

MEETINGS

STATE LANDS COMMISSION

STATE OF CALIFORNIA

STATE CAPITOL

Room 447

SACRAMENTO, CALIF

THURSDAY NOVEMBER

20, 1986

MEETING

STATE LANDS COMMISSION

STATE OF CALIFORNIA

ORIGINAL

STATE CAPITOL

ROOM 447

SACRAMENTO, CALIFORNIA

THURSDAY, NOVEMBER 20, 1986

10:00 A.M.

Reported by:

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

MEMBERS PRESENT

Lizabeth Rasmussen, Acting Chairperson, representing
Kenneth Cory, State Controller

Wancy Ordway, representing Jesse R. Huff, Director of Finance

Laura Schlichtmann, representing Leo T. McCarthy,
Lieutenant Governor

MEMBERS ABSENT

NONE

STAFF PRESENT

Claire Dedrick, Executive Officer

Robert Hight, Chief Counsel

James Trout, Assistant Executive Officer

Lance Kiley

W. M. Thompson

Jane Smith, Secretary

ALSO PRESENT

Jan Stevens, Deputy Attorney General

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Agenda Item 30 - San Diego LAFCO, City of Coronado (Party)

Agenda Item 31 - Hal Davis, Susan Anderson and Clinton E. Anderson (Parties)

Agenda Item 32 - Off Calendar

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Agenda Item 34 - Connolly-Pacific Company (Applicant)

Agenda Item 35 - Montecito Properties Standard Brands Paint Co.

Agenda Item 36 - A) Signal Bolsa Corporation

Adjournment

Certificate of Shorthand Reporter

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PROCEEDINGS

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3 ACTING CHAIRPERSON RASMUSSEN: Let's call the
4 meeting to order, please.

5 The first item of business is the confirmation of
6 the minutes of the meeting of October 23rd. Were there any
7 questions? The minutes are accepted and approved.

8 The report of the Executive Officer, please.

9 MR. HIGHT: Yes. For the record, Madam Chairman,
10 Elizabeth Rasmussen will be sitting in a nonvoting capacity
11 for the State Controller.

12 ACTING CHAIRPERSON RASMUSSEN: Thank you.

13 EXECUTIVE OFFICER DEDRICK: No report this morning,
14 Commissioner.

15 ACTING CHAIRPERSON RASMUSSEN: All right. It should
16 be noted we have six items that have been pulled from the
17 agenda. These are Items 14, 15, 17, 29, 32, and 33.

18 COMMISSIONER ORDWAY: I'll move consent items 1
19 through 13.

20 ACTING CHAIRPERSON RASMUSSEN: Are there any
21 questions or concerns, comments on Items 1 through 13? If
22 not, we'll approve them in total. Hearing no voices, Items
23 C1 through C13 are approved as presented.

24 It brings us to Item 16.

25 EXECUTIVE OFFICER DEDRICK: Item 16 Commissioners is

1 the approval of a one-year general lease commercial for the
2 riverboat Delta King at the old River Line warehouse pier,
3 rent \$912.50 a month.

4 COMMISSIONER ORDWAY: Motion.

5 ACTING CHAIRPERSON RASMUSSEN: Any questions on 16?

6 Sixteen is approved as presented. Item 17 is off
7 calendar.

8 Item 18.

9 EXECUTIVE OFFICER DEDRICK. This is approval of the
10 assignment of a general lease of a marina on the Sacramento
11 River from Stanley Rodrigues to Freeport Properties, Limited.

12 ACTING CHAIRPERSON RASMUSSEN: Any questions on 18?

13 COMMISSIONER ORDWAY: Motion.

14 ACTING CHAIRPERSON RASMUSSEN: Eighteen is approved
15 as presented.

16 Item 19.

17 EXECUTIVE OFFICER DEDRICK: Item 19 is approval of
18 an amendment to the lease just mentioned to realign the
19 marina facilities and revise the land description. This does
20 not constitute an expansion of the marina.

21 COMMISSIONER ORDWAY: Motion.

22 ACTING CHAIRPERSON RASMUSSEN: Questions on 19?

23 Nineteen is approved as presented.

24 Item 20.

25 EXECUTIVE OFFICER DEDRICK: Item 20 is authorization

1 to issue a patent to the B & T Agency for nine acres --

2 COMMISSIONER ORDWAY: It's now BT & H Agency.

3 EXECUTIVE OFFICER DEDRICK: BT & H agency, sorry
4 about that, and for nine acres in Imperial County, and in
5 your capacity as school lands trustees to accept \$17,800 for
6 that land.

7 COMMISSIONER ORDWAY: Motion.

8 ACTING CHAIRPERSON RASMUSSEN: Questions on 20.

9 Twenty is approved as presented.

10 Item 21.

11 EXECUTIVE OFFICER DEDRICK: Item 21 is the approval
12 of an amendment to the general lease of Santa Catalina Island
13 Company and the Island Conservancy for their marina leases in
14 the offshore waters. The amendment is an increase in rent on
15 their five-year rent review to \$210,000.

16 ACTING CHAIRPERSON RASMUSSEN: Questions on 21?

17 COMMISSIONER ORDWAY: Motion.

18 ACTING CHAIRPERSON RASMUSSEN: Twenty-one is
19 approved as presented.

20 Item 22.

21 EXECUTIVE OFFICER DEDRICK: Item 22 is a report on
22 the Elder bill and Mr. Thompson will make a brief report
23 here.

24 MR. THOMPSON: I think that Jim has probably been
25 handling this better than I have. All I can say is nothing

1 has happened. We haven't been able to find any additional
2 plans from the town lot people we would even consider yet.

3 MR. TROUT: We are going to meet on December 4th
4 with the principal working interest oil company owners and
5 see if there's some way we can figure out to reduce the cost
6 and find some way to compensate the oil companies without
7 costing the state. Claire promised the town lot royalty
8 owners that she would put an item on monthly, if possible,
9 and this is just to give a current report.

10 ACTING CHAIRPERSON RASMUSSEN: Have we gotten some
11 operation from the oil companies at this point?

12 MR. TROUT: Well, they're going to come to the
13 meeting.

14 EXECUTIVE OFFICER DEDRICK: That's as far as we care
15 to go.

16 ACTING CHAIRPERSON RASMUSSEN: Gee, that's nice.
17 Any other questions on Item 22?

18 Twenty-two is approved as presented.

19 Item 23.

20 EXECUTIVE OFFICER DEDRICK: Item 23, Norris Oil
21 Company. This is a request that the Commission determine
22 that it is in the state's best interest to continue the
23 amendments to the lease that you adopted in July and in event
24 of a sale, given that the buyer is at least as fiscally sound
25 or more so than the existing owner.

1 COMMISSIONER ORDWAY: Motion.

2 ACTING CHAIRPERSON RASMUSSEN: I bet you couldn't
3 say that again.

4 EXECUTIVE OFFICER DEDRICK: You're right.

5 ACTING CHAIRPERSON RASMUSSEN: Item 23 is approved
6 as presented.

7 Item 24.

8 EXECUTIVE OFFICER DEDRICK: Item 24 amendment of the
9 Stockton Gas Unit and partial quitclaim of the state oil and
10 gas lease for Chevron.

11 COMMISSIONER ORDWAY: Motion.

12 ACTING CHAIRPERSON RASMUSSEN: Questions on 24?
13 Twenty-four is approved as presented.

14 Twenty-five.

15 EXECUTIVE OFFICER DEDRICK: And this is again
16 Chevron, the amendment of gas purchase agreement to allow
17 Chevron to comply with PGandE's latest fiat.

18 ACTING CHAIRPERSON RASMUSSEN: Questions?

19 COMMISSIONER ORDWAY: Motion.

20 ACTING CHAIRPERSON RASMUSSEN: Twenty-five is
21 approved as presented.

22 Twenty-six.

23 EXECUTIVE OFFICER DEDRICK: Twenty-six --

24 COMMISSIONER ORDWAY: You have to comply with a
25 small car?

1 EXECUTIVE OFFICER DEDRICK: Yeah.

2 COMMISSIONER ORDWAY: Okay. Just checking.

3 EXECUTIVE OFFICER DEDRICK: You're right. I'm
4 sorry.

5 Twenty-six is Huntway Refining Company. We would
6 request that you reject the eight and a half sent bid on this
7 parcel of oil from 3242 and authorize us to not go to
8 competitive bid but to accept a negotiated offer of 22 cents
9 over posted price.

10 COMMISSIONER ORDWAY: Motion.

11 ACTING CHAIRPERSON RASMUSSEN: Questions on 26? My
12 only question was, being a Henny Youngman fan, what's a
13 Huntway? We'll skip that.

14 Twenty-six is approved as presented.

15 Item 27, please.

16 COMMISSIONER ORDWAY: We've got lots of time. We
17 could do 25 minutes of this.

18 EXECUTIVE OFFICER DEDRICK: Okay. Twenty-seven,
19 this is a proposed sale of royalty crude oil on a Huntington
20 Beach parcel of oil with a minimum of 25 cents.

21 COMMISSIONER ORDWAY: Motion.

22 ACTING CHAIRPERSON RASMUSSEN: Questions on 27?

23 Approved as presented.

24 Item 28.

25 EXECUTIVE OFFICER DEDRICK: Item 28 is a proposed

1 approval of a tideland oil revenue expenditure by the City of
2 Long Beach for artificial seaweed.

3 ACTING CHAIRPERSON RASMUSSEN: Questions on 28?

4 COMMISSIONER ORDWAY: Yeah. Why don't they use real
5 seaweed?

6 EXECUTIVE OFFICER DEDRICK: It won't grow there.

7 MR. TROUT: Real seaweed requires something to hang
8 on to.

9 COMMISSIONER ORDWAY: So we're going to buy plastic
10 seaweed?

11 MR. TROUT: Yes.

12 EXECUTIVE OFFICER DEDRICK: This has happened
13 before.

14 MR. HIGHT: The City of Long Beach will buy plastic
15 seaweed.

16 COMMISSIONER ORDWAY: They're going to buy plastic
17 seaweed --

18 EXECUTIVE OFFICER DEDRICK: With their money.

19 ACTING CHAIRPERSON RASMUSSEN: Why don't we buy
20 something hard that the real seaweed can grow on?

21 MR. KILEY: This is real plastic seaweed.

22 COMMISSIONER ORDWAY: It's hard plastic petro money.
23 I'll move this item.

24 ACTING CHAIRPERSON RASMUSSEN: Any other questions
25 on 28? Approved as presented.

1 Twenty-nine is off calendar.

2 Item 30.

3 EXECUTIVE OFFICER DEDRICK: Item 30, this is a
4 proposed annexation for North Island by the City of Coronado
5 in San Diego County. This proposal is both an approval of
6 the boundaries and an approval of the annexation.

7 COMMISSIONER ORDWAY: Motion.

8 ACTING CHAIRPERSON RASMUSSEN: Questions on 30?

9 Thirty is approved as presented.

10 Thirty-one.

11 EXECUTIVE OFFICER DEDRICK: Thirty-one is our
12 request for authorization to approve the authorization for
13 this title settlement with Hal Davis on the Colorado River
14 and I'm very happy to bring that one to a conclusion. It's
15 been around the State Lands Commission for quite a long time.

16 COMMISSIONER ORDWAY: Motion.

17 ACTING CHAIRPERSON RASMUSSEN: Good.

18 EXECUTIVE OFFICER DEDRICK: There's one other thing,
19 I'm sorry. In this instance you also are acting as Sovereign
20 Lands Commissioners in accepting an amount of money from Hal
21 Davis.

22 ACTING CHAIRPERSON RASMUSSEN: Sovereign, that means
23 we're --

24 EXECUTIVE OFFICER DEDRICK: That means the Colorado
25 River is sovereign land, right.

1 ACTING CHAIRPERSON RASMUSSEN: All right. Any other
2 questions on 31?

3 COMMISSIONER ORDWAY: Motion.

4 ACTING CHAIRPERSON RASMUSSEN: Approved as
5 presented.

6 Thirty-two and 33 are off calendar.

7 Item 34.

8 EXECUTIVE OFFICER DEDRICK: Item 34 is the approval
9 of a five-year industrial, general lease industrial for
10 Connolly-Pacific at Jewfish Point for the quarry operation on
11 Catalina Island.

12 ACTING CHAIRPERSON RASMUSSEN: That's quarry
13 operation, right, not Cory operation? Okay. I wanted to
14 make sure that that was very clear.

15 COMMISSIONER ORDWAY: Motion.

16 ACTING CHAIRPERSON RASMUSSEN: Thirty-four is
17 approved as presented.

18 Item 35.

19 MR. HIGHT: Item 35 is the authorization to approve
20 a title settlement at San Rafael. The City of San Rafael
21 will get \$103,000 into their Land Bank Fund.

22 COMMISSIONER ORDWAY: Motion.

23 ACTING CHAIRPERSON RASMUSSEN: Questions on 35?

24 Approved as presented.

25 Thirty-six.

1 MR. HIGHT: Thirty-six is the authorization to
2 extend the Bolsa Chica agreement for six months in order to
3 allow the Commission and Signal time to negotiate for
4 potential changes.

5 COMMISSIONER ORDWAY: And this is fine with Signal
6 and the state departments?

7 MR. HIGHT: Yes.

8 EXECUTIVE OFFICER DEDRICK: That is correct.

9 COMMISSIONER ORDWAY: Motion.

10 ACTING CHAIRPERSON RASMUSSEN: Questions on 36?

11 Thirty-six is approved as presented.

12 That brings us to the end of the agenda.

13 COMMISSIONER ORDWAY: I have one request for the
14 December agenda that there be included an update of revenues.

15 EXECUTIVE OFFICER DEDRICK: All right. We'll be
16 happy to do that, Commissioner.

17 ACTING CHAIRPERSON RASMUSSEN: That will be the
18 order.

19 COMMISSIONER ORDWAY: That meeting is on the 23rd?

20 EXECUTIVE OFFICER DEDRICK: The 23rd, that's
21 correct.

22 COMMISSIONER ORDWAY: The 23rd of December.

23 ACTING CHAIRPERSON RASMUSSEN: All right, is there
24 any other business to come --

25 COMMISSIONER ORDWAY: In the absence of any further

1 business, I move to adjourn.

2 ACTING CHAIRPERSON RASMUSSEN: We're adjourned.

3 Thank you.

4 (Thereupon the Meeting of the State Lands

5 Commission was adjourned at 10:10 a.m.)

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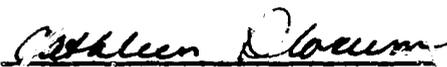
CERTIFICATE OF SHORTHAND REPORTER

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 meeting of the State Lands Commission was reported by me, Cathleen Slocum, and hereinafter 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 herein set my hand this 1 day of December, 1955.


Cathleen Slocum
Certified Shorthand Reporter
License No. 2822