constructed by Standard Oil Company of California noted in Item 29 of these minutes.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER TO ISSUE TO THE DIVISION OF FISH AND GAME A LEASE OF TIDE AND SUBMERGED LANDS IN MONTEZUMA SLOUGH, SOLANO COUNTY, OCCUPIED BY A WHARF FORMERLY UNDER LEASE TO STANDARD OIL COMPANY, THE DIVISION OF FISH AND GAME TO MAINTAIN THE WHARF IN USABLE SHAPE AND TO ASSUME ALL RESPONSIBILITY FOR ANY LOSS, DAMAGE, CLAIM, DEMAND OR ACTION CAUSED BY, ARISING OUT OF OR CONNECTED WITH THE MAINTENANCE AND USE OF THE WHARF AND, UPON TERMINATION OF USE, TO REMOVE THE WHARF, LEASE TO BE EFFECTIVE ON THE DATE THE STANDARD OIL COMPANY FILES A QUITCLAIM FOR THE AREA; THE LEASE TO FISH AND GAME TO RUN FOR SUCH TIME AS THE AREA AND WHARF IS USED FOR THE PURPOSE INTENDED, AT A CONSIDERATION OF NO FEE AND NO RENTAL.

31. (RIGHT OF WAY ON TIDE AND SUBMERGED LANDS, OIL TERMINALS COMPANY, CRESCENT CITY HARBOR - W.O. 637, P.R.C. 541, P.R.C. 502) (Messrs. Allen Lehman, George Grout, J. Lyle Prickett and Berry D. Brown, appeared upon behalf of the District, and Tom Crowley upon behalf of the Oil Terminals Company in connection with this matter). The Commission was informed that at the meeting of the Commission on August 29, 1950 the following action was taken:

"Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer, upon receipt of official notice of a permit by the Corps of Engineers, and subject to receipt of an informal opinion from the Attorney General that the proposed action is not contrary to the terms of the Lease P.R.C. 502 between the State and the Crescent City Harbor District, to issue an easement to the Oil Terminals Company for the installation of two dolphins and for a non-exclusive right of way 10 feet in width and approximately 3,000 feet in length from a point at the seaward end of the inner breakwater and on the sand barrier to the ordinary high water mark, as set by the Commission, at an annual rental of $100. Easement to be for a term of 15 years with right of renewal under such terms and conditions as the Commission may then require for one additional period of 10 years. Furthermore, the easement shall require the filing of a surety bond in the amount of $1,000 to guarantee performance including the removal, at expiration, of any facilities built on State lands; this easement to be without prejudice to any rights the Crescent City Harbor District may have under the lease issued to it by the Commission under date March 18, 1950".

The Attorney General was consulted on the matter of the authority of the Commission to issue the proposed lease to the Oil Terminals Company and on September 22, 1950 the Attorney General rendered a formal opinion, from which is quoted the following: "Accordingly it is my opinion that your Commission may issue the lease in view of the circumstances recited in the Commission findings following the hearing held August 29, 1950. In lieu thereof, I am of the further opinion that your Commission must take affirmative action to otherwise effect the purpose of the trust".

Upon request of members of the Harbor Commission of the Crescent City Harbor District a conference was held in Los Angeles with them on September 22, 1950. They requested an opportunity to appear before the Commission at an early date, with a view to presenting further evidence in support of a request that the action authorized at the Commission's meeting on August 29, 1950 be not consummated. As a result of this conference it was decided to arrange for another meeting with representatives of the Oil Terminals Company, with the object of

reconciling the differences that then existed in order that the project might proceed under authority of a lease between the Oil Terminals Company and Crescent City Harbor District.

Such a conference was held in San Francisco on October 3, 1950 with the result that agreement was reached between the parties involved on the following:

1. Any lease between the parties would provide for an option by the Harbor District to purchase the facilities installed by the Oil Terminals Company, provided that the Harbor District would make a suitable site available elsewhere in the harbor for requisite facilities for the Oil Terminals Company and that the Harbor District would pay for the facilities taken over, including any portion of the pipelines that were made useless to the Oil Terminals Company, at a price to be fixed by an appraiser, or by arbitration should there be objections to the value set by the appraiser.

2. The Harbor District is entitled to payment in accordance with Tariff No. 1, as issued by it, for preferential space rental for the area to be occupied by vessels of the Oil Terminals Company and also for rental for the area occupied by the pipe lines. These rentals would approximate a total of $240.00 per year.

3. The Harbor District is not entitled to a dockage charge, as the dock facilities are to be provided and maintained by the Oil Terminals Company.

4. The Harbor District is entitled to a wharfage charge only to the extent that the Oil Terminals Company pay for a reasonable share of the overhead cost of the District, for the reason that the District is to incur no capital, maintenance, or operating costs for the facilities as long as they are owned by the Oil Terminals Company.

The parties failed to agree on the amount of the wharfage charge and the method of assessing such charge. The Harbor District believes that wharfage should be paid on a unit basis for the sake of uniformity and consistency in methods of applying tariff charges in the Harbor. The District's last suggestion was that a charge of one-fifth of one cent per barrel be assessed, which, on the basis of the estimated annual cargo of 750,000 barrels, would amount to $1,500.00 per year. This charge was to include the space rentals previously mentioned.

The Oil Terminals Company objects to the assessment of charges on a unit basis and offered as an alternative a lump sum payment of $1,000.00 per year to cover all Harbor District charges. The Oil Terminals Company felt that anything in excess of that amount would involve a contribution to the overhead costs of the District in excess of a reasonable share.

The Division of State Lands agrees that the wharfage charge should be on a unit basis because of the fact that this practice is customary in all ports where the tariff method of obtaining revenues is used. It is also customary to make separate charges for space rentals. In this case an appropriate solution would appear to involve a space charge of $240.00 per year and a wharfage charge of one-sixth of one cent per barrel, if the object is to bring the estimated total annual payment to about $1,500.00.

The disagreements now existing are minor from an economic point of view. The

total charges desired by the Harbor District are not believed to be so great as to preclude the economical practicability of the project. The basis for the action taken by the Commission on August 29, 1950, therefore, no longer appears to exist. On the other hand the duties imposed on the State Lands Commission, as emphasized in the Attorney General's opinion, seem to require "action to effect the purposes of the trust".

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED TO THE EFFECT THAT FURTHER ACTION ON THE ISSUANCE OF THE LEASE TO THE OIL TERMINALS COMPANY, AS AUTHORIZED BY THE COMMISSION AT ITS MEETING ON AUGUST 29, 1950, BE DEFERRED, AND THAT THE EXECUTIVE OFFICER BE AUTHORIZED TO APPROVE ANY SUB-LEASE BY THE HARBOR DISTRICT TO THE OIL TERMINALS COMPANY THAT MIGHT BE ENTERED INTO MEANWHILE, PROVIDED THE SUBLEASE IS IN ACCORD WITH THE TERMS OF THE LEASE BETWEEN THE CRESCENT CITY HARBOR DISTRICT AND THE STATE LANDS COMMISSION (P.R.C. 502) EFFECTIVE FEBRUARY 10, 1950.

32. (ACQUISITION BY THE UNITED STATES OF LANDS OCCUPIED BY THE UNITED STATES ARMY AT OAKLAND ARMY BASE, ALAMEDA COUNTY, CALIFORNIA, UNDER THE PROVISIONS OF SECTION 126, GOVERNMENT CODE - W.O. 490) The Commission was informed as follows: On July 26, 1949, the Commission authorized the Executive Officer to order and conduct the requisite hearings pursuant to Section 126 of the Government Code and under the rules and regulations adopted by the Commission on June 14, 1949, on applications for consent to acquisition by the United States of lands comprising a number of installations among which was the United States Army Base at Oakland, California. Under date of April 21, 1949, an application for acceptance of jurisdiction by the United States executed by Kenneth C. Royall, Secretary of the Army, was addressed to Governor Earl Warren and forwarded to this office. This application was deficient in several aspects and was subsequently replaced by a corrected application filed by Mr. Frank Pace, Jr., Secretary of the Army, under date of July 5, 1950.

Pursuant to said application arrangements were made to conduct the public hearing at Oakland, California, in connection with one scheduled for the same day and place and relating to the United States Army Personnel Center at Camp Stoneman. The Notice of such Public Hearing was published in the Oakland Tribune, Oakland, California, on August 14, 1950, and service on the Clerk of the Board of Supervisors of Alameda County was made on August 10, 1950. Notices were thus published and served in compliance with Section 2702 California Administrative Code, Title 2.

A hearing was held by the Executive Officer at the Oakland Army Base, Oakland California, at 10:00 A.M., August 30, 1950. A record of the hearing was made and the transcript was made a part of the Commission record in this case. The Attorney General was represented by Mr. Walter S. Rountree, Deputy Attorney General.

Appearances were made on behalf of the Army by the Commanding Officer of the Oakland Army Base, Colonel Robert L. Allen, also by Mr. Robert Prendergast, George Lavezzola and Mr. J. Otis Brown, representing the Real Estate Section of the Southern Pacific Division of the Corps of Engineers, U. S. Army. No other appearances were made in support of this application and none were made against it.

Section 126 of the Government Code requires that the State Lands Commission must have found and declared to have occurred and to exist the fulfillment of certain