MEETING

STATE LANDS COMMISSION

STATE OF CALIFORNIA

STATE CAPITOL

ROOM 447

SACRAMENTO, CALIFORNIA

MONDAY, NOVEMBER 21, 1983

10:10 A.M.

ORIGINAL

Cathleen Slocum, C.S.R.
License No. 2822

MEMBERS PRESENT

Leo T. McCarthy, Lieutenant Governor, Acting Chairperson

Lizabeth Rasmussen, representing Kenneth Cory, State Controller

MEMBERS ABSENT

Michael Franchetti, Director of Finance

STAFF PRESENT

Claire Dedrick, Executive Officer

James Trout, Assistant Executive Officer

Robert Hight

Lance Kiley

W. M. Thompson

Judy Markell, Secretary

ALSO PRESENT

Jan Stevens, Deputy Attorney General

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PROCEEDINGS

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ACTING CHAIRPERSON McCARTHY: All right. If we may begin the meeting of the State Lands Commission with two commissioners present.

Consent Items, C1 --

EXECUTIVE OFFICER DEDRICK: Excuse me, Mr. Chairman. The minutes.

ACTING CHAIRPERSON McCARTHY: The minutes.

EXECUTIVE OFFICER DEDRICK: And the Executive Officer's Report.

ACTING CHAIRPERSON McCARTHY: I don't know why I don't attach a great deal more importance to confirming the minutes.

EXECUTIVE OFFICER DEDRICK: It's a good thing it's written down or we'd all forget.

ACTING CHAIRPERSON McCARTHY: True.

Any question about the minutes of the last meeting? All right. If there is none, then they will stand approved.

EXECUTIVE OFFICER DEDRICK: And the Executive Officer's Report is before you. If you want to discuss it, I'd be glad to.

ACTING CHAIRPERSON McCARTHY: Yes, please.

EXECUTIVE OFFICER DEDRICK: The Department of

Parks and Recreation is applying for a general permit public agency use to begin a project protecting the Mono Lake Tufa State Reserve which was created by Senate Bill 83. We would like to issue them an emergency permit so they can get started on it while the general permit is being processed. If you have no objection, I can do that.

ACTING CHAIRPERSON McCARTHY: Do we have any objection?

COMMISSIONER RASMUSSEN: No.

ACTING CHAIRPERSON McCARTHY: We don't have any objection. Why don't you proceed. Thank you.

That concludes your report?

EXECUTIVE OFFICER DEDRICK: Yes, sir.

ACTING CHAIRPERSON McCARTHY: Now, consent items are 1 through 9. We've not --

MR. HIGHT: 1 through 8.

EXECUTIVE OFFICER DEDRICK: 1 through 8.

ACTING CHAIRPERSON McCARTHY: We've not had a request to pull any of those items. If there is none, then they will stand approved.

All right. Number 9.

EXECUTIVE OFFICER DEDRICK: Number 9 is a request by the staff to put out for public comment preliminary staff report on the status of dockominiums with recommendations from the staff as to the direction the

Commission may want to go in dealing with a set project. We would like your permission to put it out for public comment and we can get input before we come back to you with any further recommendations.

ACTING CHAIRPERSON McCARTHY: Do you have any questions or comments?

COMMISSIONER RASMUSSEN: I don't have any questions or comments.

ACTING CHAIRPERSON McCARTHY: I think the staff has done a good job on developing some criteria for what could get to be a very confusing area. I would like to suggest that we just delete number one among the recommendations. I don't think there's any need to refer to CEQA requirements at this point.

EXECUTIVE OFFICER DEDRICK: Yes, that's correct.

ACTING CHAIRPERSON McCARTHY: If there's a problem, that can be solved later on.

So with that deletion of number one then, is there any question in the audience about recommendations 2, 3 or 4 or any point of this dockominium recommendation? If not, we approve the request for items 2, 3 and 4.

Number 10.

EXECUTIVE OFFICER DEDRICK: Number 10 is for the Lighthouse Marina and Resort Associates. It's a termination of their old lease and approval of the new

lease which will contain all the newer requirements that have grown up within the last 15 years including five-year rent reviews and environmental protection and such things.

This is the item that we pulled on the last calendar at the request of Assemblyman Isenberg's office. We have since looked into it and find that the action of the State Lands Commission will make no difference to the upland use that we can see. So as far as I know, there's no reason to hold that item up any longer.

ACTING CHAIRPERSON McCARTHY: All right. Mr. David Mandell is here, the Financial Manager for Lighthouse Marina.

Mr. Mandell?

All right. You can testify if you want to. I think we're going to approve this matter.

Is there any question from anyone else in the audience?

COMMISSIONER RASMUSSEN: I just have one comment I want to make; and that is I understand this is a time-sharing plan?

MR. MANDELL: It's not a time-sharing plan. It's a membership --

ACTING CHAIRPERSON McCARTHY: Would you take the microphone, please. Thank you.

MR. MANDELL: The Association that we have, the Lighthouse, we're applying for a permit to use the waterways, but our principal use of that land connected to the waterway is an RV park. We've converted the park which was not a viable economic enterprise to one that's a membership program and it's been successful. We're expanding. We're expanding the use of the park and the use of the waterway and we're affiliated with about 250 other parks nationwide and the use of that facility is being quite extensive.

COMMISSIONER RASMUSSEN: My only concern in bringing that up was I just want to make sure that you understood that the time-sharing plan could not be extended to include the wetlands that are involved that you're receiving a permit from us for.

MR. MANDELL: It's not a time-sharing. It's a membership. But anyway, that relates to the park and the RV usage and not the wetlands.

COMMISSIONER RASMUSSEN: Okay. I just wanted to make sure that was clear.

MR. MANDELL: Sure.

COMMISSIONER RASMUSSEN: Thank you.

ACTING CHAIRPERSON McCARTHY: Any other comments? All right. Stand approved.

Item 11.

EXECUTIVE OFFICER DEDRICK: Well, this is a quitclaim, it's a termination of a lease and a quitclaim at Lake Tahoe.

MR. TROUT: And a new 20-year general lease.

ACTING CHAIRPERSON McCARTHY: All right. Recommendation is approved.

Number 12.

MR. HIGHT: 12 is off.

EXECUTIVE OFFICER DEDRICK: 12, 13 and 14 --

ACTING CHAIRPERSON McCARTHY: 12, 13 and 14 are out. We're on 15.

MR. TROUT: Mr. Chairman, this is a denial without prejudice of an application for a lease or a permit in Santa Clara County. The problem is that the applicant for the use cannot satisfy the insurance requirements. The Commission is giving him the right to reapply as soon as he can respond to that. But because of the time limitations under AB 884, we're recommending that you deny without prejudice his request for a permit.

ACTING CHAIRPERSON McCARTHY: Is there anyone in the audience who wishes to testify on this?

Do you have any questions?

COMMISSIONER RASMUSSEN: No questions.

ACTING CHAIRPERSON McCARTHY: All right. Staff recommendation is approved.

Number 16.

EXECUTIVE OFFICER DEDRICK: This is a one-year extension of a geothermal prospecting permit that we warned you at the last meeting would be here. This is Mr. Durkan who is now Exploration Engineering, Inc.

ACTING CHAIRPERSON McCARTHY: Anybody in the audience wish to testify on this?

Do you have any questions?

COMMISSIONER RASMUSSEN: I have no questions.

ACTING CHAIRPERSON McCARTHY: Staff recommendation is approved.

Number 17.

EXECUTIVE OFFICER DEDRICK: This is an assignment of nine geothermal leases in the Geysers from Aminoil to GRI and an approval of pooling on five of the leases. That's it, I guess. The map is on the wall and if you'd like to have more detail, the staff can give you a rundown on where the leases are and why we're doing this. But it's up to you, Commissioner.

ACTING CHAIRPERSON McCARTHY: Do you have any questions?

COMMISSIONER RASMUSSEN: No, I don't.

ACTING CHAIRPERSON McCARTHY: Anybody in the audience wish to testify on this?

Staff recommendation is approved.

18.

MR. TROUT: Number 18, Mr. Chairman, is the extension of the drilling term for a lease in Sacramento and Conta Costa Counties.

ACTING CHAIRPERSON McCARTHY: Any questions in the audience?

Staff recommendation is approved.

19.

EXECUTIVE OFFICER DEDRICK: 19 is an award of a royalty oil sales contract in the Carpinteria and Summerland offshore fields. As you have noticed, I'm sure, we've been getting bids on royalty oil sales of over two dollars regularly. This bid is for $1.36. The probable reason for that is that during the period that this was out to bid, Chevron posted up a dollar and Chevron the only poster in the Santa Barbara area. Since that time, Chevron has posted back down a dollar. We have received bids on four other royalty oil sales proposals at the end of last week, all of which are over two dollars.

COMMISSIONER RASMUSSEN: So this doesn't compare very well to the other ones?

EXECUTIVE OFFICER DEDRICK: So it's low compared to what we've been getting, yes, by a dollar.

COMMISSIONER RASMUSSEN: And you think you could maybe do better?

EXECUTIVE OFFICER DEDRICK: Well, I think so. I can't guarantee anything, but we do have time if we act today. If the Commission chooses to turn down this bid and authorize staff to go out to bid again, we would have time to do that before the notification period ends for the company that is now taking the oil.

COMMISSIONER RASMUSSEN: I would recommend that we do that.

ACTING CHAIRPERSON McCARTHY: All right. Staff recommendation is approved.

Number 20.

MR. TROUT: Mr. Chairman, I think --

EXECUTIVE OFFICER DEDRICK: We can't do it that way. As amended.

COMMISSIONER RASMUSSEN: I recommend that you reject this and recommend that the staff go back out and --

ACTING CHAIRPERSON McCARTHY: That's what I was suggesting.

Number 20.

EXECUTIVE OFFICER DEDRICK: This is a notice of intent by the City to spend $518,000 of its tideland oil revenues for floating docks replacement which is a kind of thing that they have every right to do unless we find some reason not to.

ACTING CHAIRPERSON McCARTHY: Any questions

in the audience?

Any questions?

COMMISSIONER RASMUSSEN: No.

ACTING CHAIRPERSON McCARTHY: Recommendation is approved.

21.

EXECUTIVE OFFICER DEDRICK: This is a notice of intent by the City to spend $75,020 of its tideland oil revenues for design, fabrication and assembly of a prototype flotsam for use in this city's marinas. I certainly hope it works. They had a tremendous amount of debris in that marina last year.

COMMISSIONER RASMUSSEN: Probably use it in this building, too, a little bit.

ACTING CHAIRPERSON McCARTHY: Any questions in the audience?

If not, the item is approved.

22.

MR. TROUT: Number 22 is the sixth modification of the plan and budget operations for the Wilmington Field. I think maybe Mr. Thompson ought to come up and explain both 22 and 23. One of them involves an augmentation, I believe, to cover the additional taxes.

So we'll let Mr. Thompson explain the differences between the sixth and seventh.

1 MR. THOMPSON: The sixth modification we really
2 modify the plan to incorporate this particular project.
3 We're having trouble getting injection water to a certain
4 part of the field. It's for a line that's in the process
5 of being planned right now. The City of Long Beach is
6 very anxious to get this plan modification. It won't
7 require any additional funding as we see now.
8 ACTING CHAIRPERSON McCARTHY: You're talking
9 about the sixth modification?
10 MR. THOMPSON: Sixth modification, yes.
11 ACTING CHAIRPERSON McCARTHY: Any questions
12 in the audience?
13 Do you have any questions?
14 COMMISSIONER RASMUSSEN: No.
15 ACTING CHAIRPERSON McCARTHY: All right. 22
16 is approved as recommended.
17 23.
18 MR. THOMPSON: 23 is merely reporting of the
19 first quarter production and expenditures and I think
20 one of the main things in there is the fact that the
21 oil rate is up considerably higher than that projected
22 when the budget was approved back in April. It's a little
23 early in the year to get any real expenditure trends,
24 but we think right now that there still should be some
25 surplus at the end of the year.

ACTING CHAIRPERSON McCARTHY: Any questions in the audience?

Do you have any comments?

COMMISSIONER RASMUSSEN: I have no comments.

ACTING CHAIRPERSON McCARTHY: 23 is approved.

That concludes my agenda.

The commission meeting is adjourned. Thank you very much.

[Thereupon the State Lands Commission Meeting was adjourned at 10:25 a.m.]

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CERTIFICATE OF SHORTHAND REPORTER

I, CATHLEEN SLOCUM, a Certified Shorthand Reporter of the State of California, do hereby certify:

That I am a disinterested person herein; that the foregoing State Lands Commission Meeting was reported in shorthand by me, Cathleen Slocum, and thereafter transcribed into typewriting.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 28 day of November, 1983.

Cathleen Slocum

Cathleen Slocum
Certified Shorthand Reporter
License No. 2822