

STATE OF CALIFORNIA

Minutes of the Meeting of the
State Lands Commission
Sacramento, California

APPEARANCES

Commissioners Present:

Kenneth Cory, State Controller, Chairman
Richard Thomson, Assistant to the Lieutenant Governor,
Alternate for Mervyn M. Dymally, Lieutenant Governor,
Commissioner
Sid McCausland, Deputy Director of Finance, alternate
for Roy M. Bell, Director of Finance, Commissioner

Staff Members in Attendance:

William F. Northrop, Executive Officer
R. S. Golden, Assistant Executive Officer
Robert C. Hight, Chief Counsel
Donald J. Everitts, Manager, Energy and Mineral Resources
Development
Allen D. Willard, Supervising Mineral Resources Engineer
W. M. Thompson, Manager, Long Beach Operations
James F. Trout, Manager, Land Operations
Leslie Grimes, Assistant Manager, Land Operations
Diane Jones, Secretary

Representing the Office of the Attorney General:

N. Gregory Taylor, Assistant Attorney General
Jan Stevens, Assistant Attorney General
Dennis Goldstein, Deputy Attorney General
Katherine E. Stone, Deputy Attorney General

Re Minute Item 21 - Approval of Resumption of Drilling Operations
on State Oil and Gas Leases PRC 1824.1, PRC 3150.1, and PRC 4000.1,
Santa Barbara County:

Lois Sidenberg, President, Carpinteria Valley Association
E. J. Taaffe, representing Standard Oil Company of California
Steven Boyle, Director, Get Oil Out!, Inc.
Peter Hall, Administrative Assistant to Assemblyman
Ken MacDonald
Bruce Rosenthal, Administrative Assistant to Senator
Omer Rains

Re Minute Item 36 - Proposed Expenditure of Tideland Oil Revenue
for Subsidence Remedial Work, City of Long Beach:

Einar Peterson, representing the City of Long Beach

Re Minute Item 45 - Proposal of the City of Long Beach to Expend
Tideland Oil Revenues for the purchase of certain beach lots
in central beach area of the City of Long Beach:

Clemons Turner, Deputy City Attorney, City of Long Beach
Hodge Dolle, Attorney representing Mr. Sidney Mark Taper

MINUTES OF THE STATE LANDS COMMISSION
MEETING OF
SEPTEMBER 30, 1976

Chairman Kenneth Cory, State Controller, called the regular meeting of the State Lands Commission to order at 10:05 a.m. in Room 2170, State Capitol. Other members present included Commission-alternate Sid McCausland, Deputy Director of Finance, representing Roy M. Bell, Director of Finance; and Commission-alternate Richard Thomson, Assistant to the Lieutenant Governor, representing Mervyn M. Dymally, Lieutenant Governor.

The minutes of the meeting of August 26, 1976, were approved as presented.

EXECUTIVE OFFICER'S REPORT

The written report of Mr. William F. Northrop, Executive Officer, is attached as Exhibit "A". However, with respect to the informational items presented, the following points were raised: W 1835.4

In connection with the soon-to-be distributed report "California and the Disposition of Alaskan Oil and Gas", Chairman Cory instructed the staff to be sure that comments are solicited from the private sector. W 21247

With regard to the River Marina and Waterways Liaison Committee, Commission-alternate McCausland moved, and Mr. Thomson seconded, that the suggested membership and bylaws of the Committee, as presented, be adopted (see Exhibit "B"). W 40015

The next item concerned a contract with the City of Hermosa Beach regarding the potential drainage of oil and gas from tidelands granted to the City adjacent to the Torrance Oil Field. Mr. Cory asked who would receive the revenue if the Commission decided there was drainage, and then decided to drill to protect its interests. In answer to Mr. Cory's question, N. G. Taylor, Assistant Attorney General, stated the City would receive the revenue. Mr. Cory then asked why should the Commission pay any of the cost if the City receives all the revenue. At this point, Mr. Taylor explained that because the City is a trustee, the Commission must review anything they ask to do. Since the drainage may occur, the subject contract is to expedite the review process. It was on this basis that the agreement was made to split the cost. However, all the revenue will go to the City for trust purposes. Mr. Taylor further stated that the City has indicated a desire to amend its trust grant as far as purposes of expenditure are concerned. At the conclusion of the discussion, the Commission agreed to the terms of the contract. W 5125.9

With regard to the proposed coastal regulations, Mr. McCausland asked how the law the Governor signed relates to the subject regulations. Mr. Northrop explained that the subject law sets some relatively wide parameters in the coastal area. What the

staff is doing is to make those parameters more specific. Mr. McCausland indicated he hoped the State Lands Commission and the State Coastal Commission could be partners in this endeavor.

W 503.866

Robert C. Hight, Chief Council, advised the Commission of the new suit filed by Western Oil and Gas Association, et al. regarding the newly-adopted regulations on volumetric rental. The Commission requested a copy of the complaint for their review.

Attachment: Exhibit "A"
Exhibit "B"

EXHIBIT "A"

EXECUTIVE OFFICER'S REPORT

By

WILLIAM F. NORTHROP
EXECUTIVE OFFICER

SEPTEMBER 30, 1976

"CALIFORNIA AND THE DISPOSITION OF ALASKAN OIL AND GAS" W 1835.4

THIS "WORKING PAPER" HAS BEEN RETURNED FROM THE PRINTERS. IT WILL BE CIRCULATED AMONG INTERESTED AGENCIES ACCORDING TO THE COMMISSION'S PREVIOUS INSTRUCTIONS.

RIVER MARINA & WATERWAYS LIAISON COMMITTEE W 21247

THE SUGGESTED MEMBERSHIP AND BYLAWS OF THIS COMMITTEE WERE PREVIOUSLY GIVEN TO YOU FOR REVIEW AND COMMENTS. IF YOU HAVE NO OBJECTIONS, IMMEDIATE STEPS WILL BE TAKEN TO SET UP THE COMMITTEE AS PREVIOUSLY OUTLINED AND SCHEDULE ITS INITIAL MEETING. (READ NAMES)

LEGISLATION

THE GOVERNOR SIGNED INTO LAW MOST OF THE LEGISLATION WHICH WAS SPONSORED BY THE COMMISSION. A LEGISLATIVE STATUS REPORT IS BEING PREPARED AND WILL BE FORWARDED TO EACH OF YOU UPON ITS COMPLETION.

S 8375

THE GOVERNOR SIGNED ASSEMBLY JOINT RESOLUTION NO. 60 -- THIS REQUESTS THE STATE LANDS COMMISSION TO COMMENCE THE SCHOOL LAND CONSOLIDATION PROGRAM. A STAFF REPORT SUGGESTING LAND EXCHANGE ALTERNATIVES HAS BEEN REDRAFTED. THESE PROPOSALS WILL

BE THE BASIS OF FEDERAL LEGISLATION WHICH IS NECESSARY TO EFFECT THIS EXTENSIVE LAND EXCHANGE BETWEEN THE STATE AND FEDERAL GOVERNMENT.

W 3005

LAKE TAHOE

THE TAHOE REGIONAL PLANNING AGENCY, THE CORPS OF ENGINEERS, AND THE STATE OF NEVADA ARE INTERESTED IN PERFORMING A MASTER ENVIRONMENTAL ASSESSMENT OF THE LAKE TAHOE SHORELINE. THESE AGENCIES ARE WILLING TO UNDERWRITE A SHARE OF THE COST FOR THIS STUDY. THEY HAVE REQUESTED THAT THE STATE LANDS COMMISSION PARTICIPATE. THESE SAME ORGANIZATIONS ARE ALSO INTERESTED IN REMOVING PILINGS AND OTHER UNDERWATER OBSTRUCTIONS FROM THE LAKE. AGAIN, THEY WANT TO COOPERATE WITH THE COMMISSION ON A COST-SHARING BASIS. STAFF IS WORKING WITH THE RESOURCES AGENCY AND THE DEPARTMENT OF FINANCE TO IDENTIFY APPROPRIATE SOURCES OF FUNDING FOR THESE PURPOSES.

W 40015

HERMOSA BEACH - CONTRACT

STAFFS OF THE DIVISION AND THE ATTORNEY GENERAL'S OFFICE HAVE BEEN CONTACTED BY THE CITY OF HERMOSA BEACH ABOUT THE POTENTIAL FOR DRAINAGE OF OIL AND GAS FROM TIDELANDS GRANTED TO THE CITY BY THE STATE ADJACENT TO THE TORRANCE OIL FIELD.

IN ORDER TO DETERMINE IF DRAINAGE IS OCCURRING, IT WILL BE NECESSARY TO MAKE GEOLOGICAL AND ENGINEERING STUDIES.

BECAUSE OF THE STATEWIDE INTEREST, IT HAS BEEN PROPOSED THAT THE CITY AND THE STATE SHARE THE COST OF THIS STUDY ON A

50/50 BASIS WITH THE CITY PAYING A MAXIMUM OF \$3,500 OF THE ESTIMATED \$7,000 PROJECT COST.

MR. DON EVERITTS MET ON MONDAY WITH CITY OFFICIALS, AND A TENTATIVE CONTRACT AGREEMENT HAS BEEN REACHED. THE CONTRACT WILL BE PREPARED WITH COSTS CALCULATED IN ACCORDANCE WITH PROVISIONS OF THE STATE ADMINISTRATIVE MANUAL, AND WE WILL REPORT BACK ON THE FINAL FORM.

GEOHERMAL GRANT PROGRAM

W 9790.3

STAFFS OF THE DIVISION AND LAWRENCE BERKELEY LABORATORY THIS MONTH COMPLETED PREPARATION OF A REPORT ON ASSESSMENT OF GEOHERMAL RESOURCES ON STATE SUBMERGED LANDS.

THIS REPORT IS THE LAST OF THREE FUNDED UNDER A \$110,000 GRANT FROM THE FEDERAL ENERGY ADMINISTRATION TO THE STATE ENERGY COMMISSION. THE OTHER TWO STUDIES INCLUDED A REPORT ON DEVELOPMENT OF REGULATIONS FOR CALIFORNIA DEEPWATER OFFSHORE DRILLING OPERATIONS AND A REPORT ON ASSESSMENT OF OIL AND GAS RESOURCES ON STATE-OWNED OFFSHORE LANDS IN SAN PABLO BAY.

THE GEOHERMAL STUDY REPRESENTS THE FIRST EFFORTS OF THE COMMISSION TO ASSESS THE GEOHERMAL ENERGY POTENTIAL ON STATE-OWNED LANDS AND INCLUDED DESIGN, CONSTRUCTION AND TESTING OF A NEW INSTRUMENT TO MEASURE HEAT FLOW AND CONDUCTIVITY IN LAKE BOTTOMS. WE HOPE TO BE ABLE TO EXTEND AND REFINER THIS STUDY WITH ADDITIONAL DATA AS FUNDS BECOME AVAILABLE SO THAT WE WILL EVENTUALLY HAVE A FAIRLY GOOD FEEL FOR THE EXTENT, LOCATION AND

AND LONG-RANGE GEOTHERMAL ENERGY POTENTIAL ON STATE
LANDS.

RECREATIONAL PIER PERMITS

W 396.615

THE STAFF HAD MADE A REQUEST TO THE ATTORNEY GENERAL'S OFFICE FOR AN OPINION ON THE CONSTITUTIONALITY OF THE PROVISION IN THE PUBLIC RESOURCES CODE REQUIRING THE COMMISSION TO ISSUE RECREATIONAL PIER PERMITS TO CERTAIN LITTORAL LANDOWNERS FREE OF RENT. IN RESPONSE TO THAT REQUEST, THE ATTORNEY GENERAL'S OFFICE ISSUED LAST WEEK AN OPINION THAT THE PORTION OF THE CODE REQUIRING THE ISSUANCE OF RENT-FREE RECREATIONAL PIER PERMITS IS UNCONSTITUTIONAL UNDER THE STATE CONSTITUTION BECAUSE IT PROVIDES FOR A GIFT OF PUBLIC PROPERTY. WE HAVE BEEN ADVISED DURING THE COURSE OF INFORMAL DISCUSSIONS WITH THE ATTORNEY GENERAL'S OFFICE THAT RECREATIONAL PIER PERMITS MAY BE TREATED AS A SEPARATE ITEM FOR LEASING WITH PROVISION FOR A RATE TAILORED TO THE LIMITED NATURE OF PRIVATE RECREATIONAL PIERS. REGULATIONS DESIGNED TO ACCOMPLISH THIS OBJECTIVE WILL BE PREPARED BY THE STAFF IN CONSULTATION WITH THE ATTORNEY GENERAL'S OFFICE. THESE PROPOSED REGULATIONS WILL BE PRESENTED TO YOU FOR ADOPTION AT THE NEXT MONTHLY MEETING.

COASTAL REGULATIONS

W 5125.9

THE STATE LANDS DIVISION WILL BE HOLDING HEARINGS ON OCTOBER 18, 19, AND 20 IN SAN DIEGO, LONG BEACH AND SAN FRANCISCO TO SOLICIT PUBLIC COMMENTS ON A PROPOSED ARTICLE 6.5 TO BE ADDED TO THE STATE LANDS COMMISSION'S REGULATIONS IN TITLE 2 OF THE CALIFORNIA ADMINISTRATIVE CODE. THE NEW ARTICLE 6.5 COVERS A VARIETY OF TOPICS RELATED TO PROTECTION OF LANDS AND RESOURCES UNDER THE JURISDICTION OF THE STATE LANDS COMMISSION WITHIN THE COASTAL ZONE. BASED ON PUBLIC COMMENTS AND FURTHER STAFF ANALYSIS, THESE REGULATIONS WILL BE PUT INTO FINAL FORM AND HOPEFULLY WILL BE PRESENTED TO THE STATE LANDS COMMISSION FOR ADOPTION AT THE NOVEMBER MEETING.

WOGA SUIT

W 503.866

BOB HIGHT WILL GIVE A STATUS REPORT ON THE RECENT SUIT FILED BY WESTERN OIL AND GAS ASSOCIATION, ET AL. AGAINST THE COMMISSION.

BYLAWS FOR THE
RIVER MARINA AND WATERWAYS LIAISON COMMITTEE

ARTICLE 1

Section 1. The name of this committee shall be River Marina and Waterways Liaison Committee.

ARTICLE 2

Section 1. The purpose of this Committee shall be advisory. Its primary objective is to disseminate information on the policies and procedures of the State Lands Commission as they affect or control the use of lands under or adjacent to waterways of the State. The Committee may discuss matters which relate to such land-use controls and make recommendations to the Commission for possible policy or procedural changes.

Section 2. This Committee is not authorized to discuss those matters which are presently under litigation, enter into contracts or official agreements, or issue public pronouncements on behalf of the State Lands Commission.

EXHIBIT "B"

SUGGESTED RIVER MARINA AND WATERWAYS LIAISON COMMITTEE

Division of State Lands - 3 members

Dick Atlee
Chief of Planning and
Environmental Coordination

Roy Minnick
Senior Boundary Determination Officer

Lin Patton
Supervising Land Agent

State Legislature - 2 members

Consultant to Assembly Committee on Resources,
Land Use, and Energy

Consultant to Senate Committee on Natural
Resources and Wildlife

Resources Agency - 1 member

Frank Goodson
Assistant to the Secretary

Conservation Groups - 1 member

Representative of the Planning and Conservation League

Private Sector - 3-4 members

Representative of the Marina Operators Association (Dick Farrell)

Representative of Boat Owners Association

Representative of Taxpayers Association

Representative from a Homeowners or Fishermens Association

ARTICLE 3

Section 1. The membership of this Committee shall be limited to eleven (11) members. There shall be no alternates designated for Committee members.

Section 2. All members shall be appointed by the Executive Officer of the State Lands Commission with the concurrence of the Commission. The appointments of members are for an indeterminate period, but at the pleasure of the Executive Officer. The Executive Officer may end the term of an individual member if he finds that they are in violation of these bylaws or have conducted themselves in any manner which is inconsistent with the purposes of this Committee.

Section 3. All vacancies shall be filled by the Executive Officer with the concurrence of the Commission.

Section 4. The State Lands Commission may abolish the Committee when, in its opinion, the Committee's purposes have been accomplished or the services of the Committee are no longer required.

Section 5. Each member shall serve on the Committee without compensation and shall not be reimbursed

for expenses incurred in the discharge of duties associated with membership on the Committee.

Section 6. Initial and subsequent membership shall be representative of various interest groups and no more than one member shall be appointed for each special interest, with the sole exception being that State Government may have representatives from the Legislative and Executive Branches and from professional or technical disciplines which are elemental to the topics or areas of concern.

ARTICLE 4

Section 1. The officers of the Committee shall be a chairman, a vice-chairman, and a secretary.

Section 2. No officer or member of the Committee shall have authority by reason of such office or membership to contract on behalf of the Committee, the Division of State Lands, or the State Lands Commission. Nor shall any member make any form of public pronouncement concerning the Committee's business unless so authorized by a majority vote of the Committee.

Section 3. The original chairman of the Committee shall be selected by the Executive Officer of the State Lands Commission from the Division of State Lands prior to its initial meeting. Other officers shall be elected by and from the Committee and thereafter shall be elected annually.

Section 4. Such officers other than the chairman shall serve for one year and the terms of their office shall begin at the close of the meeting at which they are elected.

Section 5. No member shall hold more than one office at a time.

ARTICLE 5

Section 1. The Committee shall by rule establish regular meetings either on a monthly or quarterly basis.

Section 2. Special meetings may be called by the chairman and shall be called upon written request of three (3) Committee members.

Section 3. A majority of the Committee shall constitute a quorum. Action by the Committee

shall be by majority vote of the members present. A member must be present to vote. The chairman shall not vote except to break a tie.

Section 4. All meetings shall be open to the public to assure that all interested groups and individuals may participate in the workings of the Committee.

ARTICLE 6

Section 1. The Committee shall not participate in any way in any campaign for public office or for any proposition before the voters.

Section 2. Members shall not attempt to influence any action of the Commission other than through a personal appearance at a public meeting held by the Commission. At such a time, the member shall make it clear that he speaks as an individual and that his appearance and testimony is not being made on behalf of the Committee. Nor shall any individual represent to others that membership on the Committee authorizes him to transact any form of business for or to speak on behalf of the State Lands Commission.

Section 3. The Committee may, by a majority vote, designate a member to speak on their behalf at a meeting of the Commission. Such testimony shall be prepared and adopted by the Committee in advance of such meeting.

ARTICLE 7

Section 1. Individual membership shall be terminated at the close of the third consecutive meeting, regular or specially called, from which the member is absent unless he is excused by the majority of the Committee members or the Executive Officer of the State Lands Commission.

ARTICLE 8

Section 1. These bylaws have been adopted by the State Lands Commission. They may be amended at any regular meeting of the Committee by a two-thirds vote, provided that any amendments must be approved subsequently by the State Lands Commission. Such amendments shall have no effect unless they have been approved by at least two (2) members of the State Lands Commission.

ARTICLE 9

Section 1. The Committee shall be guided by Roberts
Rules of Order (Revised) if parliamentary
matters arise and require resolution.

RECORD OF ACTION TAKEN BY THE
STATE LANDS COMMISSION
AT ITS MEETING OF SEPTEMBER 30, 1976

During the meeting, the recommendations of the staff relative to Calendar Items C1, C2, C3, C4, C5, C6, C8, C9, C10, C11, C12, C13, C14, C15, C16, C17, C18, C19, 22, 24, 25, 27, 28, 29, 30, 31, 32, 33, 34, 35, 37, 39, 40, 41, 42, 44, and 46 were adopted as resolutions of the Commission by unanimous vote.

Commission action on Calendar Items C7, 20, 26, 36, 38, and 45 are set forth on pages 1181-1186, 1226-1229, 1257-1259, 1291-1296, 1302-1305, and 1316-1319.

Calendar Item 21, page 1230, was deferred. Calendar Items 23 and 43 were withdrawn from the agenda (see page 1245 and page 1312).

A brief report on the status of major litigation is set forth on page 1322.