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REGULAR MEETING
STATE LANDS COMMISSION
STATE OF CALIFORNIA

ORIGINAL

1020 N STREET
ROOM 102
SACRAMENTO, CALIFORNIA

MONDAY, FEBRUARY 6, 1989
2:00 P.M.

Nadine J. Parks
Shorthand Reporter

PETERS SHORTHAND REPORTING CORPORATION

3336 BRADSHAW ROAD, SUITE 240
SACRAMENTO, CALIFORNIA 95827
TELEPHONE (916) 82-2345

MEMBERS PRESENT

1
2 Leo T. McCarthy, Lieutenant Governor, Chairman

3 LaFenus Stancell, representing Jesse R. Huff,
4 Director of Finance, Commissioner

5 Jim Tucker, representing Gray Davis,
6 State Controller, Commissioner

7 Staff Present:

8 Claire Dedrick, Executive Officer
9 James Trout, Assistant Executive Officer
10 Robert Hight, Chief Counsel
11 Jan Stevens, Deputy Attorney General
12 Lisa Beutler
13 Lisa Lynn
14 Gail Moore

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P R O C E E D I N G S

--oOo--

1
2
3 CHAIRMAN MC CARTHY: Good afternoon, ladies
4 and gentlemen, welcome to this meeting of the State Lands
5 Commission.

6 Commissioner Stancell is on my right.
7 Commissioner Tucker is sitting in for Controller Gray
8 Davis is on my left.

9 Is there a motion to approve the minutes of the
10 last Commission meeting?

11 COMMISSIONER STANCELL: I move.

12 CHAIRMAN MC CARTHY: The minutes are unanimously
13 approved.

14 On the consent calendar, the consent calendar
15 goes from 1 through 27. We are pulling Item 13 and Item
16 14.

17 Is there any objection from any member of the
18 audience, the public, to any of the other items on the
19 consent calendar? You want to take it off for any
20 reason so we can hear them separately? If not, I'd like to
21 have a motion?

22 COMMISSIONER STANCELL: Move.

23 CHAIRMAN MC CARTHY: All consent items, except
24 13 and 14, are approved.

25 Now, we'll move to Item 27. I'm sorry. To Item

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1 28.

2 EXECUTIVE OFFICER DEDRICK: Mr. Chairman, Item
3 28 is an application for a 15-year general permit-
4 protective structure. It's located at Isla Vista,
5 Santa Barbara.

6 The applicant in this case is Del Playa Seawall
7 Owner's Association.

8 CHAIRMAN MC CARTHY: Is there anyone of the
9 public who wishes to testify on Item 28?

10 Do we have a motion from the members of the
11 Commission?

12 COMMISSIONER STANCELL: Move.

13 CHAIRMAN MC CARTHY: Mr. Stancell moves.
14 Commissioner Tucker seconds. It's unanimously approved.

15 29.

16 EXECUTIVE OFFICER DEDRICK: Item 29 and 30 are
17 essentially the same as 28. These are other neighbors.
18 Stanley Borowski is one. And there's a list of four or
19 five people, beginning with Robert Gillespie on Item 30.

20 They're all the same issue.

21 CHAIRMAN MC CARTHY: All right. Anyone in the
22 audience wish to comment on Item 29 or Item 30?

23 All right. If we may, we'll take a motion to
24 handle those together. Mr. Stancell so moves both.

25 Commissioner Tucker seconds. Unanimous.

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1 Item 31.

2 EXECUTIVE OFFICER DEDRICK: Item 31 is the
3 authorization for the Executive Officer to enter into a
4 contract and agency agreement with the Riverside
5 Community College District for the sale of a parcel of
6 land in Norco. This is a School Lands parcel. We would
7 be coming back to you with the final -- basically what
8 we want to do is put this out to bid and come back to
9 you for final approval on the sale, at which time, I
10 believe, acting as School Land Bank Trustees.

11 Is that correct, Bob?

12 MR. HIGHT: Correct.

13 CHAIRMAN MC CARTHY: Any questions by the
14 members of the Commission?

15 Any member of the public have a question on
16 Item 31?

17 If not, there's a motion by Commissioner Tucker,
18 seconded by Commissioner Stancell. And it's unanimous.

19 Item 32.

20 EXECUTIVE OFFICER DEDRICK: Item 32 is the --
21 applicant is John O'Leary, Jr. This is a denial of an
22 application for a lease on lands which have already been
23 leased to the City of Sacramento.

24 CHAIRMAN MC CARTHY: Any questions by members
25 of the Commission? Any member of the audience care to

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1 testify on this item?

2 If not, Commissioner Stancell moves;
3 Commissioner Tucker seconds. And it's unanimous.

4 Item 32.

5 EXECUTIVE OFFICER DEDRICK: Item 32 is the
6 execution of an assignment and a lease amendment for
7 Riverview Marina, which is located on the Sacramento
8 River.

9 CHAIRMAN MC CARTHY: 33 is what we're on.

10 EXECUTIVE OFFICER DEDRICK: I'm sorry. Did I
11 say 32?

12 CHAIRMAN MC CARTHY: You were right. I said 32.
13 33 is what we're on.

14 EXECUTIVE OFFICER DEDRICK: Item 33, correct.
15 The amendment provides for an increase in the current
16 term of an additional eight years and allows a first
17 right of refusal of an addition to the lease of ten
18 years at the Commission's discretion.

19 COMMISSIONER TUCKER: We're not expanding this,
20 right?

21 EXECUTIVE OFFICER DEDRICK: There's no area
22 change.

23 CHAIRMAN MC CARTHY: The answer to
24 Commissioner Tucker's question is no. All right.

25 Any other questions by members of the Commission?

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1 Does anyone in the audience have anything
2 they'd like to comment on on Item 33?

3 If not, Commissioner Stancell moves.
4 Commissioner Tucker seconds. Approved.

5 Item 34.

6 EXECUTIVE OFFICER DEDRICK: 34 and 35 are both
7 assignments of leases along the Yolo County side of the
8 Sacramento River from their current lessees to the
9 Lighthouse Marina and Riverbend Development Company.

10 The leases require that the uses as they are in
11 the present leases be continued, and that those leases
12 cannot be changed without Commission approval.

13 The uses under the leases require Commission
14 approval to be changed.

15 CHAIRMAN MC CARTHY: All right. Any questions
16 by members of the Commission? Commissioner Tucker?

17 COMMISSIONER TUCKER: You have really answered
18 my question. But I want to restate it so it's clear on
19 the record.

20 We're not in any way agreeing to any kind of
21 development, other than what's already described in the
22 existing leases?

23 EXECUTIVE OFFICER DEDRICK: That is correct,
24 Mr. Tucker.

25 COMMISSIONER TUCKER: And there's no implication,

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1 nothing's been said by staff to the Lighthouse Marina
2 that could cause a reasonable person to conclude that
3 we're somehow buying onto a bigger project than is --

4 EXECUTIVE OFFICER DEDRICK: That is quite
5 correct. We were very careful on that issue.

6 My concern was that the Commission's position
7 of flexibility here be protected. It was absolutely
8 clear in the meetings with the Lighthouse people and our
9 staff, at which all of us were present, that that was the
10 intent. And they accepted that intent and the language
11 reflects it.

12 COMMISSIONER TUCKER: The reason I am bringing
13 this up is for the other Commissioners' notice that there's
14 a lot of discussion locally about plans up and down the
15 river. And all this seems to be going on without any
16 consultation with the Lands Commission, which has to
17 approve this. And apparently with the assumption that the
18 Lands Commission is willing to approve some rather major
19 developments that we have never even discussed.

20 So, I think it's important that no -- and I'm
21 not saying it's necessarily with Lighthouse. But I think
22 there are certainly neighbors of theirs where this is an
23 issue.

24 So, I think it's really important that staff
25 understands that we have not taken any position on any

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1 further development, as far as I know, along the river,
2 and that some people may find themselves with a very rude
3 shock when they've proceeded way down the line in terms
4 of these developments and then recognize they've got to
5 come here for approval.

6 So thank you.

7 EXECUTIVE OFFICER DEDRICK: We appreciate your
8 feelings on that subject. And staff clearly recognizes
9 the Commission wants to retain the flexibility on those
10 matters.

11 CHAIRMAN MC CARTHY: Any further comments by
12 members of the Commission?

13 Would any member of the audience care to
14 comment on Items 34 and 35?

15 If not, approved as requested.

16 Item 36 is off calendar.

17 Item 37.

18 EXECUTIVE OFFICER DEDRICK: Item 37 through
19 41, Mr. Chairman, all relate to piers in the Lake Tahoe
20 area. Some, as in Item 37, are new piers. Most of them
21 are renewals.

22 In every case, staff has investigated the
23 location to determine that it is not a fish habitat area
24 as your concern addressed. And in the one case where
25 there was a question, an initial study -- an environmental

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1 initial study was done.

2 In all cases, the Department of Fish & Game,
3 as I understand it, has signed off on the -- on these
4 applications.

5 COMMISSIONER TUCKER: And local --

6 EXECUTIVE OFFICER DEDRICK: Pardon?

7 COMMISSIONER TUCKER: And that would be with
8 their local agencies?

9 EXECUTIVE OFFICER DEDRICK: In all cases, they
10 have permits or will have to have, one way or the other,
11 I think if they have, it's from the Tahoe Regional
12 Planning Agency, which is the governing body.

13 The Attorney General's Office, as you may
14 recall, had a slightly tighter view of the needs in the
15 area than the Tahoe Agency had.

16 So, we've satisfied both here. That would be
17 Items 37, 38, 39, 40, and 41. But I'd be happy to read
18 those, if you'd like me to, Mr. Chairman.

19 COMMISSIONER TUCKER: Excuse me. Jan, are you
20 in agreement with this --

21 MR. STEVENS: Yes. This met the individual
22 evaluation standard that the Commission directed last
23 time. All of these projects seem to comply.

24 COMMISSIONER TUCKER: Good.

25 CHAIRMAN MC CARTHY: For purposes of public

1 participation, we are now addressing four items:
2 37, 38, 39, and 40.

3 Any other questions by members of the --
4 EXECUTIVE OFFICER DEDRICK: And 41,
5 Mr. Chairman.

6 CHAIRMAN MC CARTHY: And 41. All right. Five
7 items.

8 Does any member of the audience wish to
9 comment on any of those five items -- five items,
10 starting with Item 37? 38? 39? 40? 41?

11 COMMISSIONER STANCELL: I move the item.

12 CHAIRMAN MC CARTHY Commissioner Stancell
13 moves. Mr. Tucker seconds. Approved as suggested.

14 Item 42?

15 EXECUTIVE OFFICER DEDRICK: Item 42 is a request
16 for permission to allow the Executive Officer to execute
17 a memorandum of understanding between the State Lands
18 Commission and the Bureau of Land Management to use
19 4,181 acres of base, which has been owed to the Bureau of
20 Land Management in indemnity selections.

21 There's a time limit of three years on the
22 authority.

23 CHAIRMAN MC CARTHY: Any questions by members
24 of the Commission on this item?

25 Does any member of the audience care to comment

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1 on Item 42?

2 If not, it's approved as requested.

3 Item 43?

4 EXECUTIVE OFFICER DEDRICK: Item 43, again,
5 is a Bureau of Land Management matter. All of these,
6 incidentally, relate to lands of the School Lands
7 variety.

8 This is an authorization to execute patents and
9 exchanges with the Bureau of Land Management for land owned
10 by the State in the East Mojave Desert in exchange for
11 land owned by the Bureau of Land Management in the area
12 of Barstow, which we believe have some industrial
13 potential for -- which will bring us revenue for the
14 State Retired Teachers' System.

15 CHAIRMAN MC CARTHY: Questions by members of the
16 Commission?

17 Does anybody in the audience care to comment
18 on Item 43?

19 If not, approved as requested.

20 Item 44?

21 EXECUTIVE OFFICER DEDRICK: Ite. 44, Segamb,
22 Inc.

23 This is approval of a one-year salvage permit
24 for the wreck of the City of Rio de Janeiro, which
25 apparently sank in San Francisco Bay at the turn of the

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1 century.

2 CHAIRMAN MC CARTHY: I could tell these fellows
3 that I've already been down there, and there's nothing
4 there.

5 (Laughter.)

6 CHAIRMAN MC CARTHY: If they want to look, it's
7 all right.

8 Any questions by the members? Any members of the
9 audience care to comment on Item 44?

10 Approved as requested.

11 EXECUTIVE OFFICER DEDRICK: Okay.

12 CHAIRMAN MC CARTHY: Item 45.

13 EXECUTIVE OFFICER DEDRICK: Item 45 is
14 Coastline Development Corporation, a termination of a
15 35-year general permit in Huntington Harbour, Orange
16 County.

17 CHAIRMAN MC CARTHY: Questions from members of
18 the Commission?

19 Any member from the audience care to comment on
20 Item 45?

21 If not, 45 is approved as requested.

22 46 and 47 are off calendar.

23 We're now on Item 48.

24 EXECUTIVE OFFICER DEDRICK: item 48, the
25 applicant is Kenneth Listerman. This is a denial of an

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1 application for a millsite residence on school land
2 near Mountain Pass in San Bernardino County.

3 CHAIRMAN MC CARTHY: Do members of the
4 Commission have a question? Does anybody in the
5 audience have a comment on Item 48?

6 If not, approved as requested.

7 Item 49.

8 EXECUTIVE OFFICER DEDRICK: Item 49. The
9 applicant is John Milliken. This is to authorize the
10 Executive Officer to terminate a rent-free recreational
11 pier permit held by Mr. Milliken on the Sacramento
12 River in Sacramento unless the lessee corrects lease
13 deficiencies within 30 days.

14 We would like to direct the lessee to remove
15 all structures upon termination of the permit.

16 You have some people who are here. I don't
17 know whether they want to speak or not.

18 CHAIRMAN MC CARTHY: I'll find out in a minute.

19 Does either Commissioner have a question on
20 this item?

21 I have slips from Irene Bowles, Lee Snook, Sr.,
22 and Barbara Greve.

23 Could you kindly tell us whether you are in
24 agreement with or in opposition to what the staff is
25 recommending to the Commission for action? You're

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1 perfectly --

2 MR. SNOOK: (From audience) We agree.

3 UNIDENTIFIED FEMALE FROM AUDIENCE: We're in
4 agreement.

5 CHAIRMAN MC CARTHY: You're in agreement?

6 MR. SNOOK: Yes.

7 CHAIRMAN MC CARTHY: With what staff is
8 recommending to the Commission?

9 MR. SNOOK: Yes, sir.

10 MR. MILLIKEN: I'm Milliken. I'd like to speak
11 on this.

12 CHAIRMAN MC CARTHY: You're very welcome to
13 speak, Mr. Milliken.

14 Is there anyone else in the audience? I didn't
15 get a slip from you, sir. I would have mentioned that.

16 Anyone else in the audience care to speak?

17 Mr. Milliken, would you step forward, please?

18 MR. MILLIKEN: I've got a man with me here, too.

19 CHAIRMAN MC CARTHY: He's welcome.

20 EXECUTIVE OFFICER DEDRICK: Mr. Milliken, if
21 you would sit down here in front of the mike --

22 (Thereupon, there was a discussion

23 held off the record while Mr.

24 Milliken and his witness were seated

25 at the witness table.)

1 CHAIRMAN MC CARTHY: Do you want to use that
2 microphone?

3 MR. MILLIKEN: Oh, I think I can speak loud
4 enough.

5 CHAIRMAN MC CARTHY: Well, we just want to make
6 sure you're being recorded. All right.

7 Go ahead, sir.

8 MR. MILLIKEN: Okay. I think the principal
9 disagreement is the condition of the docks and a
10 submerged houseboat.

11 Okay. In December of '87, I allowed a friend
12 of mine to park his houseboat there. He was supposed to
13 only leave it there for about two, three weeks. But it
14 just dragged on into the spring, at which time it sank
15 right at my dock, the houseboat.

16 So, I really got on his case. I said, "Get
17 that houseboat out and get it out of here. You only wanted
18 it for a couple of weeks."

19 Well, he contacted the Associated Divers. And
20 supposedly, he was going to bring this houseboat up.

21 Well, I've had experience with Associated Divers, so I
22 know whereof he's talking about.

23 It's when it dragged on for months, I was
24 continuously harassing the man to get this houseboat
25 lifted up. Finally, he came to me and said, "I can't do

1 much about it. I'll just give you and Roy the
2 houseboat."

3 So, Roy and I were going to raise it, but then
4 it developed a little later in the summer. So, finally,
5 my neighbor complained about it being there.

6 But in the meantime, the houseboat caused my
7 dock to shelve onto -- onto the land, because it was
8 holding it there. So, I wasn't able to really repair the
9 dock at the same time.

10 So, finally, we got a letter from the State
11 Lands Commission saying we had a complaint from
12 Mrs. Snook and, "Do something about it."

13 So, I agreed, yes. We got ahold of this
14 Associated Divers, who, incidentally, is about the only
15 person capable of doing that around here. He's -- he's --
16 Lisa from the State Lands Commission knows who we're
17 talking about.

18 So, he came down there about Thanksgiving and
19 said, "Yeah," he was going to do it, and took some
20 measurements and stuff. And then didn't show up.

21 We kept harassing him, harassing him. And
22 finally, about 10 days ago, he came by and said, yes, he
23 would raise it for \$750.

24 Finally showed up. He spent about three days
25 doing some idiotic things. And finally came up and told

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1 us, "Well, we'll do it, yeah, but 750 dcesn't fly. \$500
2 a day. We want to be paid every day."

3 This just transpired this last week.

4 So, Roy and I have looked it over. And we
5 think that we can raise it ourselves. But, you know, with
6 this weather coming up here, I think 30 days -- we should
7 be able to do it in 30 days. But if we get a lot of rain
8 and high water, we may have trouble. So, we agree if
9 you will give us 90 days to do it, and we'll do it.

10 CHAIRMAN MC CARTHY: Any questions by members
11 of the Commission?

12 Do you want to add something, sir?

13 MR. MARTIN: Well, essentially to --

14 CHAIRMAN MC CARTHY: Will you use the
15 microphone, sir, please?

16 MR. MARTIN: Well, really --

17 EXECUTIVE OFFICER DLDRICK: Would you please
18 identify yourself for the record, sir?

19 MR. MARTIN: Yes. Pardon me?

20 CHAIRMAN MC CARTHY: Your name?

21 MR. MARTIN: Roy Martin.

22 The attempts to raise it --

23 CHAIRMAN MC CARTHY: What is your interest in
24 this, Mr. Martin?

25 MR. MARTIN: Well, actually, we will share the

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1 salvage if there is any left. That was the idea. We
2 were going to raise --

3 MR. MILLIKEN: For both of us.

4 MR. MARTIN: Yeah. The previous owners, who
5 we both knew, couldn't do anything with it, or didn't.
6 So, they said, "If you'll get it out of there, we'll just
7 abandon it."

8 So, that's my interest in it is to help him get
9 it up. If there's anything left, we'll do whatever we
10 can with it.

11 The attempts to raise it so far have been
12 fruitless. They were unable to do it. So, we're going
13 to go in with heavy equipment and we're going to -- from
14 the land side, we're going to get it. And at least float
15 it and get it away so we can repair the dock. It's that
16 simple.

17 But with the weather, 30 days might or might not
18 be enough time. I would doubt it.

19 CHAIRMAN MC CARTHY: Either Commissioner have
20 any questions of this witness?

21 Thank you. Why don't you take seats in the
22 front row, if you want, and you can come back up if that's
23 appropriate.

24 Now, up to three witnesses. Irene Bowles, Lee
25 Snook, Sr., and Barbara Greve. Do you have a particular

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1 order in which you think appropriate that you might want
2 to say something at this point?

3 You want to come up, sir?

4 Why don't you give us your name, sir.

5 MR. SNOOK: I'm Lee Snook. I moved into the
6 Garden Highway from Sacramento. Been there for four
7 years. And when I got there, John had a boat, a wooden
8 cabin cruiser, that sank that --

9 CHAIRMAN MC CARTHY: Four years ago?

10 MR. SNOOK: Well, some time after that. Three
11 years ago. And that he resurrected and tied back up to the
12 pier. And I don't believe it's been running. I think he
13 had it up for sale.

14 I don't think it's ever left the pier except to
15 sink. And it sank a couple more times since then.

16 Ane he resurrects it and just leaves it there.
17 And then somebody brought another boat up, called the
18 African Queen, and it sank here, oh, a couple of months
19 ago. And they resurrected it and tied it up to the
20 dock.

21 And then the houseboat a while back came up.
22 And I watched it sink for three weeks. And anytime during
23 that three-week period, it could have been towed away.
24 Instead, they watched it sink.

25 And the rest of the property that Mr. Milliken

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1 has. It's a disgrace to the Garden Highway.

2 We've contacted the Garden -- the Highway
3 Patrol several times on the vehicles he has on the road.
4 I currently have him up with the Lands -- with you
5 people, and we've also contacted the Zoning Commission.

6 So, it doesn't stop here. So, living on the
7 Garden Highway, trying to think of the beautification of
8 the Garden Highway and the people that live and drive up
9 and down the community and the river, this is a sore
10 spot to the county.

11 That's all I have to say.

12 CHAIRMAN MC CARTHY: Well, we may have some
13 peripheral interest in vehicles, of course, but what we
14 have in front of this committee is -- this Commission is --

15 MR. SNOOK: I understand.

16 CHAIRMAN MC CARTHY: -- a pier permit.

17 MR. SNOOK: But all -- I was trying to make a
18 point --

19 CHAIRMAN MC CARTHY: I understand.

20 MR. SNOOK: -- of for four years -- actually,
21 it's been longer than that -- the community has tried to
22 get John to do something.

23 So, if you get any promises, I can almost tell
24 you what's going to happen.

25 CHAIRMAN MC CARTHY: Why don't you please remain

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1 there for a minute.

2 Staff want to elucidate on this for us? Have
3 you had some correspondence and some history you could give
4 us briefly?

5 EXECUTIVE OFFICER DEDRICK: Yes, Mr. Chairman.

6 CHAIRMAN MC CARTHY: Give us a picture here?

7 EXECUTIVE OFFICER DEDRICK: We've had many
8 contacts.

9 Lisa Beutler is our Enforcement Officer has
10 handled this case directly. Let her tell you what's been
11 going on.

12 MS. BEUTLER: We received a complaint regarding
13 the permit a while back in October. And we went out and
14 conducted a site inspection to determine the severity of
15 the problem.

16 After one of my assistants inspected the area,
17 we wrote a letter to Mr. Milliken on November the 23rd
18 and advised him of many problems that we found in the
19 facility. And that letter should be attached to your
20 calendar item for your review.

21 It was quite specific as to what the problems
22 were and what needed to occur to clean up the area.

23 We asked that he contact us within ten days,
24 which he did do. And he, on November the 30th, agreed
25 to have the partially submerged houseboat refloated

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1 and brought into repair within four weeks. This was on
2 November the 30th.

3 He also agreed to have the area cleaned up
4 and have the debris, including boxes, clothes, and junk,
5 removed from the dock area within four weeks.

6 He also advised me that he had obtained
7 an Army Corps of Engineers permit for reconstruction of
8 the dock, which he agreed to provide a copy of the
9 Corps permit within two weeks.

10 We conducted another inspection on January
11 20th. At that time, no repairs had occurred. There did
12 appear to be some cleanup of some garbage off the boats.
13 There weren't clothes or that sort of thing at that time.

14 However, the facilities -- obviously, there
15 was still the sunken boat. There obviously were still
16 problems with the dock.

17 We had not, at that time, received an Army
18 Corps permit. I advised Mr. Milliken of the results of
19 my inspection on January 24th, and explained that, you
20 know, we -- he had agreed to do these things. He had not
21 done them, and we would ask that the Commission
22 review the matter.

23 We did offer him an opportunity to come into
24 compliance, and that is the reason that we have suggested
25 a 30-day correction period in addition to the notices he

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1 has received throughout the last couple of months.

2 CHAIRMAN MC CARTHY: Questions by members of the
3 Commission?

4 COMMISSIONER STANCELL: And he's asking for
5 90 days instead of 30 days?

6 MS. BEUTLER: Yes. And at this point, we have
7 yet to see the Army Corps permit for reconstruction, which
8 would be required for reconstruction or reconfiguration
9 of the dock, which he indicates he has one and has yet to
10 provide it.

11 COMMISSIONER STANCELL: And it's your feeling
12 that 30 days is ample time to correct it?

13 MS. BEUTLER: I would be willing, if we had some
14 assurance that he would be cleaning up the area, to allow
15 a few more days. But I think he's had ample opportunity
16 to clean up at this point.

17 MR. MILLIKEN: I object to that cleanup you
18 said. It's all been cleaned up down there.

19 CHAIRMAN MC CARTHY: Mr. Milliken, you'll have
20 another chance to speak, sir.

21 Did you answer Commissioner Stancell's question?

22 MS. BEUTLER: Yes. There are other ways -- he
23 indicated there was a problem with the tow company. This
24 could be accomplished by upland. It does not necessarily
25 have to be supported by a boat. You can see from the

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1 photographs that were taken this morning. I have the
2 investigator that conducted the site inspection if you
3 would like to ask additional questions of him.

4 CHAIRMAN MC CARTHY: Do you have anything you
5 want to add to your testimony, Mr. Snook?

6 MR. SNOOK: No.

7 CHAIRMAN MC CARTHY: All right. Would you vacate
8 the chair, please. And we'll give Mr. Milliken an
9 opportunity to respond.

10 Would you come up, sir, and sit in this chair?

11 MR. MILLIKEN: Okay. Well, basically, that
12 bears out what I said. We tried to do something in
13 November. Except they did not stipulate exactly what
14 they were complaining about besides the houseboat.

15 They did say, well, there's some junk and stuff
16 down there. That's been all cleaned up. There's nothing
17 I can do about the docks right now as far as putting them
18 back together.

19 They're steel sections. Without that houseboat
20 being out of the way, the houseboat is forcing my docks
21 out to the rocky shore. And there's nothing I can do
22 to remove that houseboat.

23 But otherwise, it's all perfectly clean down
24 there.

25 CHAIRMAN MC CARTHY: Has the dock been in this

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1 condition since we gave Mr. Milliken this permit four
2 years ago?

3 No, it was more than four years ago. October,
4 1982.

5 MS. BEUTLER: The initial permit was a result
6 of an enforcement action at that time. I have no
7 personal knowledge of that. The Bureau --

8 CHAIRMAN MC CARTHY: Was Mr. Milliken using
9 the dock at that time?

10 MS. BEUTLER: Yes. And at that time, it was
11 also the subject of a Reclamation Board action for some
12 violations at that time as well.

13 CHAIRMAN MC CARTHY: What kind of violations?

14 MS. BEUTLER: There were problems with
15 electricity running into the area; the repair of the
16 facility at that time was an issue.

17 CHAIRMAN MC CARTHY: How long has the dock been
18 in this condition?

19 MS. BEUTLER: I believe the neighbors would be
20 better able to answer that question.

21 I have only personally inspected it since
22 November. So my knowledge of it only extends to that
23 period.

24 CHAIRMAN MC CARTHY: How long has the dock been
25 in this condition, Mr. Milliken?

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1 MR. MILLIKEN: The condition? You mean it being
2 on the bank? Because, actually, what the dock consists
3 of, sir, it consists of about six 14- -- 14-foot steel
4 sections.

5 And I've had those docks actually since, oh --
6 originally, when I got these permits from the Corps of
7 Engineers -- you say it was '82 -- and I picked up this
8 dock probably, oh, a couple of years afterwards.

9 So, I'd say probably it's been -- they haven't
10 been all finished up with a gangplank going down to 'em
11 probably for four or five years.

12 CHAIRMAN MC CARTHY: Okay. Does any Commissioner
13 have any question on this?

14 What's the pleasure of the Commission?

15 COMMISSIONER TUCKER: I think we should go with
16 the staff's recommendation. And I think that we have the
17 opportunity, if the staff came back to us in 30 days
18 from now, to say that, you know, he's just about done,
19 which would mean just about 95 percent done, you know,
20 I think we could address that concern.

21 But I'm just concerned if we say 60 or 90 days,
22 that he will expend the 60 or 90 days, and then, you know,
23 it will be, well, it's kind of sort of gotten done,
24 et cetera.

25 And I have a great deal of empathy with the

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1 neighbors who have had to live with this a long time.

2 So, I think that staff's recommendation seems
3 appropriate, and the lease ought to be terminated in 30
4 days if he can't address these problems.

5 And if something arises that's unusual that the staff feels
6 we should address, we have that option. I assume so.

7 MR. MILLIKEN: Can I comment on that if I may?

8 CHAIRMAN MC CARTHY: This is your final comment,
9 Mr. Milliken.

10 MR. MILLIKEN: Okay. You cannot -- it can't be
11 partial. In other words, I can't do something -- that
12 houseboat has to come out of the way. I mean there's
13 nothing I can do partially.

14 So, in other words, if I don't do the
15 houseboat, there's nothing else I can do. And if we get
16 a lot of rain and high water, I'm just not going to be
17 able to get that houseboat out of the way.

18 It's a big, heavy thing that -- it's going to be
19 very difficult to remove. Like -- these professional
20 people have spent four days -- three days in a row trying
21 to do it. I don't think they're very skillful, but they're
22 the only ones available. But I believe we can raise it.

23 CHAIRMAN MC CARTHY: Mr. Milliken, I'll tell
24 you the problem I have with your testimony or the testimony
25 of some of your neighbors that you didn't contradict.

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1 And that was that it took a number of days
2 for this last boat to sink. And there was an opportunity
3 while it was sinking to try to take some steps.

4 MR. MILLIKEN: No, it sank overnight. It's
5 got big hollow pontoons. It sank overnight.

6 CHAIRMAN MC CARTHY: All right. The testimony
7 of your neighbors --

8 MR. MILLIKEN: No, they were talking about my
9 other boats. I have a boat and Mr. Martin has a boat.
10 And they sank and we raised it.

11 CHAIRMAN MC CARTHY: How many other boats sank
12 at your pier?

13 MR. MILLIKEN: Well, just those two. We've
14 had those boats there for a number of years.

15 CHAIRMAN MC CARTHY: All right.

16 MR. MILLIKEN: And, you know, they don't stay
17 sunk very long. I mean we get them up as soon as they
18 sink.

19 CHAIRMAN MC CARTHY: But how many days does
20 it take to sink? Did you observe them sinking, or did
21 they happen just --

22 MR. MILLIKEN: Oh, they happen overnight.
23 For one -- one of the main problems we've had recently,
24 that houseboat keeping these docks on the bank. That's
25 where Roy's boat sunk, that -- it's an angle, and the boat

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1 came on top of the dock there and put a hole in it.
2
3 Actually, the main trouble has been with that
4 sunken houseboat.

5 CHAIRMAN MC CARTHY: Commissioner Stancell?
6 MR. MILLIKEN: But I can't say that I can get
7 it done in 30 days, because of the vicissitudes of the
8 weather.

9 COMMISSIONER STANCELL: I think we can assume
10 that the weather is going to be like it's been for the
11 last -- for this season. That's very dry.

12 And it sounds like 30 days seem to be a
13 realistic time frame for which you can get started
14 immediately and adjust the problem.

15 CHAIRMAN MC CARTHY: Commissioner Tucker moves.
16 Commissioner Stancell seconds that the staff recommendation
17 be accepted.
18 Approved as requested.

19 50.

20 EXECUTIVE OFFICER DEDRICK: Item 50,
21 Mr. Chairman, is California Yacht Marina, approval
22 of a dredging permit for up to 4330 yards of material
23 from Chula Vista Harbor.

24 CHAIRMAN MC CARTHY: Any questions by members
25 of the Commission?

Anybody in the audience care to comment on Item

1 50?

2 Approved as recommended.

3 51.

4 EXECUTIVE OFFICER DEDRICK: Item 51, this is a
5 proposed sale of royalty crude oil from leases in the
6 Los Angeles, Orange, and Santa Barbara Counties.

7 CHAIRMAN MC CARTHY: Questions by members of the
8 Commission?

9 Anyone in the audience have any comments on
10 Item 51?

11 MRS. GREVE: (Speaking from the audience) Excuse
12 me. Is it possible to back up to No. 49?

13 CHAIRMAN MC CARTHY: The Commission has acted
14 on Item 49 and accepted the staff's recommendation.

15 COMMISSIONER TUCKER: It means that the lease
16 is terminated in 30 days if he doesn't clean up the
17 property.

18 MRS. GREVE: Thank you.

19 CHAIRMAN MC CARTHY: Item 52?

20 EXECUTIVE OFFICER DEDRICK: Item 52 is the
21 approval of an award of royalty oil sale contracts.

22 Edgington Oil Company is the winner. There are
23 two parcels of oil, one went for 72 cents over posted,
24 and the other for 92 cents, roughly, a little less than
25 that.

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1 COMMISSIONER STANCELL: Would you give me a
2 little history on this?

3 EXECUTIVE OFFICER DEDRICK: This is a royalty
4 oil sale, a crude oil sale from the Long Beach Unit, as
5 a matter of fact, from the Wilmington Oil Field.

6 COMMISSIONER STANCELL: Is it a transfer?

7 EXECUTIVE OFFICER DEDRICK: I beg your pardon?

8 COMMISSIONER STANCELL: Is this transferring the--

9 EXECUTIVE OFFICER DEDRICK: No. We're just
10 selling oil. The State has the option in its leases
11 for selling a certain amount of oil every period if -- for
12 a bid price.

13 When we do that, we get -- make more money than
14 it would sell for if it was left at the posted price.

15 Our standard procedure is to put a 25 cent
16 minimum -- 25 cents over the posted price minimum bid
17 condition.

18 So, these two parcels sold for 72 cents and 92
19 cents over the minimum. We made a little bit more money
20 than we'd have made if we sold it at the posted price.

21 Does that answer your question?

22 COMMISSIONER STANCELL: Yes. That's fine.

23 CHAIRMAN MC CARTHY: Any other -- any member of
24 the audience have a desire to comment on Item 52? If
25 not, approved unanimously by the Commission.

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1 Item 53.

2 EXECUTIVE OFFICER DEDRICK: Item 53, Mr.
3 Chairman, is a proposal by the Bush Oil Company for --
4 to do two exploratory wells in two leases on -- near
5 Rincon Island, related to Rincon Island in Ventura
6 County.

7 Item -- pardon? Yes. Item 56 is a related
8 item.

9 In Item 53, the drilling site is located on the
10 shoreline, on the shore, you know, upland on the shore.
11 And Item 56, the drill site is located on Rincon Island.

12 The reason for the exploratory wells is the
13 old lease relates to the shallow deposits, which have been
14 in production for a good many years on Rincon Island's
15 banks and shore sites and from another pier in the area.

16 That lease produces about roughly 9,000 barrels
17 a day right now.

18 We believe that there is a productive layer
19 lower, around 12,000 feet below the existing development.
20 That lease was granted about four years ago perhaps. I
21 think it's about four years ago.

22 As a condition of that lease, of course, we
23 required exploratory wells to determine whether or not
24 oil is actually present in the location.

25 Item 53, the County of Ventura did an

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1 environmental workup on the proposal for the drilling
2 in 1986.

3 We have since contacted them, in fact, talked
4 to them today, and to the Santa Barbara office of the
5 Coastal Commission.

6 No objections have been registered or filed on
7 either Item 53 or on the Island proposed well, which is
8 Item 56.

9 The EIR on Item 56 was conducted by the staff
10 of the State Lands Commission. I'd be happy to answer
11 any other questions if you have any you'd like to ask.

12 CHAIRMAN MC CARTHY: Questions from the
13 Commissioners?

14 Does any member of the audience wish to address
15 Item 53 or Item 56? Let's take them together. Any
16 testimony on either of those two items?

17 Do I hear a motion from the Commissioners?
18 Commissioner Stancell moves. Shall we take the two items
19 together?

20 COMMISSIONER STANCELL: Yes.

21 CHAIRMAN MC CARTHY: Commissioner Stancell
22 moves approval of 53 and 56. Commissioner Tucker
23 seconds. The recommendation is accepted unanimously.

24 EXECUTIVE OFFICER DEDRICK: Thank you,
25 Mr. Chairman.

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1 CHAIRMAN MC CARTHY: 54?

2 EXECUTIVE OFFICER DEDRICK: Tenneco Oil
3 Company is the assignor of a portion of the lease we've
4 just been talking about to TOC-Pacific Coast, Inc., in --
5 I guess in a merger -- as a result of a merger with
6 Atlantic Oil Company.

7 That's Atlantic Richfield. Sorry, who is,
8 incidentally, the original owner of the old lease.

9 CHAIRMAN MC CARTHY: Questions?

10 EXECUTIVE OFFICER DEDRICK: There's no controversy
11 here.

12 CHAIRMAN MC CARTHY: Questions by members of the
13 Commission?

14 Any member of the audience desire to comment
15 on Item 54?

16 If not, motion by Commissioner Stancell,
17 seconded by Commissioner Tucker. Staff recommendation is
18 approved.

19 55.

20 EXECUTIVE OFFICER DEDRICK: Item 55, Black
21 Mountain Oil Company. This is a proposal of issuing a
22 negotiated subsurface oil and gas lease for subsurface
23 gas in the Sacramento River in Yolo and Sutter Counties.

24 CHAIRMAN MC CARTHY: Questions by members of
25 the Commission? Any member of the audience wish to

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1 comment on Item 55?

2 If not, unanimously approved by the Commission.

3 Motion by Commissioner Stancell.

4 EXECUTIVE OFFICER DEDRICK: All right.

5 CHAIRMAN MC CARTHY: Item 56 we already handled.

6 Item 57.

7 EXECUTIVE OFFICER DEDRICK: Item 57 is an
8 application by Kennecott Explorations for the issuance
9 of a preferential geothermal lease in Imperial County.

10 The reason this lease is preferential is
11 because Kennicott is the adjacent leaseholder and because
12 as soon as this -- there's an existing power plant in
13 operation there. And this lease will be drilled and go
14 immediately into production.

15 And, again, this is the State Teachers'
16 Retirement System revenue we're talking about here. It's
17 not? I'm wrong. I'm sorry.

18 MR. TROUT: It's Fish & Game.

19 EXECUTIVE OFFICER DEDRICK: It's Fish & Game

20 land.

21 CHAIRMAN MC CARTHY: Questions by members of

22 the Commission?

23 We're on Item 57. Does anybody in the

24 audience care to comment?

25 Commissioner Stancell moves and Commissioner

1 Tucker seconds. Unanimously approved.

2 58.

3 EXECUTIVE OFFICER DEDRICK: Capitol Oil
4 Corporation, issuance of a negotiated oil and gas lease
5 underlying Department of Fish & Game lands in the
6 Tisdale By-Pass in Sutter County.

7 Again, it's negotiated because it's State
8 land -- or because it's Fish & Game proprietary land.

9 CHAIRMAN MC CARTHY: Questions by members of the
10 Commission?

11 Commissioner Tucker moves. Any member of the
12 audience care to comment on 58?

13 Commissioner Tucker moves and Commissioner
14 Stancell seconds. Unanimously adopted.

15 59.

16 EXECUTIVE OFFICER DEDRICK: Mr. Chairman, I
17 misspoke myself on 57. I thought this was the one next
18 to the Salton Sea. This is, in fact, on the Wister
19 Wildlife Refuge.

20 But the conditions of negotiations apply there
21 because it is a Fish & Game upper ownership. And the
22 conditions of the lease were determined in advance.

23 It will not go promptly into production, but it
24 won't be too long, we hope.

25 Item 59, the City of Long Beach. This is a

1 notice of intent by the city to spend \$178,000 of tideland
2 revenues for restroom modifications at the Long Beach
3 Arena.

4 COMMISSIONER TUCKER: Mr. Taylor has agreed
5 to this --

6 MR. HIGHT: Yes.

7 COMMISSIONER TUCKER: -- as a repository for
8 all trust decisions?

9 CHAIRMAN MC CARTHY: Questions? Any member
10 of the audience wish to comment on 59?

11 Commissioner Tucker moves and Commissioner
12 Stancell seconds. Unanimously adopted.

13 Item 60 and 61 were taken off calendar.
14 62.

15 EXECUTIVE OFFICER DEDRICK: Mr. Chairman, Bob
16 Hight, our Chief Counsel, will handle the legal items.

17 MR. HIGHT: 62, Mr. Chairman, is the
18 authorization to retrocede jurisdiction at the Presidio
19 in Monterey. We had a hearing and there's no opposition
20 to this retrocession.

21 CHAIRMAN MC CARTHY: Any questions from the
22 Commissioners?

23 COMMISSIONER TUCKER: What is a retrocession?

24 MR. HIGHT: The Presidio currently is an
25 exclusive federal jurisdiction --

1 COMMISSIONER TUCKER: What does the word
2 mean?

3 MR. HIGHT: It means to give back jurisdiction.

4 CHAIRMAN MC CARTHY: Moved by Commissioner
5 Stancell, second by Commissioner Tucker.

6 Does anybody in the audience desire to
7 comment on this item? Approved.

8 Item 63 was removed. 64.

9 MR. HIGHT: 64, Mr. Chairman, is the
10 authorization to settle litigation with the Cirincoine-
11 Coles in Tomales Bay.

12 By the settlement of this lawsuit, the
13 Commission will receive \$20,000 and an easement access
14 to the parcel. And the Attorney General recommends the
15 settlement.

16 CHAIRMAN MC CARTHY: Questions by members of the
17 Commission?

18 COMMISSIONER STANCELL: This will be the
19 conclusion? This is the final, final?

20 MR. HIGHT: Yes.

21 COMMISSIONER STANCELL: I'll move.

22 CHAIRMAN MC CARTHY: Does any member of the
23 audience wish to comment on Item 64?

24 Commissioner Tucker moves. Commissioner
25 Stancell seconds. Unanimously approved.

1 65?

2 MR. HIGHT: 65, Mr. Chairman, is the
3 authorization to settle a parcel of land in Petaluma,
4 Sonoma County. The Commission will receive \$20,000 as
5 Kapiloff Land Bank Trustees.

6 And the settlement provides for a boundary
7 agreement along Petaluma Slough.

8 CHAIRMAN MC CARTHY: All right. Any questions
9 by the Commissioners?

10 By any member of the audience?

11 Commissioner Tucker moves. Commissioner
12 Stancell seconds.

13 Unanimously approved.

14 66?

15 EXECUTIVE OFFICER DEDRICK: Mr. Trout will
16 handle the administrative items, Mr. Chairman.

17 MR. TROUT: Mr. Chairman, Item 66 is a
18 memorandum of understanding with the Bureau of Land
19 Management to establish procedures to exchange mineral
20 interests.

21 Primarily, this will say that we will exchange
22 like mineral interests for like mineral interests and only
23 go through the expensive process of a detailed mineral
24 appraisal on the most valuable properties. There are
25 risks on both sides. But this has been reviewed by our

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1 staff, our extractive staff and the BLM mineral staff.
2 And we believe that this is in the interest of both
3 governments. It gets us out of School Land properties
4 that we can't, in fact -- the Commission can't, in fact,
5 administer because of various BLM surrounding land.

6 And we think this is a good way to go. The
7 properties that appear to have reasonable mineral
8 potential will be evaluated in detail. Otherwise,
9 we'll exchange moderate for moderate, minimal for minimal.

10 CHAIRMAN MC CARTHY: I think I remember the
11 answer to this. Let me ask again. Does the S 7
12 legislation have any applicability here?

13 MR. TROUT: Not for this particular memorandum
14 of understanding. Senator Cranston's bill would provide
15 that expansion of State Parks would include some State
16 School Land. We're trying to deal with that on a
17 separate basis to identify some other parcels.

18 But this would have no direct application.

19 CHAIRMAN MC CARTHY: These parcels are not a
20 part of that legislation? Not within the boundaries
21 proposed in that legislation?

22 MR. TROUT: I believe that's correct. Yes,
23 that's correct.

24 CHAIRMAN MC CARTHY: Questions by members of
25 the Commission? Anybody in the audience wish to comment

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1 on 66?

2 If not, Commissioner Stancell moves.

3 Commissioner Tucker seconds. Unanimously approved.

4 Now, Item 67 and 68 were removed from the
5 calendar.

6 So, we've got one left. 69.

7 MR. TROUT: Mr. Chairman, on Item 69, we're
8 asking Commission's approval to award a contract to
9 Williams-Kuebelbeck and Associates for consulting
10 services on investment of State Lands School Bank
11 project. This would provide for an independent review
12 of proposals submitted by developers, reviewed by
13 staff, and would be available to the Commission in
14 support -- or at least in discussion of projects
15 brought before you both as the Lands Commission and
16 the School Land Bank Trustee.

17 CHAIRMAN MC CARTHY: Questions by members
18 of the Commission?

19 COMMISSIONER TUCKER: How did we arrive at
20 that particular consulting --

21 MR. TROUT: We asked for proposals. We got
22 five proposals from real estate investment experts. Two
23 of the proposals -- the review committee, which included
24 a representative of the State Teachers' Retirement
25 System -- did not meet the minimum qualifications.

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1 Thereafter, a hypothetical project was used.
2 And th, three remaining proposals were opened and were
3 evaluated against that project.

4 And the Williams-Kuebelbeck Associates had the
5 lowest bid.

6 COMMISSIONER TUCKER: Who was involved in the
7 decision-making?

8 MR. TROUT: Excuse me, sir?

9 COMMISSIONER TUCKER: Who was involved in the
10 decision-making?

11 MR. TROUT: The State Teachers' Retirement
12 System representative, Mal Kangas; Staff Counsel,
13 Peter Pelkofer. And I think Ed Chatfield and Lance Kiley
14 on our staff, along with Bob Hall of our contract branch.

15 COMMISSIONER TUCKER: And they agreed that this
16 was the best --

17 MR. TROUT: Yes, they do.

18 COMMISSIONER TUCKER: Okay.

19 CHAIRMAN MC CARTHY: Any further questions?

20 Any questions from any member of the audience
21 on Item 69?

22 Commissioner Tucker moves. Commissioner
23 Stancell seconds. And it's unanimously approved.

24 Ladies and gentlemen, thank you very much.

25 That concludes the Commission meeting.

 (Thereupon the meeting was adjourned
 at 2:49 p.m.)

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