TRANSCRIPT OF
MEETING
OF
STATE LANDS COMMISSION
LOS ANGELES, CALIFORNIA
JUNE 23, 1960 - 9:00 A.M.

PARTICIPANTS:

THE COMMISSION:

Messrs. Glenn M. Anderson, Lieutenant Governor, Chairman

Alan Cranston, Controller

(Mr. John E. Carr absent)

Mr. F. J. Hortig, Executive Officer

OFFICE OF THE ATTORNEY GENERAL:

Mr. Jay L. Shavelson, Deputy Attorney General

APPEARANCES:

(In the order of their appearance)

Mr. Maurice L. Sorrells, Chairman of the Board of Supervisors of Inyo County
(in re Item Classification 5(b), Item 22 of calendar)

Mr. Harold A. Lingle
Deputy City Attorney, City of Long Beach
(in re Item Classification 4(h), Item 20 of calendar)

Reporter: Louise M. Lillico
Division of Administrative Procedure
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GOV. ANDERSON: The meeting of the State Lands Commission will come to order and the secretary will make note that Mr. Cranston and Mr. Anderson are present.

I have been informed that we have a visitor with us this morning from Israel, a man who is observing our democratic processes, by the name of Jacob Hellner. He is an artist-painter visiting from Israel in this country. Would you stand up, Mr. Hellner?

The first item will be the confirmation of the minutes of the meeting of April 26, 1960.

MR. GRANSTON: Move approval.

GOV. ANDERSON: I second it and it is approved unanimously. Mr. Hortig.

MR. HORTIG: The Commission has an item on its agenda on pages 29 and 30 relating to proposed issuance of a State patent to a Mr. Bloss A. Elias. We have personal representation here today including counsel for Mr. Elias, who has a court appointment at nine thirty. May I suggest Commission consideration for taking this item up out of order? Also, on behalf of the County of Inyo, we have Mr. Maurice Sorrells, Chairman of the Board of Supervisors, with us this morning, who wishes to speak with us on the same matter.

GOV. ANDERSON: If there is no objection, then, we will take up calendar item number 22 out of order. We will take it up first so these gentlemen can make their other appointments. Calendar item 22 is....
MR. HORTIG: Page 29, sir.

GOV. ANDERSON: ... is an application to select lieu
land in Inyo County by Bloss A. Elias from Tecopa, California.
Do you want to comment on it first before we hear from Mr.
Elias, Mr. Hortig?

MR. HORTIG: Yes. With reference to the problem
before the Commission, the Commission at its meeting March 24,
1960 authorized the sale of a designated parcel of land for
which application had been on file since July 2, 1951, which
was Federal land to be selected by the State from the Federal
government for the benefit of sale to the applicant, Bloss A.
Elias. Subsequent to this Commission action approving the
sale, but prior to completing the clerical work of issuing a
State patent, a letter was received by the Chairman of the Com-
mission from Senator Charles Brown of Shoshone under date of
May 6, 1960, suggesting that it would be in the public interest
that the land in question remain in a public agency and that
the specific land proposed to be conveyed to Mr. Elias was
necessary in connection with a county project for the develop-
ment of certain hot springs, which the County of Inyo is nego-
tiating to lease from the Federal government on adjoining
Federal land.

In view of this letter from Senator Brown, the ques-
tion as to whether the State Lands Commission might now --
after having approved the sale of the land to Bloss Elias by
resolution adopted at its meeting of March 24, 1960 -- rescind
the action in favor of the County of Inyo, reject the application of Bloss Elias, and in turn sell the land to the county at the current market value, was referred to the office of the Attorney General.

An informal letter opinion rendered by Deputy Attorney General Paul K. Joseph states that under the principles of contract law the State is now bound to deliver a patent to the applicant Bloss Elias. Therefore, it has been the staff recommendation that the Executive Officer be authorized to proceed with the issuance of a State patent for the specified lands in Inyo County, in accordance with the resolution of the Commission adopted at the Commission's meeting of March 24, 1960 approving this sale, in view of the fact that in accordance with the law the State is bound to issue the patent; and if the county has -- and we have a report here that they now do -- if they have a superior use for this land, the county is authorized to bring proceedings in eminent domain on these lands for a public project by condemnation if they still require the land for public use; but there are no other courses for the State Lands Commission.

However, as I commented previously, representatives of both the applicant and the County Board of Supervisors wish to appear.

GOV. ANDERSON: Who do you wish to appear first?

MR. HORTIG: I think under the circumstances Mr. Elias's position would be repetitive if the staff recommendation
is approved. Therefore, I think it would be appropriate to hear from the representative of Inyo County.

MR. CORNELLS: My name is Maurice Sorrells, Supervisor from Inyo County. I know our action here is delayed and I think it is due to circumstances beyond our control and beyond your control. I might relate, in the interest of the County, the reason I am here today.

In July 1958, the Bureau of Land Management called the Board of Supervisors and asked them if they would consent to taking over the Hot Springs at Tecopa and supervising them both from the standpoint of public health and housing. After consultation the Board of Supervisors agreed they would take over. At that time the application was based on an eighty-acre parcel and we were assured by the Bureau of Land Management this area was required for the operation they had in mind and such land would be held by them until the lease was consummated.

Since then, I think it was in August, last August, we had a communication from the Bureau of Land Management and they informed us that forty acres of this land had been withdrawn by the State. Of course, that didn't disturb us too much -- we felt then we would be in a position to negotiate with the State Lands Commission for the land. We felt it didn't impair our operation too greatly. However, we found out later that this land had been applied for and that patent was in the process of being issued. We then asked Senator
Brown what we could do and what he could do for us and the 
letter he wrote was at our request.

The position of the County is this: We have com-
mitted the county to an expenditure of approximately $25,000 
over a period of twenty years. We feel, and the Bureau of 
Land Management feels, that anything less than eighty acres 
would be insufficient to conduct the operation they have in 
mind -- and I might explain that the operation is in the 
nature of a public bath facility and trailer area that the 
State Housing insists be cleaned up; and that's the interest 
the County has. In other words, we are looking at it a little 
selfishly. The State Health Department has told us -- not 
officially, but unofficially -- that unless the area is cleaned 
up the County will have to assume administration of it.

So that, gentlemen, is the position of the County.

I realize your situation and I read the opinion you have in 
mind from the Attorney General; and I realize you are limited 
to what you can do legally, but I do feel that in view of the 
position of the County and the amount of money at stake and 
for the good of local administration, I think the Board should 
present their case before you. I don't think I can do any 
more than that.

GOV. ANDERSON: Thank you, Mr. Sorrells. Mr. 
Cranston, would you like to ask Mr. Sorrells any questions?

Mr. Cranston: No.

GOV. ANDERSON: Thank you.
MR. SORRELLS: Thank you, sir.

GOV. ANDERSON: Just a couple of questions on my part, Mr. Hortig: In the letter from Senator Brown he says, "(We) believe it is in the public interest that the land in question remain in a public agency" and "(we) request that the sale of this land be held up pending further investigation."

Under the rule of the Attorney General, we cannot do that — can we? We are bound to proceed with this sale.

MR. HORTIG: That is correct, sir.

GOV. ANDERSON: Is there any advantage in delaying this sale at this time to a subsequent meeting?

MR. HORTIG: Well, there are no further actions or questions to be resolved by the State Lands Commission in connection with this sale. The problem in retrospect generates apparently from lack of communication between possibly the left hand and right hand in the Bureau of Land Management — who, according to Mr. Sorrells' report, were actively negotiating with the County and asking for assistance by the County with respect to certain lands at the same time that the Bureau of Land Management was advertising in Inyo County that they were going to transfer a portion of this land to the State of California unless objections or counterclaims were filed with the Bureau of Land Management. No such objections or counterclaims were received and, therefore, the Bureau of Land Management transferred — one portion of the Bureau of Land Management apparently transferred forty acres of this land to the
State of California while another portion of the Bureau was discussing eighty acres, including this same forty, with Inyo County.

GOV. ANDERSON: I know in talking with some of the people on this there was a question whether there had been proper notification of these transfers and also of our Lands meeting when this property was going to be sold. Could you just briefly, for the record, restate some of the record on this?

MR. HORTIG: Yes sir. I have a summary of the total process file. A selection application requesting that the State of California select from the Federal government for future sale was filed by Mr. Bloss Elias for a specified forty acres in Inyo County on July 2, 1951. This filing was accompanied with a $300 cash deposit, representing the minimum deposit for the acreage which it was desired be selected.

GOV. ANDERSON: Now, this was filed with the Federal government?

MR. HORTIG: This was filed with the State of California on July 2 under State law, for the State to select Federal land -- which, if the State received the Federal land, was to be sold to Mr. Elias in accordance with established law. This application was forwarded to the Bureau of Land Management of the Department of Interior on the same day, July 2, 1951. From that time, it was out of the hands and outside the administrative cognizance of the State of California until the

DIVISION OF ADMINISTRATIVE PROCEDURE, STATE OF CALIFORNIA
decision by the manager of the Los Angeles Land Office of the Bureau of Land Management allowing the State indemnity selection on August 20, 1958, seven years later.

Pursuant to this decision to allow this selection, there is an established procedure required by the Department of Interior that before the allowance is actually made and the land is transferred, there is notice published by the State at the direction of the Bureau of Land Management -- and published in the county where the lands are located -- with a copy posted at the courthouse for five consecutive weeks, inviting any protests on lands to be transferred to the State. Such notices were posted for five consecutive weeks starting June 2, 1959 in the County of Inyo. During the time of that publication, the State Lands Division completed appraisal of the lands. It was determined that the appraised value, which is the minimum for which land can be sold, exceeded the $300 deposit originally made. This fact was communicated to the applicant, with the result that an additional $1,520 deposit was made by the applicant in two amounts on July 27, 1959 and March 8, 1960.

On March 15, 1960, a copy of the proposed sale recommendation which was to be presented to the Commission at the meeting of March 24 -- as I say, on March 15 a copy of this recommendation was forwarded to Senator Brown and to Assemblyman Lunardi, the legislators of the two houses in whose district these lands lie. On March 30, 1960, the State Lands Division of Administrative Procedure, State of California
Commission, pursuant to staff recommendation, authorized the sale of the lands to Mr. Bloss Elias; and on May the 9th, 1960, the Chairman received the request in writing from Senator Brown proposing that the sale be withheld.

Senator Brown and Assemblyman Lunardi have again been sent copies of the current calendar report we have here today and, as you gentlemen have heard, the representative of the Board of Supervisors of Inyo County is here today.

In the final analysis, the opinion of the Attorney General says that the law has run to the point where, and I quote: "The State is now bound to deliver a patent to the applicant Bloss Elias."

GOV. ANDERSON: Mr. Cranston.

MR. CRANSTON: Well, is it the position of the Attorney General, and do you concur in the position, that at the present time we have no power to rescind actions taken in the past regarding this?

MR. HORTIG: That is the position of the Attorney General and we accept it as the advice of our legal counsel.

MR. CRANSTON: Does that mean that the only legal way the county can acquire this property, if it wishes to do so, is by eminent domain proceedings?

MR. HORTIG: I wouldn't know if this would be the only way, but it has occurred to us in prior land transactions and analogous and identical situations with respect to both municipalities and counties; and this would be the most...
expeditious and efficient way for the county to acquire this
land at this time.

MR. CRANSTON: If there is any delay in our proceed-
ing with the action that the Attorney General says we are
required to take, would eminent domain proceedings against the
State by the county be possible?

MR. HORTIG: I do not believe they would.

MR. CRANSTON: Then if we sold, as we are told we
must do by the Attorney General, would eminent domain proceed-
ings become possible at that point if the county so desires?

MR. HORTIG: Immediately.

MR. CRANSTON: Would the fact of the established
price have any effect one way or the other on the eminent
domain proceedings?

MR. HORTIG: This is theoretical -- but I assume
this could well expedite such proceedings in that the value of
lands is usually a matter of extensive debate in eminent domain
proceedings and at least a reasonably current value would be
available at the time the patent is issued. Being the last
sale or contemporary sale, it might expedite or serve as a
basis for almost immediate agreement between the county and Mr.
Elias as to the value of the lands, although I certainly can't
speak for Mr. Elias on that.

MR. CRANSTON: Mr. Sorrells stated in his testimony
that he seemed to have a set of circumstances which were beyond
the control of the county and beyond the control of the lands:
Commission. It seems to me we have the reverse. The situation has gone beyond the control of the Lands Commission and not the county -- because you do have a power that you may use if you wish. In view of the circumstances, I move that the sale be consummated.

GOV. ANDERSON: I second the motion. Are there any comments from the audience? (no response) If not, all in favor say "Aye." ("Aye" votes by Gov. Anderson and Mr. Cranston) It is unanimous that Item 22 be approved as recommended. Actually, on our calendar summary, it is Item Classification 5(b).

At this time, then, we will go back to the first part of the calendar and we will proceed with Item Classification 2. That is permits, easements, and rights-of-way to be granted to public and other agencies at no fee, pursuant to statute, and the first applicant, Applicant (a) is Crockett-Valona Sanitary District; item (b) is the Granada Sanitary District; item (c) is County of Stanislaus. Is there a motion to approve those three?

MR. CRANSTON: I move approval.

GOV. ANDERSON: It has been moved and I second it that these items be approved. If there is no objection, these items carried unanimously.

Item Classification 3 -- Permits, easements, leases, and rights-of-way issued pursuant to statutes and established rental policies of the Commission; and the first applicant is
Applicant (a) - William L. Appleford and the Signal Oil and Gas Company - - Mr. Hortig, if you want to comment on any of these, I'll pause; otherwise I'll go right ahead.

MR. HORTIG: For your information, item (a) represents an application for extension and continued operation of an existing oil and gas lease issued originally under Chapter 303 of the Statutes of 1921 for a term of twenty years; subsequently renewed for a term of ten years under the Public Resources Code; and now, still being commercially productive, it is recommended that under current statutes the lease be continued for five years and so long thereafter as there is commercial production. This lease actually utilizes for its production the westernmost pier in the Elwood Oil Field, constructed approximately in 1929.

GOV. ANDERSON: (b) is Earl Luke and Don Peterson. Any comments on that? (No response) (c) is Herman Ochotorena; (d) is Lindsey Spight; item (e) is Standard Pipe Line Company; item (f), applicant is S. A. Tanner; item (g), the applicant is Standard Oil Company of California, Western Operations, Inc...

MR. HORTIG: At that point, Mr. Chairman, again for the benefit of the Commission, not to overly amplify what is actually essentially a simple contract item, but the State does have a percentage interest in the production of the Kirby Hill Gas Field, a percentage interest on the amount of production of Standard Oil of California from that field by reason of the fact that the exterior of the fields do contain beds of
navigable sloughs of Suisun Bay, primarily Montezuma, Nurse, and so on. The contract provides that at times of essential productivity changes — wells being abandoned, new wells being drilled — that the State percentage be modified; and over the years these modifications have gone both up and down. We have here before the Commission today consideration of approval of modifications that have been approved by the staff as to engineering correctness, proposing the changes up to the current calendar period and for percentages to be applicable after March 1, 1960. March 1, 1960 is the annual revision date and annual review date recorded by the contract, even though no new wells have been drilled.

GOV. ANDERSON: Then a motion to approve is in order.

MR. CRANSTON: I so move.

GOV. ANDERSON: It has been moved that all the items under Item Classification 3 be approved, and I'll second it. If there is no objection, the item is carried unanimously.

Next will be Item 4 — City of Long Beach Projects. First item is Project (a) — Beach Maintenance Costs, 1959-60 fiscal year. Do you want to comment on these? I think you should on most of them, Mr. Hortig.

MR. HORTIG: Yes sir, although in nature they are standard items in the sense that all of the matters here presented for approval by the Commission require advance approval by the Commission pursuant to Chapter 29 of the Statutes of
1956 and before the City of Long Beach can undertake the expenditure of the funds on any of the detailed projects; and as to those items which are not specifically characterized in Chapter 29 as being clearly the subject of State Lands Commission approval, these items have again been reviewed with the office of the Attorney General as to their legal sufficiency and propriety; and formal written opinions of the office of the Attorney General, attesting to the facts which must be considered in connection with approval and which have been reviewed by the staff, have been obtained and are attached to the Commission's calendar.

So the first item, (a), is as stated solely a request to permit extension of time to October 31, 1960 rather than June 30, 1960 to complete necessary computations and entries and transfers on the books of records with respect to an amount which the Commission approved a year ago.

GOV. ANDERSON: Project (b) is Maintenance and Operation of Tideland Beaches, 1960-61 fiscal year -- Prior approval of costs for fiscal year ended 6/30/61, with time limitation of 10/31/61 for drawing from the Tideland Oil Fund Account to reimburse City departmental accounts, of total of $590,000.

MR. HORTIG: If the Commission will please refer to page 15 of the calendar, the second sentence refers -- excuse me, the third sentence refers to considerations developed in "informal discussions with the office of the Attorney General."
This was the advance status at the time of the preparation of this calendar item. We have since, under date of June 6, 1960, received written informal opinion of the office of the Attorney General and it is pursuant to the written considerations in that opinion that the staff recommendation is based.

GOV. ANDERSON: Project (c) is Pier A -- Prior approval of estimated subproject expenditure from 7/1/50 to termination of $5,838,200, with $4,029,010 to be allowed as subsidence costs.

MR. HORTIG: If I may, Mr. Chairman, items (c) through (n) all represent projects to be undertaken by the Harbor Department, the Harbor Board of the City of Long Beach, which contemplate in the construction operations either the remedy, protection against, or additional construction to alleviate subsidence, land surface subsidence which has or may occur on the surface of the land; and, therefore, represent operations of the type that to the extent that such subsidence costs are actually expended and determined after completion of the project, the State under Chapter 29, 1956 again will contribute twenty-five percent of the cost of such projects.

GOV. ANDERSON: Project (d) is Pier B -- Prior approval of estimated subproject expenditure from 7/1/60 to termination of $5,000, with $600 to be allowed as subsidence costs.

Project (e) is Pier G -- Prior approval of estimated subproject expenditure from 7/1/60 to termination of $3,623,300.
with $362,330 to be allowed as subsidence costs.

Project (f) is the Back Areas, Piers A to Pier D — Prior approval of estimated subproject expenditure from July 1st, 1960 to termination of $8,000, with $1,520 to be allowed as subsidence costs.

Project (g) is Roads and Streets — Prior approval of estimated subproject expenditure from July 1st, 1960 to termination of $3,020,600, with $638,485 to be allowed as subsidence costs.

Project (h) is the Town Lot — Purchase of property, building demolition, fill, public utilities, etcetera — Prior approval of estimated subproject expenditure from July 1st, 1960 to termination of $5,501,350, with $3,465,852 to be allowed as subsidence costs.

MR. HORTIG: Mr. Chairman, with reference to the amounts which you have just read for items (c) through (h), I wish to stress the word "estimated" which prefaced each of these amounts, and that the resolution of the Commission recommended in these specific items does state that "It is recommended that the Commission approve such costs proposed to be expended by the City of Long Beach including subsidence remedial work..." as indicated on the respective exhibits for the periods listed "subject to the conditions, however, that the amounts, if any, of each of the items to be allowed ultimately as subsidence costs, deductible under Section 5(a) of Chapter 29, Statutes of 1956, First Extraordinary Session, will
be determined by the Commission upon an engineering review 
and final audit subsequent to the time when the work under any 
of these items is completed."

GOV. ANDERSON: Motion to approve Item Classification

MR. GRANSTON: I so move.

GOV. ANDERSON: It has been so moved and I'll second.

If there is no objection, it will be approved unanimously.

MR. LINGLE: May I make a little interruption?

GOV. ANDERSON: Yes, you certainly may.

MR. LINGLE: I am Harold Lingle, Deputy City Attorney, 
Long Beach, and I am addressing my remarks at this time solely 
to this item (h) - Town Lot. This is a matter which involves 
a great deal of money and the negotiations between your staff 
and ours have been going on for a long time, because of the 
amount of money involved and the unique problem there involved; 
and I wouldn't want, for the record, want that our presence 
here would in any way mean that we assented to the determina-
tion at this time. I certainly understand Mr. Hortig -- it 
was my interpretation that he made it very clear that it was 
only an estimate at this time and we would understand that it 
was only an estimate at this time, and that it was a direction 
of the Commission on the basis of what was contained in this 
recommendation we could go forward from this point. But we 
still think there is probably a great deal of negotiation before 
The Final figures could be determined on this particular item.
GOV. ANDERSON: Mr. Hortig, would you like to comment on that?

(MR. CRANSTON: Put his assenting head shakes in the record)

MR. HORTIG: This was the basis for my stressing for the record the fact that these are of necessity estimated values.

MR. LINGLE: Thank you.

GOV. ANDERSON: We will proceed, then, to Item Classification 5 -- School land sales. First item is (a) -- Rejection of application of Anthony and Laura Frigoletto to purchase forty acres in Riverside County and refund of all deposits. Mr. Hortig.

MR. HORTIG: The Commission may recall that by resolution, action taken by the Commission at the May 24th meeting in Sacramento, the Commission at that time authorized the sale, among other lands, of certain specified lands, or the retention for sale to the Imperial Irrigation District at the market value to be established by staff appraisal following the filing of a standard purchase application, of primarily those lands underlying -- not only primarily -- exclusively those lands underlying currently the Salton Sea, but which lands under current title status are still vacant State school lands.

During the process of this action by the Commission, the application was received by the Land Title Section for a
private purchase of these same lands which were designated
by the Commission action of May 24th to be withheld for dis-
position only to the Imperial Irrigation District; and further
action of the Commission is requested this morning to reject
the private application of Anthony and Laura Frigoletto, with
a refund of all deposits to the applicants.

MR. CRANSTON: I so move.

GOV. ANDERSON: It has been moved that item (a) under
Item Classification 5 be approved. I'll second it. If there
is no objection, so ordered -- carried unanimously.

Item (b) we have already taken up. That was the
first item of the meeting.

So at this time we will proceed to Classification
Number 6 -- The selections, on behalf of the State, of Federal
lieu lands to assist in satisfying deficiencies under the
School Land Grant, and the first (a) is 360 acres in Shasta
County, subject to future approval and listing. The applicant,
Richard M. Smith, did not desire to proceed with acquisition
of the land; and (b) is 640 acres in San Bernardino County.
The land was listed to the State on 4/29/50. Application of
George McCarthy was cancelled at his request.

MR. HORTIG: Therefore, the staff recommendation is
that the Commission proceed with the acquisition of the desig-
nated lands from the Federal government to assist in minimizing
the deficiencies under the School land grant. These lands, when
listed by the Federal government, currently will be put in the
withdrawn category with all vacant State lands, as withdrawn from sale as of the last meeting of the Commission, and hereafter will be processed in accordance with the future program to be determined by the Lands Commission with respect to the disposition of vacant State school land.

MR. CRANSTON: I'll so move.

GOV. ANDERSON: I'll second it. If there is no objection, so ordered and approved.

Classification 7 is the authority for the Executive Officer to notify the City Council of the City of Oxnard that the present value of tide and submerged lands, Ventura County, proposed to be annexed under Resolution No. 2267, is $865,200.

MR. HORTIG: Section 35313.1 of the Government Code requires that when territory proposed to be annexed consists wholly or partly of tide or submerged lands owned by the State, the State Lands Commission shall fix the value of the tide or submerged lands owned by the State and shall notify in writing the legislative body of the agency desiring to complete the annexation of the determination of value.

The City of Oxnard has requested that the Commission determine and fix the value of a parcel of tide and submerged lands proposed to be annexed and it is only tide and submerged lands, adjoining a present tide and submerged land area within the City of Oxnard, which is within the City of Oxnard which is proposed to be annexed.

Pursuant to this request, an office appraisal has been
made and it has been determined there is a total estimated value of $865,200 and no bases developed for the staff to recommend objection by the Commission to the annexation.

Therefore, it is recommended that the Commission authorize the Executive Officer to notify the City Council of the City of Oxnard that, pursuant to the statutes, the Commission has determined the present value of the tide and submerged lands in Ventura County proposed to be annexed under Resolution 2267 to be $865,200.

MR. CRANSTON: I so move.

GOV. ANDERSON: I'll second it. If there is no objection, it is approved unanimously.

Classification 8 is the authority for the Executive Officer to approve and have recorded the map of the ordinary high water mark on the right bank of Petaluma Creek, Marin County, California dated August-November, 1958. Mr. Hortig?

MR. HORTIG: As the Commission is aware, there is a full time survey crew in the State Lands Division, whose sole assignment is the surveying and monumenting of the boundary lines of State-owned waters and privately owned uplands, both on the ocean coasts and along interior streams and lakes -- with the assignment of the crew being made to those points where the boundary is in question -- there being tremendous numbers of unsurveyed boundaries of the type, which some day by this process of attrition we will eliminate (although we have backlog estimates of the work that could be done of this...
type which amount to ninety-eight crew years of work). In
the determination of the ordinary high water mark which was
in question along the right bank of Petaluma Creek, Marin
County, the survey has been completed, the maps are ready for
recording, and the statutes require the approval of the
Lands Commission to be recorded.

GOV. ANDERSON: Would you know if any of these
were areas where we have had controversy?

MR. HORTIG: Yes sir. In almost all instances, the
maps which we bring currently to the Lands Commission are
areas in which, if there was no controversy, at least there
was doubt — and that is the reason a survey was completed.

GOV. ANDERSON: I remember receiving several letters
on this area. What action we take today, does this settle
our claim and if they wish to contest it they come in and
contest it in court?

MR. HORTIG: The correctness of the survey and the
determination of title ownership can be brought up in a quiet
title action by the adjoining upland owner if they desire to
contest it.

GOV. ANDERSON: The adjoining upland owners — do
they know of this survey?

MR. HORTIG: Yes sir.

GOV. ANDERSON: And have they been notified of this?

MR. HORTIG: Yes sir.

GOV. ANDERSON: And they agreed to this?
MR. HORTIG: Not necessarily -- but even if they
don't agree, there is nothing they can contest in court until
this map is filed for record.

GOV. ANDERSON: I see.

MR. CRANSTON: I move approval.

GOV. ANDERSON: I'll second it. If there is no
objection, so ordered -- approved unanimously.

Classification 9 -- Authority for Executive Officer
to enter into agreement for reproduction services for 1960-61
fiscal year with Metropolitan Blueprint Co., at a cost not to
exceed $6,000.

MR. HORTIG: This is the annual renewal for the new
fiscal year for a service contract -- which, of course, is
necessary to the operation of the State Lands Division -- to
have a reproduction service; and Metropolitan Blueprint are
again the low bidders. This contract also requires and will
be submitted for approval to the Department of Finance.

MR. CRANSTON: I'll move approval.

GOV. ANDERSON: I'll second. If there is no objec-
tion, it will be approved unanimously.

Item Classification 10 -- Recommendation that salary
for position of Executive Officer be declared open for adjust-
ment as of July 1, 1960.

MR. HORTIG: As the Commission is aware, the governor's
budget as approved provides funds for adjustment of salary
ranges for all civil service classifications. Salary ranges
for exempt positions are established and recommended by the
Department of Finance usually some months after the Personnel
Board has adjusted salary ranges for civil service classifi-
cations.

The purpose of this item is only to do what it says -
to declare the range for the position of Executive Officer
open for consideration for adjustment, and does not accomplish
any adjustment. It only permits the maximum latitude to the
Commission to decide however they wish to decide in the future,
when the various ranges have been established by the Depart-
ment of Finance and can be considered by the Commission.

Lacking a declaration "Open for adjustment as of
July 1" would limit the Commission to consideration of adjust-
ments, if they so desired, only from the date of consideration.

GOV. ANDERSON: This would mean that at a future
date, say at our next meeting or at any time the Department of
Finance acted, they could adjust the salary and it would be
retroactive as of July 1st?

MR. MORTIG: If the Commission so desires. The
Commission is not bound that way.

MR. CRANSTON: I'll move approval.

GOV. ANDERSON: I will second it. I think we should
comment that everybody else in the department got a raise
automatically except the Executive Officer and that's what
this item covers. If there is no objection, it's approved
unanimously that the salary be declared open for adjustment.
GOV. ANDERSON (continuing) Item 11 — Confirmation of transactions consummated by the Executive Officer, pursuant to authority granted by the Commission at its meeting on October 5, 1959.

MR. HORTIG: The tabulation appearing between pages 37 and 42 contains a summary of assignments and extensions and routine easement issuances approved pursuant to delegation of authority heretofore granted to the Executive Officer.

MR. CRANSTON: I will move approval.

GOV. ANDERSON: I'll second it. If there is no objection, approved unanimously.

Item 12 is report on the status of major litigation. This is informative only — no Commission action required.

Mr. Hortig?

MR. HORTIG: I would like to comment although there is no change in status and has been no change in status in the action U. S. versus Anchor Oil, et al, including the State of California, which covers the request by the United States for a court order to shut down Wilmington Field if satisfactory subsurface repressuring programs for land surface subsidence alleviation are not put in operation — no action in court is under way and primarily because of expressed satisfaction by the Federal representatives with the results and the manner of conduct of the secondary recovery operations and unitization programs and cooperative programs which are being entered into in connection with the Wilmington Field.
However, in our Alamitos Bay Quitclaim litigation, which is Item 2 on page 43, we must report that since our last meeting of the Commission, on May 25, 1960 the trial judge decided that while the State owns the land in fee, it owns it in fee except for the oil, or administration of the oil, and can only operate the lands for use as to beach and park purposes.

The Attorney General's office, our counsel, do not agree with the conclusions and it is the intention of the office of the Attorney General to pursue an appeal in this matter.

County of Orange litigation is still indeterminate and with no firm expressions of policy or determination of future course of action by the Board of Supervisors, which we are still awaiting.

As directed at the last meeting of the Commission, the office of the Attorney General not only took steps as recited on page 44 toward the filing of an action against the City of Long Beach in connection with the boundary determination as required by Chapter 2000, Statutes of 1957, but such action -- and actually it is now "actions" -- have been filed. The Deputy Attorney General who filed the action, Jay Shavelson, is here with us this morning and I believe it would be of interest to the Commission if he would give a brief summary of the nature of the actions filed, as against the suggestion here that an action would be filed.
GOV. ANDERSON: Mr. Shavelson.

MR. SHAVELSON: Our office filed a new plenary action entitled "People vs. Long Beach" on July 13th and simultaneously we filed a petition in the earlier action, also entitled "People vs. Long Beach," in which the stipulated judgment was entered under which the State is receiving revenues from the Long Beach tidelands; and in the earlier action the court had reserved jurisdiction to determine the upland status of any lands in doubt.

These new actions are substantially identical and it is questionable as to whether the entire action is within the reserved jurisdiction of the old "People vs. Long Beach" and that's the reason for our filing the new action.

The complaint in our new action has been served on the City of Long Beach and upon the Board of Harbor Commissioners, and the petition has been served on the City Attorney. The City Attorney requested that we agree to an extension until September 16, 1960; and in light of the very bulky nature of the complaint -- it's about a foot thick including exhibits -- and in the light of the fact that a new City Attorney is going to have to look at this, we felt that that was an entirely reasonable request and we have signed a stipulation extending the time to plead to that date -- that is, September 16th.

I don't know if you want any comment on the substance of the proceedings. I believe the Commissioners are fully
familiar with it.

GOV. ANDERSON: Mr. Cranston?

MR. CRANSTON: Nothing.

GOV. ANDERSON: Mr. Hortig?

MR. HORTIG: Nothing further on that item.

GOV. ANDERSON: Then I think that completes that portion of the agenda then.

MR. CRANSTON: I'd like to ask one question in a general matter. What is the calendar or the schedule before us in regard to the Shell nomination?

MR. HORTIG: The final date for election to request a public hearing, such request to be considered by the County of Santa Barbara, was June 18th. No request has been received from the county. There is a question being evaluated by the staff now, which will be reported on at the next meeting of the Lands Commission, whether the Commission should direct a public hearing to be held in Santa Barbara County although not specifically required to do so by the statute under a request by the county; and after a determination on that question and completion of the public hearing or conclusion on the alternative recommendations which will be presented, the matter will then go forward to the point of determining the actual lease terms, conditions and methods of bids to be invited by the Commission, and the publication of notice of intention to receive bids.

MR. CRANSTON: Well, that follows immediately after
the determination of whether or not to have a hearing; and,
if so, after this hearing;

MR. HORTIG: Yes sir.

GOV. ANDERSON: Anything further to be brought
before the meeting before we take up the time and place of
the next meeting?

MR. HORTIG: That was the next point -- determination
of date, time and place. The normal date provided by the
rules and regulations would be July 28th -- Thursday, July
28th; and lacking unusual circumstances, on the rotating
schedule would be in Sacramento.

GOV. ANDERSON: All right with you?

MR. CRANSTON: Yes.

GOV. ANDERSON: A motion is in order.

MR. CRANSTON: I so move that we meet at that time
in Sacramento.

GOV. ANDERSON: Moved that our next meeting will be
on Thursday, July 28th, and the staff will notify us where
that will be, at nine in the morning?

MR. CRANSTON: Yes.

GOV. ANDERSON: Nine a.m. Before we adjourn, I
want to make this comment. A year ago we set a new policy of
electing a chairman of the State Lands Commission every year
and as of July I will be chairman a year; and at that time,
after the meeting, why, we will elect another chairman.

MR. HORTIG: Do I understand, Mr. Chairman, that you
propose this action be taken at the July meeting?

GOV. ANDERSON: At the next meeting, yes.

MR. CRANSTON: I move we adjourn.

GOV. ANDERSON: It has been moved we will adjourn.

I'll second it. If there is no objection, it is approved unanimously.

ADJOURNED 10:07 A.M.

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I, LOUISE H. LILlico, reporter for the Division of Administrative Procedure, hereby certify that the foregoing thirty pages contain a full, true and correct transcript of the shorthand notes taken by me in the meeting of the STATE LANDS COMMISSION held in Los Angeles, California, on June 23, 1960.

Dated: Sacramento, California, June 29, 1960.

[Signature]