

STATE LANDS COMMISSION

TRANSCRIPTS

January 8, 1992

MEETING

STATE OF CALIFORNIA

STATE LANDS COMMISSION

EAST ANNEX CONFERENCE ROOM

1807 - 13TH STREET

SACRAMENTO, CALIFORNIA

ORIGINAL

WEDNESDAY, JANUARY 8, 1992

3:30 P.M.

Doris M. Bailey, CSR, RPR
Certified Shorthand Reporter
License Number 8751

COMMISSION MEMBERS PRESENT:

Mr. Gray Davis, Chairman
State Controller
Represented by Mr. James Tucker
Chief Deputy Controller

Honorable Leo T. McCarthy
Lieutenant Governor

Mr. Jesse R. Huff, Director of Finance
Represented by Ms. Susanne Burton

STAFF PRESENT

Mr. Charles Warren, Executive Officer

Mr. Robert C. Hight, Chief Counsel

ALSO PRESENT

Mr. Jan Stevens, Deputy Attorney General

Ms. Fatsy Tomasello

I N D E X

	<u>Page</u>
Proceedings	1
Call to Order	1
Confirmation of the minutes of the last meeting	1
<u>Consent Calendar</u>	
Removal of Consent Calendar Items 5, 13, 21, 22 and 25	1
Move of Consent Calendar Item 15	1
Adoption of Consent Calendar Items	2
<u>Regular Calendar Items</u>	
Item 15	2
Item 24	4
Item 26	4
Item 27	5
<u>Executive Officer's Report</u>	6
Adjournment	14
Reporter's Certificate	15

P R O C E E D I N G S

--oOo--

1
2
3 CHAIRMAN McCARTHY: This is a meeting of the State
4 Lands Commission.

5 The minutes of the last meeting without objection
6 are approved?

7 COMMISSIONER BURTON: No problem.

8 CHAIRMAN McCARTHY: The consent calendar items we're
9 taking 5, 13, 22 -- 21?

10 EXECUTIVE OFFICER WARREN: Yes.

11 CHAIRMAN McCARTHY: And 25 --

12 EXECUTIVE OFFICER WARREN: And regular calendar item
13 25.

14 CHAIRMAN McCARTHY: -- off the -- the first four off
15 consent and five off, 25 off the regular calendar?

16 EXECUTIVE OFFICER WARREN: Yes. And, Mr. Chairman,
17 also consent calendar item 15 is removed from the consent
18 calendar to the regular calendar.

19 CHAIRMAN McCARTHY: All right.

20 Without objection all of that will be done.

21 Let's start on the regular calendar.

22 Mr. Warren, please?

23 EXECUTIVE OFFICER WARREN: You want to take the
24 consent calendar first?

25 CHAIRMAN McCARTHY: Without objection the consent

1 calendar is adopted. There.

2 EXECUTIVE OFFICER WARREN: Okay, the first item on
3 the regular calendar will be item C-15, M. and T. Staten
4 Ranch. Jane Sekelsky, who is Land Management Division Chief,
5 will present that item.

6 MS. SEKELSKY: This project is proposed on two
7 parcels of land in and along the Mokelumne River in Staten
8 Island in San Joaquin County.

9 The berms in these areas which have provided
10 valuable Shaded Riverine Aquatic habitat are eroding from wave
11 wash from the river. Erosion of the berms has resulted in the
12 loss of essential habitat and a threat to the stability of the
13 adjoining levies.

14 The applicant, with the support of the Department of
15 Fish and Game, proposes to construct dikes in the eroding
16 areas, dredge sand from the riverbed and place it on the
17 berms, and revegetate the berms in order to restore the berm
18 in its habitat, and to protect the Staten Island levies.

19 The proposed project is one application of the berm
20 restoration concept developed by Sacramento River Inter-Agency
21 Mitigation team of which we are a member.

22 The applicant disputes the State's ownerships in the
23 lands underlying the project, but has applied for a permit
24 without prejudice to their right to contest the State's title
25 at a later date.

1 The project would be exempt as an experimental
2 management project from CEQA.

3 You will see Exhibit C to your calendar item has
4 three special conditions which would be inserted in the permit
5 itself, and we would like to add one more which I will read
6 into the record.

7 "The applicant will be responsible
8 for implementation of the project
9 including construction of the dikes,
10 placement of dredge material, and plant
11 selection and installation as set forth in
12 Section 3 of Exhibit B to this item, pages
13 98.5 to 98.6, subject to the approval and
14 supervision of the Department of Fish and
15 Game."

16 We have representatives both of the applicant and of
17 the Department of Fish and Game, if you have any questions,
18 here in the audience.

19 CHAIRMAN McCARTHY: Any questions of members of the
20 Commission at this point?

21 All right. Any further comments from any of your
22 staff, Mr. Warren?

23 EXECUTIVE OFFICER WARREN: No, Mr. Chairman.

24 CHAIRMAN McCARTHY: Does anyone in the audience wish
25 to testify on Item 15 now on the regular calendar? The

1 Commission is ready to act otherwise.

2 The conditions just submitted including the one read
3 into the record will be adopted as a part of our action here.
4 We're ready to vote on the entire item now.

5 COMMISSIONER BURTON: That's fine.

6 COMMISSIONER TUCKER: Uh-huh.

7 CHAIRMAN MCCARTHY: Unanimously adopted.

8 EXECUTIVE OFFICER WARREN: The next regular calendar
9 items 24 through 27 save 25 will be presented by Mr. Paul
10 Mount, Chief of the Mineral Resources Management Division.

11 MR. MOUNT: Good morning. Okay, Mr. Chairman, Item
12 24, approve a negotiated subsurface, and there will be no
13 surface use, State oil and gas lease, it's 95 acres under Sand
14 Mount Slough in Contra Costa County, for purposes of
15 developing the gas resource.

16 CHAIRMAN MCCARTHY: Any questions by members of the
17 Commission? Members of the audience?

18 Adopted as recommended.

19 Next item.

20 MR. MOUNT: Item 26, approve the assignments of
21 State oil and gas leases, PRC 410, PRC 429, and PRC 1466, and
22 right-of-way leases PRC 1961 and PRC 5968, in the Rincon Oil
23 Field, Ventura County.

24 In this assignment Arco will be released from all of
25 its obligations under the lease except for the obligation to

1 remove the Rincon Island, the connecting causeway, and the
2 appropriate portion of the pier. Berry Petroleum Company
3 already has the current obligations, so this is an assignment
4 of those leases.

5 CHAIRMAN McCARTHY: Any questions?

6 EXECUTIVE OFFICER WARREN: No opposition.

7 CHAIRMAN McCARTHY: Anyone in the audience wish to
8 comment on Item 26?

9 The recommendations are adopted.

10 Item 27.

11 MR. MOUNT: Approve a negotiated subsurface, again
12 no surface use, State oil and gas lease, 475 acres under the
13 old river in Contra Costa County and San Joaquin Counties for
14 the purpose of developing the gas resources.

15 CHAIRMAN McCARTHY: Any questions by members of the
16 Commission?

17 COMMISSIONER BURTON: No.

18 CHAIRMAN McCARTHY: I do have a slip from Mr. Gary
19 Plotner of Phillips Petroleum.

20 MR. PLOTNER: That was only if there was any
21 discussion, so I'm fine, thanks.

22 CHAIRMAN McCARTHY: If you want a chance to talk
23 yourself out of this one --

24 MR. PLOTNER: I'll just sit here.

25 CHAIRMAN McCARTHY: If there are no other further

1 comments we'll adopt the recommendations as proposed.

2 EXECUTIVE OFFICER WARREN: That concludes the public
3 calendar, Mr. Chairman. There's only one other item on the
4 agenda and that is a brief Executive Officer's report if you
5 will permit me two or three minutes?

6 CHAIRMAN McCARTHY: Sure.

7 EXECUTIVE OFFICER WARREN: I've had prepared for
8 you, given the fact that it's the beginning of a new year, I
9 quickly assembled an accomplishments report which is contained
10 in the red folder.

11 COMMISSIONER BURTON: Appropriate color.

12 EXECUTIVE OFFICER WARREN: That's okay, this is the
13 first time I've been complimented in years.

14 In a black and white folder --

15 COMMISSIONER BURTON: I quit.

16 EXECUTIVE OFFICER WARREN: I have a copy of a
17 presentation which I made to the Department of Finance,
18 Department of Resources, and Governor's staff on the
19 implications of budget and personnel curtailments on the
20 revenue producing capabilities of the agency. Pointing out
21 that among the 66 PY's that we've eliminated in response to
22 the 27 percent budget cutbacks, that a restoration of 12 of
23 them would result in an increase in our projected revenues
24 this year from \$10 to \$20 million at a cost of less than a
25 million to the general fund.

