have one other member who will
21 join the section on February 1st, and we'll try to have
22 her at the next meeting, and she'll be here in Sacramento,
23 and her name is Margaret Rodda, and she will be a member
24 of the section from that time.

25 CHAIRMAN CORY: That's a great law school class

1 that she was with. Would you please have a copy of that
2 transcript sent to my house?

3 Any further items to come before us? Without
4 objection, we stand adjourned.

5 (Thereupon the meeting of the State Lands
6 Commission was adjourned at 1:00 p.m.)

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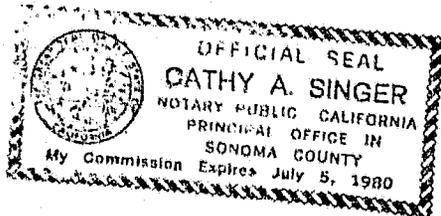
1 State of California)
2 County of Sonoma) ss.

3 I, CATHY A. SINGER, a Notary Public in and for
4 the County of Sonoma, State of California, duly appointed
5 and commissioned to administer oaths, do hereby certify:

6 That I am a disinterested person herein; that
7 the foregoing State Lands Commission Meeting was reported
8 in shorthand by me, Cathy A. Singer, a Certified Shorthand
9 Reporter of the State of California, and thereafter
10 transcribed into typewriting.

11 I further certify that I am not of counsel or
12 attorney for any of the parties to said meeting, nor in
13 any way interested in the outcome of said meeting.

14 IN WITNESS WHEREOF, I have hereunto set my hand
15 and affixed my seal of office this 16th day of January
16 1977.



19 Cathy A. Singer
20 Cathy A. Singer
21 Notary Public in and for the
22 County of Sonoma, State of
23 California
24 C.S.R. License No. 3252
25

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