

BEFORE THE STATE LANDS COMMISSION
GRAY DAVIS, STATE CONTROLLER, CHAIRMAN

IN THE MATTER OF:)
)
AGENDA ITEMS 1 THROUGH 62)
)
)
_____)

TRANSCRIPT OF PROCEEDINGS, TAKEN AT
STATE BUILDING, 107 SOUTH BROADWAY, ROOM 1138,
LOS ANGELES, CALIFORNIA, COMMENCING AT 2:10 P.M.,
ON TUESDAY, APRIL 22, 1988, HEARD BEFORE
GRAY DAVIS, CHAIRMAN, REPORTED BY DEBBY COLASONT,
HEARING REPORTER, A NOTARY PUBLIC IN AND FOR THE
STATE OF CALIFORNIA AND COUNTY OF ORANGE.

FOR THE COMMISSION:

GRAY DAVIS, STATE CONTROLLER

LEO T. MC CARTHY, LIEUTENANT
GOVERNOR

STEVEN HOPCRAFT

1 LOS ANGELES, CALIFORNIA, TUESDAY, APRIL 12, 1968

2 2:10 P.M.

3
4 MR. DAVIS: THE SECRETARY WILL NOTE THE PRESENCE OF
5 A QUORUM. FIRST I WANT TO WELCOME SOME OF THE STAFF AND
6 MEMBERS OF THE LANDS COMMISSION FROM LONG BEACH. THANK
7 YOU FOR COMING UP TODAY. HOPE WHAT YOU SEE TODAY WON'T
8 DISCOURAGE YOU TOO MUCH. NO, SERIOUSLY, WE'RE GLAD YOU'RE
9 HERE TODAY, AND HOPEFULLY YOU'LL FIND THIS MEETING
10 INSTRUCTIVE.

11 THE FIRST ITEM OF BUSINESS IS THE
12 CONFIRMATION OF THE MINUTES. AND I'D LIKE TO CALL FOR A
13 MOTION TO CONFIRM THE ACCURACY OF THE SUMMARY OF THE
14 MEETINGS FOR THE PAST THREE SESSIONS, FEBRUARY 1ST,
15 FEBRUARY 26TH, AND MARCH 2ND.

16 MR. HOPCRAFT: SO MOVE.

17 MR. DAVIS: ALL RIGHT. WITHOUT OBJECTION, THAT
18 WILL BE A UNANIMOUS VOTE.

19 BEFORE I GO ANY FARTHER, THERE ARE A NUMBER
20 OF ITEMS THAT ARE OFF CALENDAR. I JUST WANT TO ANNOUNCE
21 THOSE. C-10 IS ON THE CONSENT CALENDAR. THAT HAS BEEN
22 TAKEN OFF CALENDAR. AND THEN ITEMS 18, 24 THROUGH 27 --

23 MS. DEDRICK: NO, JUST 24 AND 27. I'M SORRY.

24 MR. DAVIS: EXCUSE ME. 18, 24, 27, 31, 45, 51, 52
25 AND 53.

1 MS. DEDRICK: LET'S SEE. I THINK THAT YOU MUST
2 HAVE BEEN GIVEN SOME BAD INFORMATION. THOSE ARE 53 AND
3 55. I'M SORRY, I SHOULD HAVE CHECKED YOUR LIST MORE
4 CAREFULLY.

5 MR. DAVIS: ALL RIGHT. 51, 53 AND 55?

6 MS. DEDRICK: THAT'S CORRECT.

7 MR. DAVIS: ALL RIGHT. JUST LET ME REPEAT THEM.
8 CONSENT ITEM NO. 10, 18, 24, 27, 31, 45, 51, 53 AND 55.

9 ALL RIGHT. LET'S GO TO THE CONSENT CALENDAR
10 ITEMS, EXCLUDING ITEM 10. WE HAVE 13 ITEMS BEFORE US. IF
11 YOU WANT TO SUMMARIZE THOSE FOR US.

12 MS. DEDRICK: WELL, THEY'RE A VARIETY OF
13 NONCONTROVERSIAL ITEMS, MR. CHAIRMAN. AND I PRESUME -- I
14 DON'T BELIEVE THERE'S ANYONE -- WE HAVE HAD NO INDICATION
15 THAT ANYONE IN THE PUBLIC HAS ANY PROBLEM WITH THEM. AND
16 IF THE COMMISSIONERS DON'T, YOU COULD HANDLE THEM AS A
17 SINGLE ITEM.

18 MR. DAVIS: ALL RIGHT. COULD YOU JUST BRIEFLY READ
19 THE PARTIES AND INTERESTS SO --

20 MS. DEDRICK: OKAY. ITEM 1, THERE'S -- THE PARTIES
21 OF INTEREST ARE DON SPRINGER; KENNETH JONSSON; K.W. AND
22 IMA L. HUNT; CRAIG MC FARLAND; KWAN HING CHAN AND KAREN
23 JUNG MEI CHANG -- CHAN, SORRY -- GARNER CAL SETZER AND
24 JOANN RAMONA SETZER; PAT F. RICE; VERA RICE; WARREN
25 SICHEL; CLAYBURN HALSTED JONES AND MARGARET D. KIRSOPP

1 JONES; ROBERT SEISUMS, GEORGE LAPINS AND VELTA LAPINS.
2 THESE ARE ALL RECREATIONAL PIER PERMITS.

3 ITEM 2 ARE TWO RENT CONTINUATIONS OF KNOB
4 HILL MINES IN SOLANO COUNTY, IN THE POINT ARGUELLO
5 PIPELINE. IT'S A LESSEE IN SANTA BARBARA COUNTY.

6 ITEM 3, THESE ARE APPROVALS OF -- APPROVAL OF
7 A TEN-YEAR GENERAL PERMIT, RECREATIONAL USE ON SACRAMENTO
8 RIVER IN SACRAMENTO COUNTY, RALPH AND JOYCE MEADOR.

9 ITEM 4 IS APPROVAL OF A 49-YEAR GENERAL
10 PERMIT, PUBLIC AGENCY USE TO THE COUNTY OF STANISLAUS.

11 ITEM 5, RATIFICATION OF A TREE-PLANTING
12 CONTRACT WITH TRIPP, FOR A BURNED-OVER AREA THAT WAS --
13 THIS CONTRACT WAS AUTHORIZED BY THE COMMISSION ON MARCH
14 2ND.

15 ITEM 6 IS THE APPROVAL OF A TEN-YEAR RENEWAL
16 OF GRAZING LEASE TO JOHN MATLEY.

17 AND ITEM 7 IS APPROVAL OF A TEN-YEAR GENERAL
18 PERMIT, PROTECTIVE STRUCTURE AND RECREATIONAL USE IN
19 SUTTER COUNTY ON THE SACRAMENTO RIVER, TO STEVEN SIMARD.

20 ITEM 8, S & R FOREST MANAGEMENT. IT'S
21 APPROVAL OF A THREE-MONTH RIGHT-OF-WAY LEASE FOR ACCESS
22 ACROSS A PARCEL OF STATE SCHOOL LAND IN MENDOCINO COUNTY.

23 ITEM 9, THE TEHAMA COUNTY ROAD DEPARTMENT.
24 THE APPROVAL OF A 49-YEAR GENERAL PERMIT, PUBLIC AGENCY
25 USE IN SACRAMENTO -- IN THE SACRAMENTO RIVER.

1 ITEM 11. BRACTON COMPANY. THIS IS AN
2 ASSIGNMENT OF A GENERAL PERMIT. PROTECTIVE STRUCTURE USE
3 FROM BRACTON COMPANY TO FRANK AND LORRAINE SERENA.

4 ITEM 12. THE GOLDEN GATE BRIDGE HIGHWAY AND
5 TRANSPORTATION DISTRICT. APPROVAL OF A TEN-YEAR PERMIT,
6 PUBLIC AGENCY USE FOR THE INSTALLATION OF SOME RIP/RAP IN
7 MADERA CREEK IN MARIN COUNTY.

8 ITEM 13. APPROVAL OF A 49-YEAR GENERAL LEASE
9 TO THE IMPERIAL IRRIGATION DISTRICT. A RIGHT-OF-WAY LEASE
10 ON THREE PARCELS OF SCHOOL LANDS IN THE IMPERIAL VALLEY.

11 THAT'S IT.

12 MR. DAVIS: ARE THERE ANY OBJECTIONS TO THE
13 ADOPTION OF THIS CONSENT CALENDAR?

14 HEARING NONE, DO I HAVE A MOTION FOR
15 APPROVAL?

16 MR. HOPCRAFT: SO MOVE.

17 MR. DAVIS: ALL RIGHT. THAT'S A UNANIMOUS VOTE.

18 ITEM C-14?

19 MS. DEDRICK: ITEM 4 -- C-4 -- ON ITEM 14 IS --

20 MR. DAVIS: 14, RATHER.

21 MS. DEDRICK: I'M SORRY, YES -- IS APPROVAL OF AN
22 AMENDMENT TO A GRAZING LEASE IN LASSEN COUNTY TO JAMES
23 R. AND ZETTA CLARK, AND PAUL M. CLARK.

24 MR. DAVIS: IS THERE ANY OPPOSITION TO THIS MOTION?
25 DOES ANYONE WANT TO SPEAK ON IT?

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DO I HAVE A MOTION FOR APPROVAL OF ITEM 14?

MR. HOPCRAFT: I MOVE APPROVAL, MR. CHAIRMAN.

MR. DAVIS: ALL RIGHT. THAT'S A UNANIMOUS VOTE.

MS. DEDRICK: ITEM 15 --

MR. DAVIS: ALL RIGHT. WHEN I SAY UNANIMOUS VOTE, I MEAN OF THE TWO OF US. SO I GUESS I'LL JUST SAY TWO TO NOTHING.

ITEM 15?

MS. DEDRICK: ITEM 15 IS -- THE APPLICANT IS WILLARD COLLINS. THIS IS RECOMMENDATION FOR APPROVAL OF A 45-YEAR GENERAL PERMIT, RECREATIONAL USE FOR WATER SKI -- FOR A DOCK AND WATER SKI FACILITIES ON THE MIDDLE RIVER NEAR STOCKTON.

MR. DAVIS: ANY COMMENT? ANY OBJECTION TO THE ADOPTION OF THIS ITEM?

DO I HAVE A MOTION FOR APPROVAL OF ITEM 15?

MR. HOPCRAFT: I MOVE APPROVAL OF ITEM 15.

MR. DAVIS: ALL RIGHT. THAT WILL BE A TWO TO ZERO VOTE.

ITEM 16?

MS. DEDRICK: ITEM 16 IS A REQUEST FROM THE STAFF FOR AUTHORIZATION TO PUT UP TO PUBLIC BID A PARCEL OF SCHOOL LANDS, 12 ACRES -- 12.14 ACRES IN RIVERSIDE COUNTY. IN THIS CASE THE COMMISSION WOULD BE ACTING BOTH AS THE COMMISSION AND AS A SCHOOL LAND BANK TRUSTEE.

1 MR. DAVIS: IS THERE ANY COMMENT ON THIS MATTER?
2 ANY OPPOSITION?

3 DO I HAVE A MOTION FOR APPROVAL OF ITEM 16?

4 MR. HOPCRAFT: SO MOVE.

5 MR. DAVIS: THE VOTE WILL BE TWO TO ZERO ON THAT
6 MATTER.

7 ITEM 17?

8 MS. DEDRICK: ITEM 17, THE PERMITTEE IS CYNTHIA
9 CAULK. THIS IS AN APPROVAL OF AN AMENDMENT TO A
10 RECREATIONAL USE LEASE ON STEAMBOAT SLOUGH AT GRAND ISLAND
11 IN SACRAMENTO COUNTY.

12 MR. DAVIS: ANY COMMENT ON THIS MATTER? ANY
13 OBJECTION TO THE ADOPTION OF ITEM 17?

14 DO I HAVE A MOTION FOR APPROVAL OF ITEM 17?

15 MR. HOPCRAFT: SO MOVE.

16 MR. DAVIS: THE VOTE WILL BE TWO TO ZERO ON ITEM
17 17.

18 ITEM 18?

19 MS. DEDRICK: ITEM 18 IS OFF CALENDAR.

20 MR. CHAIRMAN.

21 ITEM 19 IS THE PELICAN POINT PROJECT AT
22 PAJARO DUNES. AND THE DEPARTMENT OF PARKS AND RECREATION.
23 THIS PROJECT INVOLVES AN EXCHANGE OF LAND, A QUITCLAIM AND
24 THE LEASE OF THE PROPERTY, WHICH THEN BECOMES THE PROPERTY
25 OF THE STATE LANDS COMMISSION; FOR THE CONSTRUCTION OF A

1 SEA WALL TO PROTECT SOME HOMES THAT ARE SUBJECT TO TIDAL
2 DAMAGE IN MONTEREY BAY.

3 MR. DAVIS: ANY COMMENT ON THIS ITEM? ANY
4 OBJECTION TO ITS ADOPTION?

5 MR. HOPCRAFT: I WOULD JUST LIKE TO QUESTION
6 WHETHER OPPOSITION TO THIS ITEM HAS BEEN RECEIVED

7 MS. DEDRICK: NO, MR. -- THERE -- NOT -- NOT THAT I
8 KNOW OF. WE HAD -- THERE WERE PROBLEMS EARLIER. THERE'S
9 BEEN A LOT OF NEGOTIATION. AND I THINK EVERYONE'S
10 SATISFIED NOW.

11 MR. HOPCRAFT: I WOULD MOVE ADOPTION OF ITEM 19.

12 MR. DAVIS: THAT'S APPROVED. THE VOTE IS TWO TO
13 ZERO.

14 ITEM 20?

15 MS. DEDRICK: ITEM 20, THE APPLICANTS ARE GARY AND
16 LINDA OVERSON. THIS IS APPROVAL OF A TEN-YEAR GRAZING
17 LEASE IN SAN BERNARDINO COUNTY ON SCHOOL LANDS.

18 MR. DAVIS: ANY COMMENT ON ITEM 20? ANY OBJECTION?

19 IS THERE A MOTION FOR APPROVAL OF ITEM 20?

20 MR. HOPCRAFT: MOVE WE APPROVE ITEM 20.

21 MR. DAVIS: THE MATTER IS APPROVED. THE VOTE IS
22 TWO TO ZERO.

23 ITEM 21?

24 MS. DEDRICK: ITEM 21 IS THE APPROVAL OF A LEASE TO
25 THE DEPARTMENT OF FISH AND GAME OF A PARCEL OF WILDLIFE

1 HABITAT ALONG THE COLORADO RIVER, WHICH WE RECEIVED IN
2 SETTLEMENT OF A BOUNDARY DISPUTE WITH THE ADJACENT
3 PROPERTY OWNER. THIS IS TO THE STAFF IN SACRAMENTO A
4 PRETTY HISTORIC EVENT. IT'S THE FIRST REALLY BIG
5 SETTLEMENT ON THE COLORADO. AND WE'RE VERY HAPPY TO HAVE
6 A HANDSOME WILDLIFE ISLAND WE CAN LEASE TO FISH AND GAME.

7 MR. DAVIS: THE STAFF IS TO BE COMMENDED. I ASSUME
8 THERE'S NO OBJECTION TO THE ADOPTION OF THIS ITEM?

9 MR. HOPCRAFT: WHAT ARE FISH AND GAME GOING TO DO
10 WITH IT. ALLOW HUNTING OF THE WILDLIFE OR --

11 MS. DEDRICK: NO. NO. THEY ALLOW THE CRITTERS TO
12 LIVE THERE.

13 MR. HOPCRAFT: WITH THAT UNDERSTANDING, I WILL MOVE
14 ADOPTION OF 21.

15 MS. DEDRICK THERE WILL BE -- AND I'M SORRY, I
16 SHOULDN'T HAVE JUST BEEN JOKING ABOUT THAT. THERE IS A
17 PROPOSAL FOR HABITAT RESTORATION AND REVEGETATION ON THE
18 ISLAND.

19 MR. DAVIS: ITEM 21 IS APPROVED ON A TWO TO ZERO
20 VOTE.

21 ITEM 22?

22 MS. DEDRICK: THIS IS AN AMENDMENT TO A GENERAL
23 PERMIT PROTRACT -- PROTECTIVE STRUCTURE, EXCUSE ME -- THE
24 BOLINAS COMMUNITY PUBLIC UTILITIES DISTRICT AND THE BEACH
25 AND CLIFF ASSOCIATION. FOR A GROWING RECONSTRUCTION IN

1 BOLINAS BAY.

2 MR. DAVIS: ANY COMMENT ON THIS ITEM? ANY
3 OBJECTION TO ITS ADOPTION?

4 DO I HAVE A MOTION ON ITEM 22?

5 MR. HOPCRAFT: I MOVE WE ADOPT ITEM 22.

6 MS. DAVIS: THAT'S ADOPTED ON A TWO TO ZERO VOTE.
7 ITEM 23?

8 MS. DEDRICK: ITEM 23, THIS IS -- THE APPLICANT IS
9 THE UNITED STATES DEPARTMENT OF ENERGY. THEY'D LIKE TO
10 LOCATE A SEISMIC DETECTION STATION OUT IN THE YUCCA
11 VALLEY. AND THIS WOULD BE THE LEASE OF A PARCEL OF -- A
12 PORTION OF A PARCEL OF SCHOOL LAND IN THAT AREA.

13 MR. DAVIS: JUST BY WAY OF INFORMATION, IS THIS --
14 WILL THIS SEISMIC DETECTION STATION IMPROVE OUR CAPACITY
15 TO MEASURE EARTHQUAKES OR IS THIS JUST ANOTHER --

16 MS. DEDRICK: WE BELIEVE THAT'S TRUE. YEAH, I
17 THINK IT -- THAT'S ITS PRIMARY PURPOSE, AS FAR AS I KNOW.

18 MR. KILEY: THIS IS ONE THAT'S BEEN IN EXISTENCE
19 FOR A LONG TIME. THIS IS JUST A RENEWAL, BASICALLY, OR
20 APPROVAL OF A NEW LEASE, BECAUSE THE OLD ONE EXPIRED.

21 MS. DEDRICK: BUT IT IS -- ITS PURPOSE IS --

22 MR. KILEY: ITS PURPOSE IS TO --

23 MS. DEDRICK: -- EARTHQUAKE DETECTION?

24 MR. KILEY: -- PROVIDE EARTHQUAKE DETECTION, YES.

25 MR. DAVIS: IS THE EQUIPMENT MORE SOPHISTICATED OR

1 IS IT JUST RENEWING A LEASE ON THE SAME EQUIPMENT THAT --

2 MR. KILEY: I BELIEVE IT'S THE SAME EQUIPMENT
3 THAT'S BEEN IN PLACE, BUT IT IS STATE-OF-THE-ART EQUIPMENT
4 THAT'S BEEN INSTALLED IN THIS PARTICULAR LOCATION.

5 MR. DAVIS: ALL RIGHT. WE OUGHT TO -- JUST AS AN
6 ASIDE -- YOU KNOW, WE SHOULD LOOK INTO WHAT WE CAN DO TO
7 ENCOURAGE THEM TO IMPROVE THEIR CAPABILITY, NOT ONLY TO --

8 MS. DEDRICK: RIGHT.

9 MR. DAVIS: -- STUDY EARTHQUAKES ONCE THEY'VE
10 HAPPENED, BUT TO, YOU KNOW, ANTICIPATE THEM.

11 MS. DEDRICK: YES. I UNDERSTAND WHAT YOU MEAN,
12 MR. CHAIRMAN. WE'LL TALK TO THEM.

13 MR. DAVIS: ITEM 20 -- LET'S SEE, DID WE VOTE ON
14 THAT?

15 MR. HOPCRAFT: NO. I MOVE WE ADOPT TEM 23.

16 MR. DAVIS: IS THERE ANY OPPOSITION TO THAT, ANY
17 COMMENT ON THE MATTER?

18 HEARING NONE, WE HAVE A MOTION BEFORE US.
19 IT'S APPROVED TWO TO ZERO.

20 ITEM 24 IS OFF CALENDAR.

21 ITEM 25?

22 MS. DEDRICK: ITEM 25, THE SOUTHERN CALIFORNIA GAS
23 COMPANY. THIS IS A TERMINATION OF A LEASE, GENERAL
24 RIGHT-OF-WAY LEASE AND APPROVAL OF AN ISSUANCE OF A NEW
25 LEASE FOR A NATURAL GAS TRANSMISSION LINE ACROSS THE

1 COLORADO RIVER NEAR BLYTHE.

2 MR. DAVIS: LET'S SEE. WE -- THEY'RE GIVING US
3 \$420 A YEAR ON THIS LAND?

4 MS. DEDRICK: YES. SIR. AS YOU CAN SEE, IT'S NOT A
5 LARGE AMOUNT OF LAND.

6 MR. DAVIS: WHO NEGOTIATED THAT ITEM?

7 MS. DEDRICK: THEY'RE ALSO PAYING US, INCIDENTALLY.
8 I SHOULD HAVE MENTIONED, \$3700 IN BACK RENT.

9 MR. HOPCRAFT: SO THEY HAVEN'T BEEN PAYING THEIR
10 RENT ON TIME?

11 MS. DEDRICK: NOT HARDLY.

12 MR. HOPCRAFT: IT SEEMS LIKE A SMALL AMOUNT OF --

13 MR. DAVIS: YEAH --

14 MR. HOPCRAFT: -- MONEY --

15 MR. DAVIS: -- I WAS GOING TO SAY --

16 MR. HOPCRAFT: -- FOR --

17 MR. DAVIS: HOW DO WE ESTABLISH THE FAIR MARKET
18 VALUE OF --

19 MS. DEDRICK: MR. TROUT, I THINK YOU PROBABLY HAD
20 BEST -- UNLESS BOB WOULD RATHER HANDLE IT.

21 MR. TROUT: MR. CHAIRMAN, THIS WAS LEASED IN THE
22 PAST. AND THE LEASE EXPIRED IN 1976. AND WE'VE BEEN
23 DEALING WITH THEM SINCE THEN. THE VALUE IS NOT HIGH
24 BECAUSE THIS IS BELOW THE COLORADO RIVER. AS I RECALL.
25 AND THERE -- YOU KNOW, IT DOESN'T DISTURB THE SURFACE USE.

1 SO IN SUCH AN EVENT THE VALUE WOULD BE LESS
2 THAN, SAY, IT WOULD BE IF IT WERE A ROAD OR SOMETHING LIKE
3 THAT. SO FROM THAT STANDPOINT, THE VALUE PRETTY MUCH
4 REFLECTS MARKET VALUE FOR THINGS OF A SIMILAR NATURE.

5 MR. HOPCRAFT: DO WE HAVE A --

6 MR. DAVIS: I CAN'T THINK OF ANYTHING YOU CAN DO
7 FOR \$400 A YEAR.

8 MS. DEDRICK: THERE WAS A PERIOD WHEN WE WERE -- I
9 DON'T BELIEVE WE'VE EVER CHARGED THE GAS COMPANY -- THE
10 UTILITIES IN GENERAL GET A PRETTY GOOD DEAL, QUITE
11 HONESTLY. I THINK THAT'S A FAIR STATEMENT.

12 I SUPPOSE THAT IT'S A LONG-STANDING POLICY.
13 WE'VE NEVER REEVALUATED IT SINCE I'VE BEEN WITH THE
14 COMMISSION, MR. CHAIRMAN. AND I PRESUME THAT THAT'S
15 BECAUSE COSTS ARE PICKED UP BY THE RATE PAYERS. AND
16 IT'S -- THAT PROBABLY WAS A JUSTIFICATION AT ONE TIME.
17 HOWEVER, NOW THAT YOU'VE RAISED THE SUBJECT, I THINK WE
18 BETTER TAKE ANOTHER LOOK AT IT.

19 MR. DAVIS: ALL RIGHT. WHEN -- DOES ANYONE RECALL,
20 AND I -- THIS JUST CAUGHT MY ATTENTION. I DON'T MEAN TO
21 PICK ON ONE COMPANY, BECAUSE I ASSUME EVERYONE IS BEING
22 TREATED IN A SIMILAR MANNER. BUT WHEN WAS THIS LAST
23 RAISED TO THE --

24 MR. TROUT: THIS -- I BELIEVE THIS IS BASED ON A
25 CURRENT VALUATION. WORKING BACKWARDS FROM THE \$483 A

1 MONTH. THAT WOULD INDICATE A 9 PERCENT --

2 MR. DAVIS: OH, NO. IT SAYS PER --

3 MR. TROUT: -- IT SAYS TOTAL VALUE --

4 MR. DAVIS: -- IT SAYS PER ANNUM.

5 MR. TROUT: -- OF \$4500 FOR ABOUT ONE-AND-A-HALF

6 ACRES. SO YOU'RE LOOKING AT LAND WORTH ABOUT \$3,000 AN

7 ACRE. AND THAT'S --

8 MS. DEDRICK: THERE'S --

9 MR. TROUT: -- RIGHT ON THE MARGIN FOR -- FOR

10 DESERT PROPERTY.

11 MS. DEDRICK: THERE'S --

12 MR. HIGHT: THAT'S CORRECT.

13 MR. TROUT: NO. I THINK THIS IS PRETTY FAIR MARKET

14 VALUE RIGHT NOW. AND THAT'S THE BASIS ON WHICH THESE ARE

15 LEASED. SO IN OTHER WORDS, THE COMMISSION'S RULES AND

16 REGULATIONS ARE EVALUATING RENTALS AT ABOUT 9 PERCENT OF

17 FAIR MARKET VALUE PER YEAR.

18 SO IF YOU WORK THIS BACKWARD, FROM THE 483

19 YOU'RE LOOKING AT ABOUT \$4500. PLUS OR MINUS \$4500

20 DIVIDED BY ONE AND A HALF, GIVES YOU ROUGHLY \$3000 AN

21 ACRE. AND THAT'S -- WE'VE BEEN GETTING DESERT PROPERTY IN

22 THE NEIGHBORHOOD OF \$1500 AN ACRE. SO I THINK THIS IS ON

23 THE MARKET VALUE, MR. CHAIRMAN.

24 MR. DAVIS: WELL, THIS -- I'M JUST READING THIS.

25 IT SAYS \$423 PER ANNUM, NOT PER MONTH.

1 MR. KILEY: THAT'S NINE PERCENT OF THE APPRAISED
2 VALUE PER YEAR.

3 MR. TROUT: DID I SAY MONTH?

4 MS. DEDRICK: NO. OH, DID YOU? I DIDN'T HEAR
5 THAT.

6 MR. TROUT: IT SHOULD BE PER YEAR. I'M SORRY ABOUT
7 THAT. THAT WOULD BE VERY NICE IF WE COULD GET IT PER
8 YEAR. I MEAN BY MONTH.

9 MS. DEDRICK: KEEP TRYING, JIM.

10 MR. CHAIRMAN, YOU WERE ASKING WHAT THE
11 ORIGINAL LEASE WAS. THE INITIAL PERIOD WAS 15 YEARS,
12 BEGINNING DECEMBER 19TH, 1961.

13 THE RENEGOTIATED LEASE HAS INCREASED RENT
14 BASED ON THE INCREASED MARKET VALUE OF THE PROPERTY. WE
15 APPARENTLY HAVE BEEN NEGOTIATING THIS LEASE FOR A
16 SUBSTANTIAL AMOUNT OF TIME. AND THE \$3,700 OF BACK RENT
17 COVERS THE PERIOD OF THE NEGOTIATION. SO YOU CAN SEE THAT
18 TOOK A WHILE.

19 MR. DAVIS: ELEVEN YEARS.

20 MS. DEDRICK: ELEVEN YEARS. IS THAT -- THERE YOU
21 GO. SO THEY HAD RENT BELOW 300 A YEAR PRIOR TO THAT OR
22 ABOUT 300 A YEAR.

23 MR. DAVIS: WHAT'S THE BASIS FOR THAT NINE PERCENT
24 FIGURE? HOW DO WE ESTABLISH THAT AS A --

25 MR. TROUT: THE LAST TIME THAT WAS -- THE

1 COMMISSION STAFF PERIODICALLY, EITHER WITH STAFF OR
2 THROUGH A CONSULTANT, EVALUATES THE MARKET FOR RENTAL
3 PROPERTIES. AND THE LATEST TIME WE WENT THROUGH THAT --
4 AND WE LOOK AT IT ABOUT EVERY TWO YEARS, DON'T WE LANCE?

5 MR. KILEY: TWO YEARS, YES.

6 MR. TROUT: ABOUT EVERY TWO YEARS FOR THE
7 COMMISSION -- THE AVERAGE GOING RATE WAS NINE -- WAS ABOUT
8 NINE PERCENT. WE CHECKED WITH THE COURTS, WE CHECKED WITH
9 OTHER PUBLIC AGENCIES, WE CHECKED WITH THE PRIVATE
10 MARKETPLACE AND THE PRICES WERE RUNNING BETWEEN SEVEN AND
11 A HALF TO TEN PERCENT. AND AS I RECALL WHEN WE WENT
12 THROUGH THAT DRILL, THE STAFF RECOMMENDED NINE PERCENT AT
13 THAT TIME. AND THAT'S WHAT WE'VE BEEN USING PENDING THE
14 NEXT EVALUATION, WHICH WILL PROBABLY BE THIS YEAR.

15 MR. KILEY: IT ACTUALLY WENT DOWN A LITTLE BIT IN
16 SOME AREAS AS FAR AS THE CAP RATE TOWARDS THE RENTS WE CAN
17 CHARGE.

18 MR. DAVIS: ALL RIGHT.

19 MS. DEDRICK: OKAY.

20 MR. DAVIS: LET'S SEE. DID WE ADOPT THAT ITEM?

21 MS. DEDRICK: I --

22 MR. HOPCRAFT: I MOVE ADOPTION OF ITEM 25.

23 MR. DAVIS: ALL RIGHT. THAT MATTER IS APPROVED ON
24 A TWO TO ZERO VOTE.

25 ITEM 26?

1 MS. DEDRICK: ITEM 26. SUPERVISOR ARAMBURU OF MARIN
 2 COUNTY HAS REQUESTED AN EXTENTION ON A COMMITMENT OF
 3 \$100,000 THAT THE COMMISSION HAS MADE TO ASSIST LOCAL
 4 GOVERNMENT AND ENVIRONMENTAL GROUPS IN THE AREA TO BUY A
 5 PARCEL OF LAND IN TIBURON. THEY HAVE HAD THE MONEY FOR
 6 ABOUT 18 MONTHS, AND ARE TRYING TO RAISE THE OTHER 90
 7 PERCENT OF -- OR PLUS A LITTLE MORE THAN 90 PERCENT THE
 8 VALUE OF THE PROPERTY. SUPERVISOR ARAMBURU ASKED IF HE
 9 COULD HAVE ANOTHER THREE MONTHS AND REPORT BACK TO US.

10 STAFF BELIEVES THAT THAT IS A REASONABLE
 11 REQUEST. AND IF YOU HAVE NO PROBLEM WITH IT WE'D LIKE TO
 12 CONTINUE. TO ENCOURAGE THEM TO BE ABLE TO GET THIS PIECE
 13 OF PROPERTY, WHICH IS ABOUT THE ONLY WATERFRONT PROPERTY
 14 IN TIBURON THAT WOULD REALLY BE PUBLIC ACCESS TO THE BAY.

15 THE PROPOSAL HAS, AS I SAID, BEEN AROUND 18
 16 MONTHS. SO THE SITUATION IS THAT IT'S WORTH OVER A
 17 MILLION DOLLARS, AND WE WERE PUTTING UP DEED MONEY FOR
 18 \$100,000 IN EXCHANGE WHEN THE PROPERTY IS BOUGHT ALL THE
 19 PROPERTY WILL BE DEEDED AS STATE LANDS TO THE STATE OF
 20 CALIFORNIA AS SOVEREIGN LANDS AND UNDER THE JURISDICTION
 21 OF THE COMMISSION.

22 MR. DAVIS: THAT'S SUPERVISOR --

23 MS. DEDRICK: ARAMBURU OF -- FROM MARIN COUNTY.

24 MR. DAVIS: ALL RIGHT. IS THERE ANY OPPOSITION TO
 25 THIS ITEM? ANY COMMENT AT ALL? I KNOW YOU JUST GOT HERE.

1 GOVERNOR, BUT WE'RE DEALING WITH ITEM 26.

2 MR. MC CARTHY: I DON'T KNOW --

3 MR. DAVIS: ALL RIGHT. THAT ITEM IS APPROVED ON A
4 TWO TO ZERO VOTE.

5 ITEM 27 IS OFF CALENDAR.

6 MS. DEDRICK: RIGHT. ITEM 28 --

7 MR. DAVIS: ITEM 28?

8 MS. DEDRICK: EXCUSE ME, MR. CHAIRMAN. RESERVATION
9 RANCH. THIS IS CONSIDERATION OF A MINERAL EXTRACTION
10 LEASE IN THE SMITH RIVER OF DEL NORTE COUNTY. THIS IS
11 BRINGING IN EXISTING GRAVEL OPERATION UNDER LEASE SOME
12 PRETTY STRINGENT ENVIRONMENTAL CONTROL CONDITIONS THAT THE
13 DEPARTMENT OF FISH AND GAME AND LOCAL GOVERNMENT WANTED
14 IMPOSED.

15 MR. DAVIS: IS THERE ANY COMMENT ON THIS ITEM? ANY
16 OBJECTION TO ITS ADOPTION? DO WE HAVE A MOTION TO --

17 MR. MC CARTHY: MOTION --

18 MR. DAVIS: -- TO ADOPT ITEM 28? THAT ITEM WILL BE
19 APPROVED ON A TWO TO ZERO VOTE.

20 ITEM 29?

21 MS. DEDRICK: ITEM 29 IS THE APPROVAL OF A PROPOSED
22 WATER INJECTION PROJECT AT GAVIOTA IN THE OFFSHORE FIELD
23 BY THE CHEVRON COMPANY. THIS IS PART OF THAT WHOLE LEASE
24 THAT THE COMMISSION GRANTED TO TEXACO AT GAVIOTA ABOUT SIX
25 MONTHS AGO FOR A MARINE TERMINAL THAT'S CONNECTED TO THE

1 ARGUELLO PROJECT.

2 MR. DAVIS: IS THERE ANY OPPOSITION OR PROBLEMS
3 FROM --

4 MS. DEDRICK: NOT NOW. THERE WAS A GOOD DEAL OF
5 CONTROVERSY EARLIER OR AT LEAST QUESTIONS. THE CONDITIONS
6 NOW IMPOSED ARE -- HAVE SATISFIED EVERYONE. TO OUR
7 KNOWLEDGE.

8 MR. DAVIS: OKAY. DO YOU KNOW WHAT THE POSITION OF
9 THE COUNTY OF SANTA BARBARA IS?

10 MS. DEDRICK: YES. I BELIEVE THE COUNTY FAVORS IT.
11 MR. CHAIRMAN.

12 MR. DAVIS: IS THERE ANY OPPOSITION TO THIS ITEM?
13 IS THERE A MOTION TO APPROVE ITEM 29?

14 MR. MC CARTHY: YES.

15 MR. DAVIS: IT'S ADOPTED ON A TWO TO ZERO VOTE.
16 ITEM 30?

17 MS. DEDRICK: RIGHT. ITEM 30 -- DID YOU WANT TO
18 PULL THIS ITEM OR WHAT? EXCUSE ME. THIS ITEM IS A BIT OF
19 A PROBLEM BECAUSE -- LET ME EXPLAIN IT. IT'S A TRIFLE
20 COMPLICATED.

21 THERE IS A STATUTE WHICH ALLOWS OR REQUIRES
22 THAT A CERTAIN AMOUNT OF MONEY PER MILE OF PUBLICLY
23 MAINTAINED BEACH BE SENT TO THE COUNTY. WE HAVE
24 TRADITIONALLY, AS I UNDERSTOOD -- SO DID BOB -- UNTIL LATE
25 LAST WEEK, THAT THE STATUTE REQUIRED THE PAYMENT IS ONLY

1 MADE BY THE MILE.

2 THE COUNTY OF SANTA BARBARA WOULD LIKE US TO
3 VERIFY SOME PARCELS THAT THEY HAVE ALONG THE BEACH AS
4 QUALIFIED FOR THIS PURPOSE. AT LEAST ONE OF THOSE PARCELS
5 FITS THE STATUTORY REQUIREMENTS. OTHER PARCELS ARE
6 LESS -- THEY DO NOT FIT. I GUESS THAT'S A FLAT STATEMENT.

7 WHAT WE WOULD LIKE TO DO, AND WE HAVE TALKED
8 TO SANTA BARBARA COUNTY ABOUT THIS AS RECENTLY AS
9 YESTERDAY. I BELIEVE, IS TO AUTHORIZE THAT ONE -- I THINK
10 IT'S 700 FEET OR SOMETHING, ISN'T IT -- LOON POINT PARCEL
11 TO BE QUALIFIED FOR THE SUBVENTION PROGRAM. THIS WON'T
12 HAVE A DIRE EFFECT AT THE MOMENT. HOWEVER, STAFF IS
13 REVIEWING THE STATUTORY SITUATION AND THE INTERPRETATION
14 OF IT. AND WE WOULD LIKE TO REPORT BACK TO YOU ON THAT
15 LATER.

16 BUT IN THE MEANTIME, SANTA BARBARA WOULD LIKE
17 THIS LOON POINT AREA TO BE DESIGNATED AS PART OF THE
18 SUBVENTION PROGRAM AND WE CAN GO ON FROM THERE.

19 MR. DAVIS: WOULD YOU SUGGEST WE TAKE ACTION TODAY?

20 MS. DEDRICK: YES. I BELIEVE -- I THINK -- BOB,
21 DID YOU WANT TO SPEAK TO THIS? I DIDN'T MEAN TO CUT YOU
22 OFF. GO AHEAD. BOB'S BEEN NEGOTIATING THIS. I SHOULD
23 LET HIM --

24 MR. HIGHT: MR. CHAIRMAN, I THINK YOU'VE -- IF YOU
25 APPROVE LOON POINT, AND RESERVE THE OTHER ACCESS EASEMENTS

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FOR STAFF TO NEGOTIATE WITH THE COUNTY AND TO ULTIMATELY
RESOLVE THE ISSUE.

MR. DAVIS: IS THERE ANY OPPOSITION TO THIS MATTER?
IS THERE A MOTION?

MR. MC CARTHY: MOVED.

MR. DAVIS: ALL RIGHT. THE ITEM IS APPROVED TWO TO
ZERO.

MS. DEDRICK: ALL RIGHT. ITEM 32 IS THE --
MONITORING THE REPORT ON THE POSSIBLE SUBSIDENCE AND
SEISMIC HAZARDS. THE LONG BEACH UNIT.

MR. THOMPSON IS HERE TO TELL YOU, I'M SURE.
THAT THERE IS NO SUBSIDENCE. I HOPE THAT'S CORRECT,
MR. THOMPSON.

MR. DAVIS: NO SUBSIDENCE FROM WHAT?

MS. DEDRICK: OH, FROM THE OIL OPERATIONS.

MR. CHAIRMAN. THE MONITORING OF SEISMIC OR OF SUBSIDENCE
IN THE WILMINGTON OIL FIELD IS A -- HAS BEEN A MAJOR ISSUE
FOR A VERY LONG TIME. IN THE EARLY DAYS OF THE FIELD
THERE WAS TREMENDOUS SUBSIDENCE. I'VE FORGOTTEN THE
NUMBERS, BUT I'M SURE MOOSE COULD GIVE YOU ANY AMOUNT OF
DETAIL YOU NEED ON THAT. OVER THE YEARS THE WATER
INJECTION PROGRAM HAS --

MR. DAVIS: I'M FAMILIAR WITH IT, AND I'VE RECENTLY
BEEN IN LONG BEACH. AND THAT'S WHY I'M SURPRISED TO HEAR
THAT THERE'S NO SUBSIDENCE, BECAUSE THOSE PEOPLE SEEM

1 FAIRLY EXERCISED OVER THE ISSUE.

2 MS. DEDRICK: CURRENTLY OR --

3 YES, MOOSE, I THINK YOU BETTER GIVE A MORE
4 DETAILED REPORT. THERE'S A MIKE UP HERE. (INDICATING)

5 MR. DAVIS: DOES MR. CALHOUN OF THE CITY ATTORNEY'S
6 OFFICE -- HAS HE SEEN THIS REPORT?

7 MR. THOMPSON: THIS IS MERELY THE DATA THAT'S
8 COLLECTED BY THE HARBOR DEPARTMENT AND THE CITY OF LONG
9 BEACH. THIS IS MERELY REPORTING ON THE SAME DATA THEY'VE
10 ALREADY REPORTED ON. TWICE A YEAR THE GROUND ELEVATIONS
11 ARE SURVEYED FROM PREDETERMINED MONUMENTS.

12 MR. DAVIS: SO THIS IS THEIR REPORT TO US?

13 MR. THOMPSON: THEY HAVE TRANSMITTED THE SAME DATA
14 TO US. WE HAVE INTERPRETED IT AND COME TO THE SAME
15 CONCLUSION, I THINK, THE CITY HAS.

16 MR. DAVIS: I WOULD LIKE TO PUT THIS ITEM OFF UNTIL
17 I HEAR FROM LONG BEACH THAT THEY HAVE NO OBJECTION TO THIS
18 REPORT.

19 MR. HIGHT: MR. ENICK, WHO IS WITH THE CITY
20 ATTORNEY'S OFFICE, MR. CHAIRMAN, IS HERE, AND HE MAY BE
21 ABLE TO SPEAK ON THE ISSUE.

22 MR. ENICK: THIS ONE, I BELIEVE, MR. CHAIRMAN, IS
23 A -- IS A MATTER THAT THE CITY AND THE STATE ARE IN
24 COMPLETE AGREEMENT ON.

25 MR. COLAS: YES, SIR.

1 MR. DAVIS: WOULD YOU IDENTIFY YOURSELF FOR THE
2 RECORD?

3 MR. COLAS: YES, SIR. MY NAME IS XEN COLAZAS. I'M
4 THE DIRECTOR OF OIL PROPERTIES FOR THE CITY OF LONG BEACH.

5 MR. THOMPSON WAS CORRECT. THE CITY PUBLISHES
6 TWICE A YEAR A REPORT ABOUT THE SUBSIDENCE IN THE AREA.
7 WHAT WE DO IS SURVEY THE AREA, THE ENTIRE LONG BEACH AREA,
8 THE OFFSHORE AREA AND SO ON.

9 WHAT HAPPENS IS THE -- BECAUSE OF THE
10 TREMENDOUS WATER FLOOD SYSTEM THAT WE HAVE, THE FIELD IS
11 IN DYNAMIC CONDITION. THEREFORE IT HAS -- AT TIMES IT HAS
12 A TENDENCY TO REGAIN ELEVATION. AT TIMES IT HAS A TENDENCY
13 TO LOSE ELEVATION. THE ELEVATIONS THAT WE HAVE RECORDED
14 RECENTLY HAVE LOST A SMALL ELEVATION, BUT IT IS PART OF
15 THE ENTIRE PROGRAM. WE'RE NOT EXPERIENCING SUBSIDENCE.

16 SO I REALLY DO NOT KNOW -- THE LAST REPORT
17 THAT YOU HAVE, YOU KNOW -- WHAT MR. CALHOUN HAD SAID OR
18 ANYTHING LIKE THAT. BUT WE ARE NOT EXPERIENCING
19 SUBSIDENCE AS SUCH. WE'RE EXPERIENCING SLIDES, LOSSES AND
20 GAINS OF ELEVATION, BUT IT IS WITHIN THE REALM OF
21 ACCURACY.

22 MR. DAVIS: ALL RIGHT. BUT MY MAJOR CONCERN IS
23 THAT THERE'S NO DISPUTE BETWEEN THE LANDS COMMISSION AND
24 THE CITY ATTORNEY'S OFFICE OVER THE ACCURACY OF THIS DATA.
25 AND YOU'RE TELLING ME THAT THE DATA, YOU'RE SATIS -- I

1 MEAN, YOU HELPED --

2 MR. COLAS: YES, SIR. WE ARE SATISFIED WITH THE
3 DATA. YES.

4 MR. DAVIS: ALL RIGHT.

5 MR. COLAS: THANK YOU.

6 MR. THOMPSON: I WANT TO COMMENT ON THE REASON FOR
7 THIS REPORTING IS THIS IS A SUBSIDENCE FUND THAT'S BEING
8 IMPOUNDED. AND THE FUNDS ARE TO PROTECT THE FIELD
9 CONTRACTOR, THE CITY, AND THE STATE, FROM ANY DAMAGES FROM
10 SUBSIDENCE. THIS IS PART OF THE RECORD TO SHOW THAT THERE
11 HASN'T BEEN ANY SUBSIDENCE CAUSED BY THE PRODUCTION FROM
12 THE LONG BEACH UNIT.

13 MR. DAVIS: ALL RIGHT. I JUST -- I KNOW THEY'RE
14 SENSITIVE, AS I MET WITH SOME MEMBERS OF THE CITY
15 ATTORNEY'S OFFICE WITHIN THE LAST TWO WEEKS. AND WHILE WE
16 DIDN'T TALK ABOUT THAT SPECIFIC REPORT, I KNOW THEY'RE
17 SENSITIVE TO THAT FUND BEING RAIDED FOR OTHER PURPOSES.
18 AND THEY'RE VERY SENSITIVE ON THE GENERAL ISSUE. SO
19 APPARENTLY THEY DON'T HAVE A QUARREL WITH THIS PARTICULAR
20 REPORT.

21 MS. DEDRICK: MR. CHAIRMAN, THERE'S SORT OF A
22 REGULAR TWITCH OF EFFORT ALMOST EVERY BUDGET YEAR IN THE
23 LEGISLATURE TO -- THAT WE WILL GET QUESTIONS ABOUT THE
24 LONG BEACH SUBSIDENCE FUND AT LEAST ONCE A YEAR. NO ONE,
25 TO MY KNOWLEDGE, HAS EVER ATTEMPTED TO GET SERIOUS ABOUT

1 RAIDING IT. THOUGH, I DON'T BELIEVE.

2 MR. DAVIS: OKAY.

3 MS. DEDRICK: IT CERTAINLY IS THE CITY'S MONEY.

4 MR. DAVIS: ALL RIGHT. ARE THERE ANY OTHER
5 COMMENTS ON THIS MATTER? ANY OBJECTION TO THE ADOPTION OF
6 THIS ITEM? IS THERE A MOTION?

7 MR. MC CARTHY: NO. IT'S JUST A REPORT ABOUT
8 THIS --

9 MR. DAVIS: DO WE HAVE TO ACCEPT THIS REPORT?

10 MS. DEDRICK: WELL, IT'S SIMPLY AN INFORMATIONAL
11 ITEM. YOU REALLY DON'T HAVE TO TAKE ANY ACTION. I DON'T
12 BELIEVE.

13 MR. DAVIS: ALL RIGHT. SO WE'LL GO TO ITEM 33.

14 MS. DEDRICK: OKAY. ITEM 33, GEONARIX, IS THE
15 APPLICANT FOR A PROSPECTING PERMIT FOR MINERALS OTHER THAN
16 THE ONES LISTED, WHICH MEANS THAT IT'S REALLY FOR HARD --
17 FOR HARD ROCK MINERALS SUCH AS PROBABLY GOLD, IN SAN
18 BERNARDINO COUNTY. IT'S NOT OIL, GAS, GEOTHERMAL OR
19 GRAVEL IS WHAT THAT MEANS.

20 MR. DAVIS: IS THERE ANY COMMENT ON THIS ITEM? ANY
21 OPPOSITION TO IT?

22 IS THERE A MOTION TO APPROVE IT?

23 MR. MC CARTHY: YES, APPROVED.

24 MR. DAVIS: THAT IS APPROVED TWO TO ZERO.

25 ITEM 34?

1 MS. DEDRICK: THIS IS A QUITCLAIM DEED FOR AN OIL
2 AND GAS LEASE IN SOLANO COUNTY. AND STAFF RECOMMENDS
3 ACCEPTANCE.

4 MR. DAVIS: ANY COMMENT? ANY OPPOSITION?

5 IS THERE A MOTION TO APPROVE?

6 MR. MC CARTHY: APPROVED.

7 MR. DAVIS: IT'S APPROVED TWO TO ZERO.

8 ITEM 35?

9 MS. DEDRICK: ITEM 35. THIS IS A ROYALTY OIL SALE
10 AWARD OF SOME OIL IN -- FROM SUMMERLAND. THE PRICE OVER
11 THE POSTED PRICE IS 27 CENTS.

12 MR. DAVIS: ANY COMMENT? ANY OPPOSITION?

13 MOTION TO APPROVE?

14 MR. MC CARTHY: MOTION.

15 MR. DAVIS: IT'S APPROVED TWO TO ZERO.

16 ITEM 35?

17 MS. DEDRICK: ITEM 36. EDGINGTON OIL COMPANY.
18 AGAIN A ROYALTY OIL SALE CONTRACT. ONLY THIS IS IN THE
19 WILMINGTON FIELD. 36.5 CENTS.

20 MR. DAVIS: ANY COMMENT? ANY OPPOSITION?

21 IS THERE A MOTION TO APPROVE ITEM 36?

22 MR. MC CARTHY: MOTION.

23 MR. DAVIS: THAT'S APPROVED TWO TO ZERO.

24 ITEM 37?

25 MS. DEDRICK: ITEM 37. THIS IS A REQUEST FOR

1 EXEMPTION FROM THE COMPETITIVE BID PROCEDURES FROM THE
2 CONTRA COSTA COUNTY FOR A SUBSURFACE, REALLY, GAS LEASE
3 THAT'S LOCATED ON COUNTY PROPERTY.

4 MR. DAVIS: OKAY. ANY COMMENT ON THIS ITEM? ANY
5 OPPOSITION?

6 IS THERE A MOTION FOR APPROVAL?

7 MR. MC CARTHY: YES.

8 MR. DAVIS: THAT ITEM IS APPROVED TWO TO ZERO.

9 WE'RE ON ITEM 36 NOW?

10 MS. DEDRICK: ITEM -- I GUESS -- I THINK WE'RE
11 ON --

12 MR. DAVIS: 37?

13 MS. DEDRICK: WE JUST DID 37. WE'RE ON 38.

14 MR. DAVIS: OH --

15 MS. DEDRICK: SORRY, I --

16 MR. DAVIS: -- EXCUSE ME, ITEM 38.

17 MS. DEDRICK: -- FOOLED MYSELF THERE FOR A MOMENT.

18 LONITA GAS COMPANY. THIS IS THE APPROVAL OF
19 THE SALE BY THE CITY OF LONG BEACH OF SOME LIQUIFIED
20 PETROLEUM GAS PRODUCTS FROM THE HARBOR DEPARTMENT.

21 MR. DAVIS: ANY COMM --

22 MS. DEDRICK: AND FROM PARCEL "A", EXCUSE ME.

23 MR. DAVIS: ANY COMMENT ON THIS ITEM? ANY
24 OPPOSITION?

25 IS THERE A MOTION TO APPROVE?

1 MR. MC CARTHY: UH-HUH.

2 MR. DAVIS: ITEM 38 IS APPROVED TWO TO ZERO.

3 39?

4 MS. DEDRICK: ITEM 39 IS A NOTICE OF INTENT BY THE
5 CITY OF LONG BEACH TO SPEND ITS TIDELAND OIL REVENUES FOR
6 RECONSTRUCTION AND REPAIRS TO BEACH STAIRWAYS ALONG
7 BAYSHORE AVENUE AND BAYSHORE WALK.

8 MR. DAVIS: ANY OPPOSITION? ANY COMMENT?
9 MOTION TO APPROVE?

10 MR. MC CARTHY: (INAUDIBLE RESPONSE)

11 MR. DAVIS: IT'S APPROVED TWO TO ZERO.

12 ITEM 40?

13 MS. DEDRICK: CORBIN ROBERTSON AND QUINTANA
14 PETROLEUM. THIS IS A QUITCLAIM DEED FOR AN OIL AND GAS
15 LEASE IN SAN JOAQUIN COUNTY.

16 MR. DAVIS: ANY COMMENT? ANY OPPOSITION?
17 MOTION TO APPROVE?

18 MR. MC CARTHY: UH-HUH.

19 MR. DAVIS: APPROVED TWO TO ZERO.

20 ITEM 41?

21 MS. DEDRICK: ITEM 41, HUNTWAY REFINING. AGAIN, AN
22 AWARD OF A ROYALTY OIL SALE IN THE SOUTH ELLWOOD FIELD,
23 SANTA BARBARA COUNTY. 25.3 CENTS, THREE-TENTHS OF A CENT
24 OVER OUR MINIMUM BID.

25 MR. DAVIS: ANY COMMENT? ANY OPPOSITION?

1 MOTION TO APPROVE?

2 MR. MC CARTHY: YES.

3 MR. DAVIS: APPROVED TWO TO ZERO.

4 ITEM 42?

5 MS. DEDRICK: ITEM 42, CASEX, A GAS LESSEE OF THE
6 STATE'S IN THE DELTA WHO IS ASKING FOR PERMISSION TO SELL
7 ROYALTY GAS, WHICH IS A FAIRLY -- WHICH IS A COMPLETELY
8 COMMON THING, THE ROYALTY GAS. THERE'S ONLY ONE BUYER.
9 AND THAT'S PG&E.

10 MR. DAVIS: ANY COMMENT? ANY OPPOSITION?

11 MOTION TO APPROVE?

12 MR. MC CARTHY: UH-HUH.

13 MR. DAVIS: THAT'S -- ITEM 42 IS APPROVED TWO TO
14 ZERO.

15 ITEM 43?

16 MS. DEDRICK: ITEM 43, CHEVRON U.S.A., THE SAME
17 ISSUE AS THE CASEX ISSUE, PERMISSION TO SELL ROYALTY GAS
18 TO PG&E.

19 MR. DAVIS: ANY COMMENT? ANY OPPOSITION?

20 MOTION TO APPROVE?

21 MR. MC CARTHY: YES.

22 MR. DAVIS: THAT ITEM IS APPROVED TWO TO ZERO.

23 ITEM 44?

24 MS. DEDRICK: MR. HIGHT WILL TAKE THE LEGAL ITEMS.

25 MR. HIGHT: MR. CHAIRMAN, ITEM 44 IS THE

1 AUTHORIZATION TO SETTLE A TITLE DISPUTE IN THE CITY OF
2 SAN RAFAEL. AND IN EXCHANGE FOR THE SETTLEMENT OF THAT
3 DISPUTE THE APPLICANT, MR. GEORGE DEXTER, WILL PAY \$75,000
4 INTO. SINCE THIS IS GRANTED LANDS, THE CITY OF SAN
5 RAFAEL'S, IN EFFECT, TIDELANDS GRANT FUND. AND THEY WILL
6 PURCHASE ADDITIONAL LAND WITH THAT MONEY WITHIN THE CITY.

7 MR. DAVIS: ANY COMMENT? ANY OPPOSITION?

8 IS THERE A MOTION TO APPROVE ITEM 44?

9 MR. MC CARTHY: YES.

10 MR. DAVIS: IT'S APPROVED TWO TO ZERO.

11 45 IS OFF CALENDAR.

12 46?

13 MR. HIGHT: 46. MR. CHAIRMAN, IS THE CESSION OF
14 CONCURRENT CRIMINAL JURISDICTION FOR FIVE YEARS OVER A
15 NUMBER OF FEDERAL ENCLAVES WITHIN THE STATE.

16 MR. DAVIS: ANY COMMENT ON THIS ITEM? ANY
17 OPPOSITION?

18 IS THERE A MOTION TO APPROVE?

19 MR. MC CARTHY: YES.

20 MR. DAVIS: THERE IS. THAT'S APPROVED TWO TO ZERO.

21 ITEM 47?

22 MR. HIGHT: ITEM 47, MR. CHAIRMAN, IS THE
23 AUTHORIZATION TO ENTER INTO A BOUNDARY LINE AGREEMENT
24 WHICH WILL SETTLE AN EXISTING LAWSUIT THE COMMISSION IS
25 INVOLVED IN IN VENTURA COUNTY.

1 WE BELIEVE THAT THIS BOUNDARY LINE AGREEMENT
2 IS IN THE BEST INTERESTS OF THE STATE, AND WILL PROVIDE A
3 SETTLEMENT FOR A LONG DISPUTE WITHIN THE AREA.

4 MR. DAVIS: I HAVE AN INDICATION THAT SOME PEOPLE
5 WANT TO SPEAK ON ITEM 47.

6 MR. HIGHT: I THINK KATHY STONE, WHO IS
7 REPRESENTING THE CITY OF OXNARD, IS HERE TO ANSWER ANY
8 QUESTIONS. AND THERE WAS ANOTHER ITEM, BUT WE HAVE SOLVED
9 THAT PROBLEM.

10 MR. DAVIS: OKAY.

11 MR. HIGHT: KATHY STONE IS THE ONLY PERSON THAT WE
12 HAVE.

13 MR. DAVIS: I ALSO HAVE A MR. COLAZ -- NO, I'M
14 SORRY, THAT'S ANOTHER ITEM.

15 MS. STONE: I'LL RESERVE MY COMMENTS IF THERE'S NO
16 OPPOSITION, AND JUST BE AVAILABLE TO ANSWER ANY QUESTIONS.

17 MR. HIGHT: THE CITY OF OXNARD IS IN SUPPORT, AND
18 I -- IF I CAN SPEAK FOR KATHY.

19 MS. STONE: YES.

20 MR. DAVIS: IS THERE ANY COMMENT ON THIS MATTER?
21 ANY OPPOSITION? NOBODY ELSE WANTS TO BE HEARD?

22 IS THERE A MOTION TO APPROVE THIS ITEM?

23 MR. MC CARTHY: YES.

24 MR. DAVIS: THE VOTE IS TWO TO ZERO.

25 ITEM 487

1 MR. HIGHT: ITEM 48, MR. CHAIRMAN, IS CESSION OF
2 CRIMINAL JURISDICTION FOR FIVE YEARS OVER SOME U.S. NAVY
3 INSTALLATIONS. AS IN THE PRIOR ITEM ON CONCURRENT
4 CRIMINAL JURISDICTION WE'VE HELD HEARINGS, AND EVERYBODY
5 LIKES THIS CONCEPT.

6 MR. DAVIS: IS THERE ANY COMMENT ON THIS MATTER?
7 ANY OPPOSITION?

8 IS THERE A MOTION TO APPROVE ITEM 48?

9 MR. MC CARTHY: YES.

10 MR. DAVIS: IT'S APPROVED TWO TO ZERO.

11 ITEM 49?

12 MR. HIGHT: ITEM 49, MR. CHAIRMAN, IS THE
13 AUTHORIZATION TO INITIATE EJECTMENT ACTION AGAINST THE
14 STOCKTON YACHT CLUB, WHO IS LOCATED ON WHAT WE BELIEVE TO
15 BE STATE SOVEREIGN LANDS. AND THEY HAVE AT THIS POINT
16 REFUSED TO COME UNDER LEASE.

17 MR. DAVIS: RUN THAT BY ME, NOW. WHAT DO YOU MEAN,
18 THEY'VE REFUSED TO COME UNDER LEASE?

19 MR. HIGHT: THEY MAINTAIN THAT THEY DO NOT HAVE TO
20 GET A LEASE WITH THE LANDS COMMISSION.

21 MR. DAVIS: IS THERE ANY COMMENT ON THIS ITEM? THE
22 ATTORNEY GENERAL APPROVES THIS?

23 MR. KILEY: YES. NO OBJECTION, IT SEEMS FINE.

24 MR. DAVIS: IS THERE A MOTION FOR APPROVAL?

25 MR. MC CARTHY: YES.

1 MR. DAVIS: THAT ITEM IS APPROVED TWO TO ZERO.

2 ITEM 50?

3 MR. HIGHT: ITEM 50, MR. CHAIRMAN, WE THOUGHT WOULD
4 BE READY TO BRING BEFORE YOU TODAY, BUT SOME LAST MINUTE
5 GLITCHES IN GETTING THE DOCUMENTATION COMPLETED HAS -- WE
6 DIDN'T GET IT FINISHED. AND SO I WOULD LIKE TO ASK THAT
7 WE PUT THIS OVER, AND IF NECESSARY PERHAPS HOLD A SPECIAL
8 MEETING IN THE NEXT 30 DAYS TO HANDLE THIS ITEM.

9 MR. DAVIS: ALL RIGHT. IS THAT ALL RIGHT WITH YOU?

10 MR. MC CARTHY: YES.

11 MR. DAVIS: ALL RIGHT. WE CAN SET A MEETING IN THE
12 NEXT 30 DAYS. OKAY. SO ORDERED.

13 ITEM 52?

14 MS. DEDRICK: ITEM 52, THE CITY OF LONG BEACH.
15 THIS IS THE -- THE STAFF RECOMMENDS ADOPTION OF THE CITY'S
16 1988/89 PLAN OF DEVELOPMENT AND BUDGET -- PLAN OF
17 DEVELOPMENT AND OPERATION AND BUDGET.

18 MR. DAVIS: ANY COMMENT? ANY OPPOSITION?

19 IS THERE A MOTION TO APPROVE ITEM 52?

20 MR. MC CARTHY: YES.

21 MR. DAVIS: IT'S APPROVED TWO TO ZERO.

22 53 IS OFF CALENDAR.

23 54?

24 MS. DEDRICK: 54, AGAIN THE CITY OF LONG BEACH ARE
25 THE APPLICANTS. THIS IS THE SIXTH MODIFICATION OF THE

1 1987/88 PLAN AND BUDGET, THE CURRENT YEAR.

2 MR. DAVIS: ANY COMMENT? ANY OPPOSITION?

3 IS THERE A MOTION TO APPROVE?

4 MR. MC CARTHY: UH-HUH.

5 MR. DAVIS: APPROVED TWO TO ZERO.

6 ITEM --

7 MS. DEDRICK: MR. TROUT WILL TAKE THE --

8 MR. DAVIS: -- 55 IS OFF CALENDAR.

9 56?

10 MS. DEDRICK: MR. TROUT'S GOING TO HANDLE THE
11 ADMINISTRATIVE MATTERS.

12 MR. TROUT: ITEM 56 IS THE AUTHORIZATION FOR THE
13 EXECUTIVE OFFICER TO EXECUTE AN AGREEMENT WITH THE
14 CALIFORNIA STATE UNIVERSITY TO PROVIDE SOME STUDENT HELP
15 WITH THE CALIFORNIA COMPREHENSIVE OFFSHORE RESOURCES STUDY
16 THAT THE COMMISSION REQUESTED DURING THE CONSIDERATION OF
17 THE ARCO COAL OIL PROJECT. WE RECOMMEND APPROVAL.

18 MR. DAVIS: ANY OPPOSITION?

19 IS THERE A MOTION TO APPROVE?

20 MR. MC CARTHY: YES.

21 MR. DAVIS: IT'S APPROVED TWO TO ZERO.

22 57?

23 MR. TROUT: 57 IS FOR THE CALIFORNIA STATE
24 UNIVERSITY FOUNDATION TO PROVIDE SERVICES TO OUR LONG
25 BEACH OFFICE IN THE EVALUATION AND WORKUP OF THE DATA WE

1 GET FROM THE FEDERAL GOVERNMENT ON THE OFFSHORE 8-(G)
2 SITUATION. AND THAT'S BUDGETED ANNUALLY.

3 MR. DAVIS: ANY COMMENT? ANY OPPOSITION?

4 IS THERE A MOTION TO APPROVE ITEM 57?

5 MR. MC CARTHY: YES.

6 MR. DAVIS: IT'S APPROVED TWO TO ZERO.

7 ITEM 58?

8 MR. TROUT: ITEM 58 IS TO PROVIDE AUTHORITY FOR THE
9 EXECUTIVE OFFICER TO HIRE A COURT REPORTER FOR THE
10 HEARINGS TO BE HELD ON THE CALIFORNIA COMPREHENSIVE
11 OFFSHORE RESOURCES STUDY.

12 MR. DAVIS: YOU WANT A SEPARATE COURT REPORTER FOR
13 THAT?

14 MS. DEDRICK: WE HAVE TO -- WE'LL BE IN SEVERAL
15 CITIES, MR. CHAIRMAN, AND WE'LL BE HIRING FROM DIFFERENT
16 COMPANIES.

17 MR. DAVIS: ALL RIGHT.

18 ANY OPPOSITION TO THAT MOTION?

19 APPROVED TWO TO ZERO.

20 59?

21 MR. TROUT: ITEM 59 IS YOUR APPROVAL FOR THE
22 EXECUTIVE OFFICER TO ENTER INTO A LEASE WITH U.C. SANTA
23 BARBARA TO PROVIDE AN OFFICE FOR OUR FIELD INSPECTORS AND
24 PEOPLE THAT WORK IN THE SANTA BARBARA AREA. THE OFFICE WE
25 HAD FOR SOME TIME WE WERE ASKED TO VACATE BY THE OWNER.

1 THEY'VE BEEN GIVING US VERY FAVORABLE RENT.

2 WE'RE IN TEMPORARY QUARTERS THAT DON'T
3 PROVIDE THE BEST ARRANGEMENT. THE UNIVERSITY HAS OFFERED
4 TO MAKE AVAILABLE TO US FOR \$1 A YEAR A BUILDING ON
5 CAMPUS. THERE WILL BE SOME MODIFICATIONS AND REPAIRS THAT
6 ARE REQUIRED, TOTAL ABOUT 60,000, BUT IT WILL BE LESS RENT
7 THAN WE HAVE BEEN PAYING. AND WE RECOMMEND YOUR APPROVAL.

8 MR. DAVIS: ANY OPPOSITION TO THIS?

9 IS THERE A MOTION TO APPROVE?

10 MR. MC CARTHY: UH-HUH.

11 MR. DAVIS: APPROVED TWO TO ZERO.

12 ITEM 60?

13 MR. TROUT: ITEM 60 IS THE RADIFICATION OF THE
14 DELEGATION TO THE EXECUTIVE OFFICER TO EXECUTE AN
15 AGREEMENT FOR CONSULTANT SERVICES WITH THE -- FOR THE
16 CALIFORNIA COMPREHENSIVE OFFSHORE RESOURCES STUDY. THIS
17 IS TO PROVIDE FOR THE ASSISTANCE, DIRECTION AND
18 CONSULTATION OF PAUL EIDEICHER IN -- IN CARRYING THIS VERY
19 COMPLICATED PROJECT FORWARD, AND AT THE MOST RAPID AND WE
20 HOPE THE MOST SKILLFUL WAY POSSIBLE TO BENEFIT THE
21 COMMISSION.

22 MR. DAVIS: IS THERE ANY OPPOSITION TO THIS?

23 IS THERE A MOTION?

24 MR. MC CARTHY: YES.

25 MR. DAVIS: IT'S APPROVED TWO TO ZERO.

1 ITEM --

2 MR. TROUT: ITEM 61 IS THE APPROVAL FOR THE
3 EXECUTION OF AN INTERAGENCY AGREEMENT WITH THE STATE
4 CONTROLLER'S OFFICE TO PROVIDE SERVICES TO THE COMMISSION,
5 SOME LEGAL SERVICES AND SOME SERVICES RELATED TO THE STATE
6 SCHOOL LAND PROGRAM. AND WE RECOMMEND YOUR APPROVAL.

7 MR. DAVIS: IS THERE ANY OPPOSITION TO THIS?

8 IS THERE A MOTION TO APPROVE THIS?

9 MR. MC CARTHY: YES.

10 MR. DAVIS: IT'S APPROVED TWO TO ZERO.

11 62.

12 MR. TROUT: MR. CHAIRMAN, ITEM 62 IS A -- OUR
13 ANNUAL REQUEST FOR APPROVAL TO EXECUTE THE NUMEROUS
14 CONTRACTS FOR THE VARIOUS ACTIVITIES AND -- THAT GO ON
15 DURING THE YEAR. THIS INCLUDES BLUEPRINTING SERVICES, OUR
16 HELICOPTER SERVICES FOR OFFSHORE INSPECTIONS, THE ATTORNEY
17 GENERAL'S OFFICE, THE REPRESENTATION IN WASHINGTON D.C.
18 AND A NUMBER OF OTHERS.

19 THE AMOUNTS ARE SHOWN ON PAGE 365, AND
20 VARIOUS ONES. BUT WE RECOMMEND YOUR APPROVAL.

21 MR. DAVIS: IS THERE ANY OPPOSITION TO THIS?

22 IS THERE A MOTION TO APPROVE?

23 MR. MC CARTHY: UH-HUH.

24 MR. DAVIS: IT'S APPROVED TWO TO ZERO.

25 THAT COMPLETES THE AGENDA. IS THERE ANY

1 OTHER BUSINESS?

2 MS. DEDRICK: NO OTHER BUSINESS, MR. CHAIRMAN --
3 WHOOPS, MAYBE THERE IS THAT I DIDN'T KNOW ABOUT. HERE.

4 MR. HIGHT: MR. CHAIRMAN, IT'S ALWAYS SPORT TO PICK
5 ON GREG TAYLOR, WHO IS ABSENT, ABOUT THE PRICE OF HIS
6 CONTRACT. SO IF WE COULD JUST GO ON RECORD THAT WE PICKED
7 ON HIM, IT'LL MAKE HIM FEEL LOVED.

8 MR. DAVIS: WELL, DO WE WANT TO MAKE HIM FEEL
9 LOVED?

10 MS. DEDRICK: ON BALANCE IT MAKES OUR LIFE EASIER.

11 MR. DAVIS: ALL RIGHT. SO THE RECORD WILL SO NOTE
12 THAT THE COMMISSIONER'S APPROVED THAT WITH GREAT
13 RELUCTANCE.

14 MS. DEDRICK: EXCELLENT, MR. CHAIRMAN.

15 MR. DAVIS: ALL RIGHT. IS THERE NO OTHER BUSINESS?

16 MS. DEDRICK: NO OTHER BUSINESS.

17 MS. DAVIS: THANK YOU VERY MUCH FOR COMING TODAY.

18 MS. DEDRICK: THANK YOU, COMMISSIONERS.

19 MR. DAVIS: THE MEETING STANDS ADJOURNED.

20 (HEARING CONCLUDED AT 2:43 P.M.)

21

22

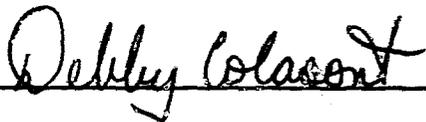
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REPORTER'S CERTIFICATEI, DEBBY COLASONT, HEARING REPORTER,

DO HEREBY CERTIFY:

THAT THE FOREGOING TRANSCRIPT OF PROCEEDINGS WAS
TAKEN BEFORE ME ON TUESDAY, APRIL 12, 1988AT THE TIME AND PLACE THEREIN SET FORTH, AND WAS TAKEN DOWN BY
ME IN SHORTHAND, AND THEREAFTER TRANSCRIBED INTO TYPEWRITING
UNDER MY DIRECTION AND SUPERVISION;AND I HEREBY CERTIFY THAT THE FOREGOING TRANSCRIPT
OF PROCEEDINGS IS A FULL, TRUE AND CORRECT TRANSCRIPT OF MY
SHORTHAND NOTES SO TAKEN.I FURTHER CERTIFY THAT I AM NEITHER COUNSEL FOR NOR
RELATED TO ANY PARTY TO SAID ACTION, NOR IN ANYWISE INTERESTED
IN THE OUTCOME THEREOF.IN WITNESS THEREOF, I HAVE HEREUNTO SUBSCRIBED MY
NAME THIS 13TH DAY OF MAY, 19 88.
Debby Colasont