

CALIFORNIA

STATE LANDS COMMISSION

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LEO T. McCARTHY, Lieutenant Governor
GRAY DAVIS, Controller
JESSE R. HUFF, Director of Finance

MINUTES

Original

REGULAR MEETING

TUESDAY, DECEMBER 13, 1988

Santa Monica City Council Chambers
1685 Main Street
Santa Monica, California

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1 State Lands Commission

2 Regular Meeting

3 December 13, 1988

4 2:50 p.m.

5

6 - - P R O C E E D I N G S - -

7

8 CHAIR DAVIS: All right, the Chair notices the
9 presence of a quorum, the Lieutenant Governor and the
10 Controller being present.

11 Do I have a motion to confirm the Minutes of
12 the Meeting of October 7, and the Special Meeting of
13 October 26?

14 [No response.]

15 Leo, do you want to make a motion to confirm
16 the Minutes?

17 [MOTION] COMMISSIONER MC CARTHY: Moved.

18 CHAIR DAVIS: All right, that will be unanimously
19 adopted.

20 We'll move to the Consent Calendar, which involves --

21 EXECUTIVE OFFICER DEDRICK: One through 32,
22 Mr. Chairman.

23 CHAIR DAVIS: -- all right.

24 Is there any reason that the items on the
25 Consent Calendar should be taken off of the Consent Calendar?

1 EXECUTIVE OFFICER DEDRICK: Yes, we are pulling
2 Item C-1(g) and Item C-15.

3 CHAIR DAVIS: Okay.

4 EXECUTIVE OFFICER DEDRICK: But, not adding
5 them to the Regular Calendar. They are just off calendar.

6 CHAIR DAVIS: All right.

7 Is there anyone here who has any objection
8 to any items on the Consent Calendar? Any reason why
9 the Commission shouldn't adopt the Consent Calendar?

10 [No response.]

11 Is there a motion?

12 [MOTION] COMMISSIONER MC CARTHY: Moved.

13 CHAIR DAVIS: The Consent Calendar is adopted
14 unanimously.

15 Now, do we go back to Item C-1(d)?

16 EXECUTIVE OFFICER DEDRICK: No, those items
17 are just off calendar --

18 CHAIR DAVIS: Oh, off calendar.

19 EXECUTIVE OFFICER DEDRICK: -- Mr. Chairman,
20 and then there are items off calendar on the Regular
21 Calendar.

22 CHAIR DAVIS: All right.

23 EXECUTIVE OFFICER DEDRICK: Would you like
24 us to list those in advance?

25 CHAIR DAVIS: Why don't you tell us what is off.

1 EXECUTIVE OFFICER DEDRICK: All right.

2 Items No. 34, 35, 36, 58, 61, and 64 have been
3 pulled from the regular calendar.

4 CHAIR DAVIS: What happened after 38?

5 EXECUTIVE OFFICER DEDRICK: I'm sorry, 34,
6 35, 36, 58, 61, and 64.

7 CHAIR DAVIS: Okay.

8 All right, let's go to Item 33. Do you want
9 to explain that item.

10 EXECUTIVE OFFICER DEDRICK: All right, this
11 is the approval of a five-year general lease for El Dorado
12 Improvement Corporation, is the applicant.

13 The lease is in South Lake Tahoe. This is
14 for mooring buoys and is not in the area of concern in
15 the Tahoe region that you were concerned about in the
16 past.

17 This is an existing facility, and it is just
18 bringing it into consistency with our other conditions.

19 CHAIR DAVIS: Is there any objection to the
20 adoption of Item 33?

21 [No response.]

22 Anyone here want to testify against it?

23 [No response.]

24 MOTION COMMISSIONER MC CARTHY: So moved.

25 CHAIR DAVIS: All right, that is adopted 2 to zero.

1 Now, I guess we go to Item 37.

2 EXECUTIVE OFFICER DEDRICK: Yes, Item 37, Louisiana
3 Pacific Corporation is the successful bidder, and we
4 would like an authorization to accept a bid of \$174,148.00
5 for a timber sale in Mendocino County, near Covelo.

6 CHAIR DAVIS: Anyone want to speak against
7 this?

8 [No response.]

9 Is there a motion in favor?

10 [MOTION] COMMISSIONER MC CARTHY: Motion.

11 CHAIR DAVIS: That is adopted unanimously.
12 Item 39.

13 EXECUTIVE OFFICER DEDRICK: Thirty-eight, Mr.
14 Chairman is CIFICAP Corporation. This is the approval
15 of a boundary line agreement at the Pacific Coast Club
16 in City of Long Beach.

17 This is the old Pacific Coast Club property
18 in the City of Long Beach, Mr. Chairman, Item No. 38.
19 we are on here, and it is a boundary line agreement at
20 the Chapter 138 line. So, it is an old problem that is
21 nice to have settled.

22 CHAIR DAVIS: All right.

23 Is there a motion in favor of Item 38?

24 [MOTION] COMMISSIONER MC CARTHY: Vote yes.

25 CHAIR DAVIS: It is approved, 2 to zero.

1 EXECUTIVE OFFICER DEDRICK: Item 39, Wickland
2 Oil Terminals. This is an approval of an agreement and
3 consent between encumbrancing a Lease 5735 at the Carquinez
4 Straits, in the amount of \$15 million.

5 CHAIR DAVIS: Anyone to speak against this item?

6 [No response.]

7 [At THIS TIME Commissioner McCarthy was replaced by his
8 alternate, Alan Katz.]

9 Is there a motion in favor of it?

10 [MOTION] COMMISSIONER KATZ: So move.

11 CHAIR DAVIS: That is approved 2 to zero.

12 EXECUTIVE OFFICER DEDRICK: Item 40, the City
13 of Long Beach. This is a proposed crude oil sell off
14 of Parcel A oil, and this is a proposed sale, under our
15 normal conditions.

16 CHAIR DAVIS: Anyone to testify against Item 40?

17 [No response.]

18 Is there a motion in favor of it?

19 [MOTION] COMMISSIONER KATZ: Move Adoption.

20 CHAIR DAVIS: That is adopted 2 to zero.

21 EXECUTIVE OFFICER DEDRICK: Item 41, NCS International,
22 Inc, dba Ocean Surveys.

23 This is a non-exclusive geophysical survey
24 permit for low-energy geophysical surveys as allowed
25 by our current permitting program.

1 CHAIR DAVIS: That is below the level where
2 you have to file an EIR?

3 EXECUTIVE OFFICER DEDRICK: That is correct.

4 CHAIR DAVIS: All right.

5 Anyone want to speak against this item?

6 [No response.]

7 Is there a motion?

8 [MOTION] COMMISSIONER KATZ: So move.

9 CHAIR DAVIS: That is approved, 2 to zero.

10 EXECUTIVE OFFICER DEDRICK: Item 42, Benicia
11 Port Terminal Company. This is a renewal of a maintenance
12 dredging permit to authorize continued dredging of 90,000
13 cubic yards at the Port of Benicia on the Carquinez Straits.

14 CHAIR DAVIS: Would anyone like to speak against
15 this?

16 [No response.]

17 Is there a motion?

18 [MOTION] COMMISSIONER KATZ: So move.

19 CHAIR DAVIS: That is approved 2 to zero.

20 EXECUTIVE OFFICER DEDRICK: Item 43, County
21 of Contra Costa, this is a request for exemption from
22 competitive bid procedures for a sub-surface oil and
23 gas lease on property owned by the county.

24 CHAIR DAVIS: Anyone in the audience care to
25 speak against this?

1 [No response.]

2 Is there a motion?

3 [MOTION] COMMISSIONER KATZ: So move.

4 CHAIR DAVIS: The item is approved 2 to zero.

5 EXECUTIVE OFFICER DEDRICK: Item 44, this is
6 the City of Long Beach. This is the award of the Long
7 Beach Harbor Parcel, Parcel A Oil Contract, Long Beach
8 oil development properties, to the Chance Energy Corporation,
9 and -- let's see, I guess they are a subsidiary of Neste
10 Holding Company.

11 We have people here if you wish to take testimony
12 on it. As far as I know, at this point, this is a non-
13 controversial issue.

14 CHAIR DAVIS: Is there anyone wh wishes to
15 testify against the adoption of this item?

16 [No response.]

17 Hearing none, is there a motion?

18 [MOTION] COMMISSIONER KATZ: I'll move Item 44.

19 CHAIR DAVIS: That is approved 2 to zero.

20 EXECUTIVE OFFICER DEDRICK: Okay, Item 45,
21 CCG American Services. This is geophysical survey permits
22 in the delta on tide and submerged lands, and that is
23 the program which goes forward on its own merits, and
24 it is where the authorizations occur first with the Department
25 of Fish and Game.

1 CHAIR DAVIS: Is there anyone who wants to
2 speak against Item 45?

3 [No response.]

4 [MOTION] COMMISSIONER KATZ: Move Item 45.

5 CHAIR DAVIS: That is approved 2 to zero.

6 EXECUTIVE OFFICER DEDRICK: Okay.

7 Item 46 is the second modification to the '88 - '89
8 Plan of Budget of the City of Long Beach for the Wilmington
9 Oil Field.

10 CHAIR DAVIS: Anyone here to speak against
11 Item 46?

12 [No response.]

13 Is there a motion?

14 [MOTION] COMMISSIONER KATZ: Move Item 46.

15 CHAIR DAVIS: That item is approved 2 to zero.

16 EXECUTIVE OFFICER DEDRICK: Item 47, again
17 the City of Long Beach. This is the third modification
18 to provide for the continuation of a second drilling
19 rig for the remainder of the fiscal year.

20 CHAIR DAVIS: Anyone to speak against Item 47?

21 [No response.]

22 [MOTION] COMMISSIONER KATZ: Move Item 47.

23 CHAIR DAVIS: That is approved 2 to zero.

24 EXECUTIVE OFFICER DEDRICK: Thank you, Commissioners.
25 Item 48, this is an informational item

1 This is a first-quarter status report of the Long Beach
2 Plan and Budget for the '88 - '89 year.

3 CHAIR DAVIS: So, there is no action necessary
4 on that item?

5 EXECUTIVE OFFICER DEDRICK: I am not entirely
6 certain.

7 [Pause in the proceedings.]

8 No, this is just informational, Mr. Chairman.

9 CHAIR DAVIS: Okay.

10 EXECUTIVE OFFICER DEDRICK: Item 49, Union
11 Oil Company. This is a consideration of a reimbursement
12 agreement and an authorization to contract for the preparation
13 of an EIR for leasing lands for geothermal resources
14 in Sonoma County. This is under the program which provides
15 revenue to the State Teachers Retirement System.

16 CHAIR DAVIS: All right, is there anyone here
17 to oppose that item?

18 [No response.]

19 Is there a motion?

20 MOTION COMMISSIONER KATZ: Move the item.

21 CHAIR DAVIS: Item 49 is approved 2 to zero.

22 EXECUTIVE OFFICER DEDRICK: Item 50, Amerada
23 Hess, this is an issuance of a negotiated subsurface
24 oil and gas lease in the delta in Cache Slough -- actually,
25 it is in Cache Slough, but that is close to the delta.

1 CHAIR DAVIS: Anyone in opposition to Item 50?

2 [No response.]

3 Is there a motion?

4 [MOTION] COMMISSIONER KATZ: So move.

5 CHAIR DAVIS: Item 50 is approved 2 to zero.

6 EXECUTIVE OFFICER DEDRICK: Item 51, Alfredo
7 A. Figueroa is the applicant for a negotiated minerals
8 extraction lease, 543 acres of school lands in Southern
9 Little Maria Mountains of Riverside County.

10 CHAIR DAVIS: Anyone here to testify against
11 Item 51?

12 [No response.]

13 Is there a motion?

14 [MOTION] COMMISSIONER KATZ: Move Item 51.

15 CHAIR DAVIS: That is approved 2 to zero.

16 EXECUTIVE OFFICER DEDRICK: Item 52 relates
17 to what is now Platform Esther, the island that washed
18 out a few years ago, and it is a partial assignment of
19 the lease from Chevron to the Union Oil Company.

20 CHAIR DAVIS: We have to approve?

21 EXECUTIVE OFFICER DEDRICK: You have to approve
22 the assignments.

23 CHAIR DAVIS: All right.

24 Anyone opposed to Item 52?

25 [No response.]

1 Is there a motion?

2 [MOTION] COMMISSIONER KATZ: So move.

3 CHAIR DAVIS: That is approved 2 to zero.

4 EXECUTIVE OFFICER DEDRICK: Item 53 is the
5 approval of the award of a crude oil sales contract by
6 the City of Long Beach to Edgington Oil Company, the
7 high bidder, for some oil from the Wilmington Field.

8 CHAIR DAVIS: Anyone in opposition to Item 53?
9 [No response.]

10 Is there a motion?

11 [MOTION] COMMISSIONER KATZ: Moved.

12 CHAIR DAVIS: That is approved 2 to zero.

13 EXECUTIVE OFFICER DEDRICK: And, Item 54 is
14 Chevron. This is a request for a deferment of drilling
15 obligations on Chevron leases in Santa Barbara County
16 for one year, I believe.

17 CHAIR DAVIS: Anyone in opposition to Item 54?

18 [No response.]

19 Is there a motion?

20 [MOTION] COMMISSIONER KATZ: So move.

21 CHAIR DAVIS: That is approved 2 to zero.

22 EXECUTIVE OFFICER DEDRICK: Thank you.

23 Mr. Hight will take the legal items.

24 CHIEF COUNSEL HIGHT: Item 55, Mr. Chairman,
25 is a disclaimer of an interest in some property in Kern

1 County, which the Commission has no interest in.

2 CHAIR DAVIS: Anyone here to oppose Item 55?

3 [No response.]

4 Is there a motion?

5 [MOTION] COMMISSIONER KATZ: Move Item 55.

6 CHAIR DAVIS: That is approved 2 to zero.

7 CHIEF COUNSEL HIGHT: Item 56, Mr. Chairman,
8 is also the disclaimer of interest in some property in
9 Kern County. The Commission has no interest.

10 CHAIR DAVIS: Does anyone oppose the Commission
11 acting affirmatively on this item?

12 [No response.]

13 Is there a motion?

14 [MOTION] COMMISSIONER KATZ: So move.

15 CHAIR DAVIS: It is approved 2 to zero.

16 CHIEF COUNSEL HIGHT: Item 57 is the authorization
17 to accept a quick claim deed for the Jolly Roger, which
18 was a lease in the bed of the Sacramento. They no longer
19 desire to build the facility there.

20 CHAIR DAVIS: So, they are giving us back the --

21 CHIEF COUNSEL HIGHT: They are giving us back
22 the lease.

23 CHAIR DAVIS: Anyone in opposition to this
24 item?

25 [No response.]

1 Is there a motion?

2 [MOTION] COMMISSIONER KATZ: So move.

3 CHAIR DAVIS: It is adopted 2 to zero.

4 Item 58?

5 CHIEF COUNSEL HIGHT: It is off calendar, Mr.
6 Chairman.

7 CHAIR DAVIS: Item 59.

8 CHIEF COUNSEL HIGHT: Item 59, Mr. Chairman,
9 is the relocation of an easement at the Indian Creek
10 Condominium Project in San Mateo County, and the boundary line
11 agreement provided that we could relocate the easement,
12 once the development was going to be ascertained, and
13 we believe that this easement is actually better than
14 the original easement, so we recommend the relocation.

15 CHAIR DAVIS: All right, is there any opposition
16 to this item?

17 [No response.]

18 Is there a motion?

19 [MOTION] COMMISSIONER KATZ: Move the item.

20 CHAIR DAVIS: Item 59 is approved 2 to zero.

21 CHIEF COUNSEL HIGHT: Item 60, Your Honor,
22 is the authorization to initiate litigation if necessary
23 to remove a sunken barge called the Neptune in the City
24 of Isleton.

25 CHAIR DAVIS: Any opposition to this item?

1 [No response.]

2 † is there a motion?

3 [MOTION] COMMISSIONER KATZ: I move Item 60.

4 CHAIR DAVIS: It is approved 2 to zero.

5 CHIEF COUNSEL HIGHT: Item 61 is off.

6 EXECUTIVE OFFICER DEDRICK: Mr. Trout will
7 do the administrative items.

8 ASSISTANT EXECUTIVE OFFICER TROUT: Item 62
9 is the City of Newport Beach. It is the approval of
10 a boundary line agreement for an Oxbow Loop in the Santa
11 Ana River. This has been a long time coming, but staff
12 recommends approval.

13 There are people here who can answer questions.

14 CHAIR DAVIS: Is there any opposition to this?

15 [No response.]

16 Is there a motion?

17 [MOTION] COMMISSIONER KATZ: I move Item 62.

18 EXECUTIVE OFFICER DEDRICK: For the record --

19 CHAIR DAVIS: That is approved 2 to zero.

20 EXECUTIVE OFFICER DEDRICK: -- Mr Chairman,
21 I was just going to try and hit you before you voted,
22 but it is still subject to approval by the city, but
23 staff recommends you just go ahead and approve it, and
24 then it will not become effective until the city approves
25 it.

1 Excuse me, I interrupted your vote.

2 CHAIR DAVIS: No problem.

3 That is approved 2 to zero.

4 ASSISTANT EXECUTIVE OFFICER TROUT: Item 63
5 is approval to advertise for bids for real property investment
6 consultant. There is almost \$3 million in the School
7 Land Bank Fund now, which is a significant enough amount
8 that the Commission can begin to look at properties for
9 investment.

10 Staff and some people -- some firms have some
11 recommendations, but we think that these should be reviewed
12 by an independent consultant, and the whole process brought
13 to the Commission for approval.

14 CHAIR DAVIS: I would only comment that the
15 pension funds actively recruit real estate advisors for
16 that purpose.

17 Whatever we do, we ought to be talking to --
18 there is no reason to reinvent the wheel here. We ought
19 to be talking to the executive officers of --

20 ASSISTANT EXECUTIVE OFFICER TROUT: Yes, Mr.
21 Chairman, we have been dealing with the State
22 Teacher's Retirement Fund, particularly with the investment
23 committee, and they have concurred in this recommendation.

24 CHAIR DAVIS: Okay.

25 Any objection to the adoption of this item?

1 [No response.]

2 Is there a motion?

3 [MOTION] COMMISSIONER KATZ: I move the item.

4 CHAIR DAVIS: Approved 2 to zero.

5 EXECUTIVE OFFICER DEDRICK: Item 65.

6 ASSISTANT EXECUTIVE OFFICER TROUT: Item 64
7 is off calendar.

8 Item 65 is the delegation of authority to award
9 a contract to the lowest qualified bidder. We wish to
10 rent a global positioning system, which is a satellite
11 based positioning system. The low bidder is Aztec Incorporated,
12 of Sunnyvale, for \$25,000.

13 EXECUTIVE OFFICER DEDRICK: The primary purpose
14 of trying to get this contract right now, Mr. Chairman,
15 is that we are working on the San Joaquin River, which
16 is a very hot item at the moment, and we have an opportunity
17 to get the use of this equipment at a very low price,
18 and it will put us in a position to really get those
19 surveys done rapidly at a lot of savings both in time
20 and in personnel on the ground -- you know, dollars per
21 people.

22 CHAIR DAVIS: Was this the result of a competitive
23 bid?

24 EXECUTIVE OFFICER DEDRICK: Yes.

25 CHAIR DAVIS: This was a normal competitive.

1 process?

2 EXECUTIVE OFFICER DEDRICK: Yes.

3 CHAIR JAVIS: There was nothing extraordinary
4 about the process?

5 EXECUTIVE OFFICER DEDRICK: That is correct.

6 CHAIR DAVIS: Is there anyone here opposed
7 to the adoption of Item 65?

8 [No response.]

9 Is there a motion?

10 MOTION COMMISSIONER KATZ: I will move Item 65.

11 CHAIR DAVIS: That is approved 2 to zero.

12 EXECUTIVE OFFICER DEDRICK: Thank you very
13 much. That is the calendar.

14 CHAIR DAVIS: Okay.

15
16
17 [WHEREUPON the business meeting was concluded.]

18
19 4:05 p.m.

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25


REPORTER'S CERTIFICATE

STATE OF CALIFORNIA)
)
) ss.
COUNTY OF VENTURA)
)

I, PRISCILLA PIKE, an official Hearing Reporter and Notary Public for the State of California, do hereby certify that the foregoing pages 1 through 17, inclusive, constitutes a true and correct transcript of the matter as reported by me.

I FURTHER CERTIFY that I have no interest in the subject matter.

WITNESS my hand this 23 day of January, 1989, in the County of Ventura.



Priscilla Pike
Hearing Reporter
Notary Public

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