TRANSCRIPT OF
MEETING
of
STATE LANDS COMMISSION
SACRAMENTO, CALIFORNIA
February 26, 1964

PARTICIPANTS:

Hon. Hale Champion, Director of Finance, Chairman
Hon. Glenn M. Anderson, Lieutenant Governor
Hon. Alan Cranston, Controller

Mr. F. J. Hortig, Executive Officer

OFFICE OF THE ATTORNEY GENERAL:

Mr. Paul M. Joseph, Deputy Attorney General
Mr. Jay L. Shavelson, Deputy Attorney General

APPEARANCES:

(In the order of their appearance)

Mr. John R. Mansell, City Manager, City of Long Beach
Mr. S. Hansen, Associate Right-of-Way Agent, County of Contra Costa
Mr. Ronald D. Broatch, Deputy Public Works Director, County of Contra Costa
Mr. Robert Langner, Manager, Marine Exchange
Mr. R. W. Barsdale, Sacramento District Corps of Engineers
Capt. Henry Simonsen, Chairman, Northern California Marine Affairs Conference
Mr. Ford B. Ford, Executive Secretary, Senate Factfinding Committee on Natural Resources
Mr. Harold A. Lingle, Deputy City Attorney, City of Long Beach
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OFFICE OF ADMINISTRATIVE PROCEDURE, STATE OF CALIFORNIA
MR. CHAMPION: I will call the meeting to order.

The minutes of the meeting of November 21st have been supplied to the Commission. If there is no objection, they will stand approved as submitted.

Before we begin the regular business of the Commission, I would like to comment on the suggestion made yesterday before the Assembly Joint Committee on the matter of tidelands -- that the representatives of the Lands Commission and representatives of the City of Long Beach begin negotiations, this time on a somewhat different basis than they have been conducted in the past.

With the consent of the other members of the Commission, I talked to Mr. Mansell, the City Manager of Long Beach, and the proposed method of conducting those negotiations will be to have Mr. Hortig, the Executive Officer of the Lands Commission, and Mr. Shavelson, the counsel of the Lands Commission, represent us in staff discussions this week, setting up a new agenda of differences or of problems with two staff representatives appointed by Mr. Mansell; and hopefully by next week they will be in a position to sit down with us. I will be present; if other members of the Lands Commission wish to participate, they will be welcome.

I think the Committee gave us fifteen days, and hopefully we might be able to produce something.

I'd like to point out that there is a difference between these negotiations and the ones we have had in the past.
In the past, we have been negotiating for a contract under the present legislation. What we will be negotiating here is on new legislation, which would govern a new contract. Presumably, many of the same issues would be involved, but the subject becomes somewhat different and we have somewhat greater latitude, in that we can create new conditions of negotiation. I think it is important that we understand that it is not the same negotiation that has been taking place between the two staffs up to this time.

Would either of the other members of the Commission care to comment on this at all?

GOV. ANDERSON: It's an idea. I move to authorize it.

MR. CRANSTON: If any authorization is required, I second the motion. I am certainly delighted that you have done this and I hope very much that it leads to a successful negotiation.

MR. CHAMPION: I think we will all be happy -- both the State and Long Beach, I know, would like to have this long problem settled equitably; and I hope we can arrive at a satisfactory negotiation. Would you care to add anything at this time, Mr. Mansell?

MR. MANSELL: No, I think you have covered the matter quite well, Mr. Champion.

MR. CHAMPION: All right. Thank you. Are there any other observations or comments? (No response.)
Then we will proceed to the matters on the agenda.

Item 3 -- Permits, easements, and rights-of-way to be granted to public and other agencies at no fee, pursuant to statute:

(a) State of California, Department of Parks and Recreation, Division of Beaches and Parks -- Confirmation of emergency authorization granted by staff and authorization for Executive Officer to issue permit to dredge approximately 25,000 cubic yards material from tide and submerged lands in bed of False River, Contra Costa County, for period 2/4/64 through 12/31/66, subject to conditions specified.

(b) Pacific Telephone and Telegraph Company, Northern Division -- Authorization for Executive Officer to execute agreement for submerged telephone cable, crossing ungranted tide and submerged lands of Clear Lake, Lake County.

(c) Pacific Telephone and Telegraph Company, Northern Division -- Authorization for Executive Officer to execute agreement for submerged telephone cable, crossing ungranted tide and submerged lands of Clear Lake, Lake County.

(d) U. S. Army Engineer District, Los Angeles, Department of Defense -- Authorization for issuance of temporary permit to conduct field exercises on and over State lands of Riverside and San Bernardino counties for the period from 4/15/64 to 6/15/64.

GOV. ANDERSON: May I ask Mr. Hortig a question -- not specifically on this, but prior to the meeting we were
having a little discussion about when we are dealing with a public agency, whether we charge them or whether we give them the land that is dredged up. In this first one, we are giving it to the Department of Parks and Recreation; in some of them we have charged. I am thinking now of the case of the San Francisco Port Authority. What would be the difference between this and the San Francisco Port Authority?

MR. HORTIG: The distinction is, Governor, that in the Division of Beaches and Parks project the dredged material was never removed from State-owned land. It was moved from the bed of False River and Piper Slough to levees on land owned by the State of California and under the jurisdiction of Beaches and Parks, so title never passed.

The San Francisco Port Authority, while it is a State agency, is funded separately in the funding process and the proposal was to remove material from lands under the jurisdiction of the State Lands Commission and to construct a commercial venture, a loading pier, on which a profit hopefully is going to be made by the San Francisco Port Authority.

GOV. ANDERSON: It is a State agency, isn't it?

MR. JOSEPH: It would amount to a general fund appropriation. It is a special fund -- in the nature of a special fund, whereas Beaches and Parks or Parks and Recreation is not. That was the distinction made at the time. In other words, it would be giving them something out of the general fund, general State property for a special activity,
namely, the Port of San Francisco.

MR. CHAMPION: In this case, it is in the nature of a general activity of the State?

MR. JOSEPH: Yes. The other was a special activity of San Francisco.

MR. CHAMPION: And the ownership of the land on which it rests is not a critical factor.

MR. JOSEPH: It is one.

MR. HORTIG: That's one factor because in this case the land is also held in a different title character for Beaches and Parks than the uplands which were purchased as proprietary lands by the San Francisco Port Authority, on which this tideland material was to be deposited -- making a further specialization in a series of specialized cases.

GOV. ANDERSON: I had thought we normally made a charge, even if it were a bookkeeping charge, to agencies like this -- Highways and some of the others, haven't we?

MR. HORTIG: The Division of Highways is the one agency, under 101.5 of the Highways Code, to get this material for free; the other agencies do not.

GOV. ANDERSON: Which agencies do not? Here is one that is getting it for free.

MR. HORTIG: But they do not have specific statutory authority. In this instance, it was a case of re-arranging the location of the State material. Title is still in the State of California. The material has not been moved off
State lands. This was the additional distinction with the Port Authority -- that the State-owned material was going essentially, in what is a bookkeeping system, into privately-owned uplands.

MR. CHAMPION: In this case, we would be simply taking it out of one pocket and putting it in another pocket of the same person, whereas in the other case we would be taking it into a different element.

GOV. ANDERSON: Well, it is a State agency.

MR. CHAMPION: If you treat the State as a person, you take it out of one pocket and put it in the same pocket whereas in the other case, you take it out of one pocket and put it another. Maybe that's a better analogy.

GOV. ANDERSON: All right. I'll move it.

MR. CRANSTON: Second.

MR. CHAMPION: Moved and seconded, stand approved.

I understand there are persons here who wish to be heard on the first item in Number 4. Let me read it, and then we will ask for those who wish to comment.

Permits, easements, leases and rights-of-way issued pursuant to statutes and established rental policies of the Commission:

(a) Contra Costa County Public Works Department -- Permit to dredge approximately 200,000 cubic yards of material at minimum charge of three cents per cubic yard, from bed of Suisun Point Channel, Contra Costa County, and grant of
temporary right-of-entry permit for a dredge pipeline easement over State lands for transporting the dredged material, to be in effect from 2/1/64 to 12/31/64.

MR. HORTIG: Mr. Chairman, if I may suggest also, in addition to those people who have given notice of intention to appear, the Commission has received a letter from the Contra Costa Taxpayers Association under date of February 21st, reporting that at the last meeting of the Board of Directors of the Contra Costa Taxpayers Association, the Board unanimously went on record as requesting the State Lands Commission to waive its fee on the ground that this is an emergency dredging of navigational waters, which brings with it benefits to the State. "We also feel that because of the extreme difficulty of locating suitable spoils areas, there should be no charge in this case."

MR. CHAMPION: Would you like to respond to the letter and the policy involved before we call for comments?

MR. HORTIG: Mr. Chairman, if the Commissioners will refer to the page following page 7 of their agenda item, and particularly to the second map, across the upper right quadrant there is designated Carquinez Straits -- which is an area which is proposed to be dredged and has been authorized to be dredged by Congress, an operation to be conducted by the U. S. Corps of Engineers. In navigation improvement projects of this type, the Corps of Engineers requires local interest to furnish a spoils disposal area -- that is, an area to dump
the material which is dredged out of the channel — at no cost to the Army Engineers' project.

In prior discussions with the County of Contra Costa, who are interested in this project, it was pointed out that the permit could be issued by the Lands Commission for deposition of such spoils on the area designated on the map, about the middle, on State lands. This, indeed, has been done with other municipalities along Carquinez Straits. However, Contra Costa County, in negotiation with Utah Construction Company, who are the landowners of the tract so identified, which is inland of the State lands, had arranged for utilization of the Utah Construction Company for the spoils area and thereupon made application to the State Lands Commission (1) to dredge the material out of Carquinez Straits; (2) to move that material over a right-of-way over the State lands, and to have the material deposited on the Utah Construction Company property, which is privately owned, in order to fill it and bring it to something approaching a level surface.

The authorization of the dredging permit presents no problem to the Lands Commission and would be done, the consideration being the public benefit resulting from improved navigation as a result of the dredging by the Army Corps of Engineers. Similarly, any right-of-way to move the material on to State lands, for example, could be authorized and would ordinarily be authorized, being necessary in order to achieve the benefits of removing the material from the channel; but
when we get to the point of deposition of the State-owned material on privately-owned lands, enhancing the value of the privately-owned lands, there is a serious consideration of whether the State Lands Commission can waive its fee and approve deposition of the material on the privately-owned lands.

MR. CHAMPION: Would you advise it, even if it were legal?

MR. HORTIG: Not as a precedent in this instance particularly, because this is probably the start of a series of planned programs for rather extensive operations along a considerable portion of Carquinez Straits.

GOV. ANDERSON: What is the emergency they refer to?

MR. HORTIG: Actually, there is a shoaling down at Carquinez Straits which it would be desirable to remove. This emergency permit for removal could be issued by the Commission at any time. The emergency does not involve the problem of whether the material must be paid for because it goes on private lands or is authorized to be done for free if it is deposited on State or public lands. That is the crux of the problem as far as the State Lands Commission is concerned.

GOV. ANDERSON: This dredged material can be put on State lands without any problem?

MR. HORTIG: Without any legal problem; there is a physical problem. The material as dredged, of course, is rather fluid in nature. In order to keep it on State lands and to keep it from running back into Carquinez Straits, there
would have to be constructed a retaining wall by whoever wanted to construct the project. As it is, the Utah Construction has volunteered to build a retaining wall -- but, of course, along their property line, to retain it in their property.

GOV. ANDERSON: They have built this wall?

MR. HORTIG: The levee work has been done.

GOV. ANDERSON: In other words, they have already done it?

MR. HORTIG: On representation of the County that the fill material would arrive for free. This, unfortunately, was not a correct statement unless the Lands Commission could waive its charges for this material.

MR. CHAMPION: Would those who would like to speak on this just come forward?

MR. HANSEN: My name is S. Hansen, Associate Right-of-Way Agent, County of Contra Costa; seated on my left is Ronald Broatch, Deputy Public Works Director; Captain Henry Simonsen, Chairman Northern California Marine Affairs Conference; and Mr. Robert Langner, Manager, Marine Exchange.

Everything Mr. Hortig said is very accurate, but I want to expand a little bit on what he said. We have a shoals, as Mr. Hortig said, and the main shipping channel in Contra Costa County, as you see by your map, is nearly underneath the Martinez Bridge. In a recent period, we have had at least one ship go aground there and while it was a ground...
there were fully laden ammunition ships, at least one ship
going from the Port of Chicago ammunition depot, with a
potential of horrendous damage there, possibly blowing up the
whole bridge. That is the emergency part.

So, in conjunction with the County Counsel and the
development association that the County works with, the ques-
tion is "What will they do about the shoal?" This is all new
with the County. In our history, we have never entered into
such a dredging project before. We found out there was a
recent Federal law, four years old, where there could be
$2,000 or less expended for emergency work, clearing out
shoals of this type. We also found out that according to this
statute, a responsible local agency -- which in this case was
found to be the County as the logical one -- would have to do
several things:

We would have to provide easements and rights of
way; we would have to provide an area to dispose of this
spoils material; we would have to pick up the tab if it went
over two thousand, and we would also have to give certain
guarantees that we would hold them harmless, and so on. I
think those were the three essential clauses that we had to
do with the Army Engineers in order to get the job done.

So, recognizing that, the County passed a resolution
assuming these obligations. Then the question of the easements
and where to put this was the next question. We thought we
had it all settled. Nearby, as you see, the Tidewater
property is adjoining very close. So we went to the Tidewater people and they said they would take this and they made engineering studies and the Shell people downstream were afraid if we put this material in there, we would have trouble. So we had to look for a new area. Physically, the engineers tell us we can dump this about a mile, so we canvassed everybody within the scope of a mile and the only one who was willing to take it and put up the dikes, which was a very important factor as Mr. Hortig pointed out, was Utah.

At that time we contacted the Army Engineers and it was estimated the shoal would be 400,000 yards, maybe a half million, and because this charge for this spoils was new to us at this time we represented to Utah, correctly or otherwise, that there would be no charge -- which puts the County in the middle of this situation. We dealt with this in good faith and, as Mr. Hortig said, they went ahead on these representations -- they went ahead with this construction. It will soon be completed and it cost them $75,000.

I think that pretty well capsulizes it. We feel, because of the emergency nature of this and the background of it, this is a benefit to the State as a navigable channel in the County; and if it isn't possible to waive the charge entirely, at least it should be minimized to wherever it could be legally minimized. I see three cents here -- that's the first time I have heard this figure.

MR. CHAMPION: What is the amount of money here?
MR. HORTIG: Two hundred thousand yards -- $6,000.

MR. HANSEN: It's not so much the amount of money...

MR. CHAMPION: What we call in finance "the principle of the thing."

GOV. ANDERSON: Is this the forerunner of a great deal more that will be coming later on?

MR. HANSEN: Very possibly.

GOV. ANDERSON: May this possibly be a million yards?

MR. HANSEN: We call this the "Little Ditch," but under the "Big Ditch" you may. They aren't necessarily comparable; I don't think we are setting a precedent.

MR. CHAMPION: There is nothing that binds us. A precedent is something that someone wants to regard as a precedent.

MR. HANSEN: And I don't think the situations are at all comparable.

MR. CHAMPION: You say the $6,000 is not, as to amount, of great concern?

MR. HANSEN: We don't know who is going to pay it. We feel if the County could morally pay it, we could. We are not sure we could legally pay it. We feel with our representations to the Utah Construction they have gone ahead with their construction. We would be glad to put it on State lands if they would put that dike up for us for $75,000; but we have been dealing in good faith. We are asking the State Lands Commission to take us out of this position.
MR. CHAMPION: Is there any question about your legal ability to pay it?

MR. HANSEN: It has been raised, I believe, by the State Lands Commission. I don't know whether we can.

MR. CHAMPION: That hardly becomes us, to question your legal capability.

MR. HORTIG: I am not aware of the question being raised by anyone.

MR. BROATCH: My name is Broatch. I was born in Scotland and I am in charge of the finances in the Contra Costa Department of Public Works, and I would object to paying the $6,000.

MR. CHAMPION: I happen to have a vacancy in the Department.

MR. BROATCH: I think there is more than principle. There is hard cash money here. We are country boys in Martinez. This is the first project we got into with the Corps of Engineers. We entered into this in one hundred per cent good faith and went along with everything everybody told us to do. The end result is we entered negotiations and we feel we let this company down and let them down rather hard. We told them they could have 500,000 yards of spoils. They signed an agreement that they would supply the dikes and now this has dropped to 140,000-plus; and I have had all the way from one cent to eight cents until today it is three cents. We don't want to pay anything, gentlemen, and we think it is unfair.
MR. CHAMPION: I am still interested if you talk to me after the meeting.

What would be the reason -- why couldn't we do this on the one-cent basis?

MR. HORTIG: There is no prohibition against the Lands Commission determining that the public interest would be served on the one-cent basis. The reason for the selection of the three cents was an evaluation of comparable projects which had been previously authorized to other municipalities, including some in Contra Costa -- and, indeed, some of the Tidewater property previously referred to has been filled in by previous authorizations, as well as some of the other waterfront properties in Contra Costa. The average under those circumstances came out at about three cents a yard, having considered all the public interests, where the final disposition area was privately owned.

The range from one cent to eight cents has been utilized by the Commission, one, where there is an absolutely primary public interest concerned in the total project, including as to the disposal area, and where the fill material is of poor quality. This fill material, we are informed and we understand from the soil engineering report from which this map was extracted for the Commission, is of at least reasonable quality and, therefore, found more nearly in the average category of charges which the Lands Commission has assessed in analogous situations of helping to improve navigation, assisting
a municipal body, but also getting a reasonable return for the State's material which serves ultimately a private purpose.

MR. CHAMPION: Let me ask you this: What harm would be done or what precedent that we couldn't deal with appropriately would be established if we were to set what would be, in effect, a nominal price for this under these circumstances?

MR. HORTIG: Only ....

MR. CHAMPION: I don't know whether that would be one cent or even a smaller amount.

MR. HORTIG: Well, the Commission has never utilized less than one cent as a minimum charge, where a charge had to be assessed. Secondly, of course, under similar circumstances which might arise in connection with the "Big Ditch" operation it would certainly be alleged as a precedent -- whether a legal precedent or not -- and particularly where even with less cooperation with the County private landowners would stand to benefit primarily by reason of ......

MR. CHAMPION: We are not, in effect, hearing that and the circumstances involved in that at this moment, and what would be binding in that case compared with an action taken in this case. There really isn't anything -- Don't we have administrative discretion to determine this price in the light of situations?

MR. HORTIG: Definitely.

MR. CHAMPION: And we have charged a varying range of prices?
MR. HORTIG: That is correct, but not a varying range under similar circumstances. The ranges vary upon the range of circumstances and the quality of the material and its ultimate disposition.

MR. HANSEN: Doesn't this body have a right to waive any charge, or no charge?

MR. CHAMPION: Not "no charge" I am sad to say.

MR. HANSEN: The statutes say for any public consideration.

MR. HORTIG: The total consideration can be solely the public interest, but the difficulty is matching the public interest with no charge when there is a private interest involved in this particular operation. Therefore, a nominal charge, I believe counsel will agree, would both be legally feasible for the Commission to determine and would be equitable.

GOV. ANDERSON: If the present price were maintained and Utah decided not to pay it, what would they do with the sand? What would be their alternative?

MR. BROATCH: We have no answer to that.

MR. HORTIG: The County, in failing in its efforts for a disposal area, the Corps of Engineers' project would not be undertaken and, therefore, the dredging would not be done until some other spoils area would be found and made available.

COL. TURNER: May I answer that? The Corps has the right of eminent domain. They could condemn and the County
would reimburse the Corps, because this is a Federal project for navigation. I'd like to mention that this particular project is no different than each other project for flood control and navigation, in which the assurances, lands and easements have been furnished by the State and by local interests at no cost to the Government; and in many instances, and I might say most instances, this has been other than State-owned property. This is both for flood control and navigation.

MR. LANGNER: This is Colonel Herbert Turner, District Engineer, Corps of Engineers.

COL. TURNER: I can't quite understand how this particular project got involved in this particular case, because it is no different than any of the other flood control or navigation projects that we have done. Now, where there is a land enhancement, the Federal Government as part of the assurances requires payment for that land enhancement.

GOV. ANDERSON: This is surely a land enhancement, isn't it?

COL. TURNER: Well, we had determined -- the Corps had determined that there was not a substantial land enhancement and no payment was required. Now, this is an emergency job.

GOV. ANDERSON: Isn't this going to be pretty valuable property on the State highway?

COL. TURNER: In the case of the "Big Ditch" they speak of coming up, there is land enhancement and there is a
charge. In this particular case, the project was of such a
nature and the material was of such a nature that it would
take so long before there was a settlement. If you look at the
dredging in the Sacramento Channel, that stuff still hasn't
settled down so you can put equipment on it in the retention
dikes. So it would still take several years before they could
put equipment on it.

MR. HORTIG: This is an important part -- the
Federal Government and the Corps requires that the land be
compensated for.

GOV. ANDERSON: How do you distinguish between land
enhancement at the present time on the "Big Ditch." It seems to
me the amount of material you put on is the same -- the same
in the "Little Ditch" and the "Big Ditch."

MR. LANGNER: In the case of the Utah Construction
project, they are going to have an expense of 44 cents per
cubic yard. Since they are paying $75,000 for the dikes and
the amount of material is 175,000, they are making a substan-
tial payment already. As Mr. Turner says, the cost of diking
the material is such that it more than offsets the enhancement.
The question has also been raised, gentlemen, and Colonel
Turner has told us as to the Government's position in the
charge. As we read Section 6303, the Commission is permitted
to charge for the removal of material from State lands or dis-
position on State lands. We understand from the Corps of
Engineers, and I will submit to you a copy of letter submitted
from General Frye, listing the projects in the recent past on which no charge has been made and the spoils have gone on private lands.

In the case of a navigation project, we believe the State of California cannot assess the United States a charge. Counsel can probably verify this. This is a Federal navigation project and in the removal of material in a Federal navigational project the Federal interest is paramount, and this deposition will be on private lands. So, in effect, this section is not applicable. The only application would be to remove it over State lands -- not for removal of material which is on State lands nor for deposition on State lands, which is not involved.

GOV. ANDERSON: How many acres are we talking about?

MR. HORTIG: Eighty-five acres.

MR. BROATCH: Gentlemen, as I see it, and I am not an expert in this thing, we entered into it in good faith, in a contract with Utah. They will not be making money on this. They will be happy for the State Lands Commission to take this over if they will build the dikes. It was a real difficult contract to lead Utah into, which we did -- and we cannot see that we can ask them to pay you this money.

GOV. ANDERSON: Did you try?

MR. BROATCH: As a matter of fact, we didn't but ... 

MR. LANGNER: My name is Langner and my prepared statement is before you. This project will benefit all commerce
involved. This serves the Ports of Sacramento, Stockton, and all way points. Also, in my testimony is a copy of this picture showing a 640-foot tanker going past the S. P. bridge. You will notice on the left the bare showing of the Benicia bridge. There is some question as to whether the Benicia bridge might have affected the shoring. Anyway, this is a close-up of the bridge and the channel. The Navy is very concerned. It is entirely feasible that ships will be lost -- there have been some close calls already.

MR. CHAMPION: Let me ask you a question here. Suppose we got in a stubborn situation where we said we have to have some payment and Contra Costa said, "We won't pay," and would abandon the project. What would the Army Engineers do?

COL. TURNER: This is an essential project, a navigation project, and the recourse would be -- Well, when I was there, I would go back to the Chief's office, of course, and advise him of the situation; but they could condemn property to place the spoil on and go ahead with the project and charge that portion that Contra Costa County was to furnish under their assurances, charge them with their portion of the costs. The reason we do not normally do this is because we leave it up to the County to accomplish their assurances in the most economical manner that they possibly can and it also gets us out of the middle, the county or local agency saying we didn't do it efficiently or economically and they could have done it better; and it is their responsibility under the
authorizing act, because they do benefit -- the County as a whole does benefit from the project to a degree.

MR. CHAMPION: How urgent a matter do you consider this?

COL. TURNER: I consider it urgent because of the fact we must get this project under construction this summer and before we can complete the plans and specifications we must know where the spoil areas are. We can't advertise it for bid until we know where the spoil areas are.

MR. CHAMPION: How much damage would a thirty-day delay on final action by this Commission be to you?

COL. TURNER: What do you think?

MR. BARSDALE: I don't see any real damage as far as the Federal Government is concerned, if that's your question to me.

MR. CHAMPION: It wouldn't change your timing for doing actual work?

MR. BARSDALE: We cannot do construction, sir, until the retention dikes are in place, so any contractor who would bid on the job would actually see them.

MR. CHAMPION: I thought the retention dikes were already constructed.

MR. HANSEN: They will be completed in ten days.

MR. BROATCH: This project was supposed to go by February 20th. We have had this thing back and forth between the State people and the Army Corps and we have been squeezed...
in the middle. A little government doesn't . . .

MR. CHAMPION: I sympathize with your situation, but you are a member of the governments involved, and you are no more aggrieved than anybody else. We are simply trying to solve the problem. I don't think anybody is picking on little Contra Costa County. As a matter of fact, they are so well represented, I don't think we could if we wanted to.

MR. LANGNER: A comment on the "Big Ditch" -- This is something that has been worked on for many years. It will amount to $60 million dollars and will mean 7,000,000 yards of material, and it is hoped there will be new refineries and steel mills as a result of this deeper water.

We have great difficulty in Washington -- I testified twice -- we have great difficulty on behalf of the State of California on Small Craft Harbors, for whom I testified, in justifying the State's civil works share of government buying. Each year we have taken it before the House Committee. They are very jealous of the amount California gets on defense contracts.

Never before has there been in history where a Federal navigation project has been assessed a fee, directly or indirectly -- a charge by local government. We have checked with the Corps; we have checked with the Federal Government. This precedent could have disastrous effects on this matter we seek -- on the $60 million dollar project.

MR. CHAMPION: I doubt it -- unless you raise it.
MR. LANGNER: It could be raised.

MR. CHAMPION: This is a discussion far beyond its proper bounds.

COL. TURNER: Back to your question as far as delay, the project should be constructed during the best construction season, when the water is low during the summer months. The Corps, the District office, has made somewhat of an urgent request on the Chief's office and this had to go to the Appropriations Committee for approval to get these funds, so that we can meet this schedule, so that we can advertise on the 20th of February, which is already past.

Now, it is quite probable that with another thirty-day delay we could still meet the schedule, but it is possible we couldn't because there usually is some time lag that we allow for the construction there, for adverse conditions and in case something happens that the bids are rejected.

MR. CHAMPION: My reason for raising the question is: Legitimate problems have been raised here. I understand there is an unfortunate situation the County finds itself in. I am a little curious still; I am not completely satisfied, and I don't know how the other members of the Commission feel, about what kind of legal precedent problems we set for ourselves. We want to ease the situation, but we want to be sure in doing it we don't cause ourselves a lot of other difficulties. That's why I suggested if we had more time to consider this, we might be able to come out with a better answer.
for all concerned.

MESSRS. HANSEN and BROATCH: We have no objection
to the thirty-day suggestion.

MR. CHAMPION: You have no objection?

MR. HANSEN: If the equitable solution can be
suggested, we have no objection to thirty days.

MR. CHAMPION: I make one promise -- it will be
some solution.

MR. SIMONSEN: Mr. Chairman, I'd like to say a few
words. I am Chairman of the Northern California Marine Con-
ference and I think doing a good job in representing the State
of California in getting dredging projects through Congress
and cooperating with the Corps of Engineers, we were the
organization principally responsible for the California
Navigation Conference. I am also a State Pilot Commissioner.

In 1957 we wrote a letter to President Eisenhower,
pointing out the danger of this stretch of water. In view of
the type of materials, ammunition materials, that pass here.
it is a hazardous area. A major collision could eliminate
Contra Costa's county seat within one mile of the channel,
the City of Martinez, in a situation similar to the one
which occurred in Nova Scotia -- a situation where Shell Oil
Company and Tidewater Oil has a hydrogen plant within a mile
of this channel. We can look into the crystal ball and say
when a catastrophe of this kind might happen, these ships are
going to abandon this channel for all time. It is a very
dangerous situation.

MR. CHAMPION: From what you say, we ought to stop
traffic now.

MR. SIMONSEN: I'd say we should take a good look
at it and see what can be done. We have this on record as
far as our Commission is concerned since 1957 -- something
should be done; it is dangerous.

MR. CHAMPION: As I understand it, there is not a
delay in the work in itself. We would try to resolve this
within thirty days, and that would go on as scheduled.

COL. TURNER: There is a delay already because the
dikes have not been completed, but once the dikes have been
completed and then we are sure that is going to be the disposal
area, then we go right ahead and try to get back on schedule,
which we are already off; and I understand they are to be com-
pleted in ten days.

MR. CRANSTON: But will our putting this over thirty
days cause any delay in implementation of the project?

COL. TURNER: If the dikes are completed in ten days,
it will be the difference between ten and thirty days.

MR. CHAMPION: Is that a great difference since 1957?

COL. TURNER: What has happened -- we have permission
to over-dredge. The condition is not what has existed -- it
has been aggravated.

MR. SIMONSEN: I would like to add our County and
everyone has worked very hard to get this through and approved
by Congress and I think as far as the State of California, it might not look too good for Congress to find the State of California is making a charge against a project that is good for California.

MR. CHAMPION: I just want to say I hope everyone recognizes that this first came to this Commission some fifteen minutes ago. We are not trying to delay anything. This is the first time that we have heard this discussed.

GOV. ANDERSON: Mr. Hortig, Utah spent $75,000 for dikes?

MR. HORTIG: Yes, sir.

GOV. ANDERSON: Apparently willing to invest this because they want this land filled?

MR. HORTIG: Yes, sir.

GOV. ANDERSON: If they do not get this land, where would they get this fill?

MR. HORTIG: I can't imagine offhand, not having tried to design for filling it; but just intuitively, I don't think a more economical source of fill material could be obtained by Utah.

GOV. ANDERSON: I think aside from everything else we have heard, they are not going to get anything cheaper than this price. They want it. If they were willing to pay $75,000 to build the dike to enhance their land, surely they will pay six thousand.

COL. TURNER: The price is $140,000. The initial
estimate was $75,000; it's up to 140,000.

GOV. ANDERSON: By Utah?

COL. TURNER: By Utah.

GOV. ANDERSON: So if they will pay $140,000 to hold it in, they are not going to pay six thousand?

MR. HANSEN: Governor, their $75,000 was predicated on four to 500,000 cubic yards.

GOV. ANDERSON: It seems to me we are raising some questions that hardly hold together on the economics of it. I am not opposed to delaying thirty days and perhaps cutting down, but we are enhancing somebody's land; they have paid $140,000 to enhance their land, and now all of a sudden we hear about ships blowing up, so we can give them the fill.

MR. HANSEN: Governor, when we went to Utah we said, "We have a half million cubic yards of fill" on condition they build the $75,000 dike. Later, we go back and say it is going to be 170,000 yards or 140,000 yards and Utah said, "We are no longer in the development business; we are in the dike business."

MR. CRANSTON: The representation the material would be free was made by other than the Lands Commission staff. Who made the representations?

MR. HANSEN: Army Engineers.

MR. BROATCH: At the first meeting, they told us there would be no charge for the spoils.

MR. CRANSTON: How did that happen?
MR. HANSEN: As the Colonel says, it is precedent.
This is the first time this happened.

COL. TURNER: There has never been an instance where
there is a royalty charge, and if there is enhancement of any
substantial amount the Government collects for it.

Back to Utah, I also understand Utah would be happy
never to get into this whole proposition because they are not
going to make any money on it.

MR. BROATCH: We have been mentioning six thousand,
We feel that Utah is a small corporation compared to the State.
So far as the $6,000, the State should reverse it -- it is
small compared to the State.

MR. CHAMPION: I withdraw my offer.

MR.HORTIG: Mr. Chairman, before this goes to a
vote, I think this matter should be clarified. On all of the
material along Contra Costa County, Alameda County, everywhere
where it has been deposited by the Corps of Engineers' dredging
projects on privately-owned lands, there never has been a
charge assessed to the project insofar as the Army Engineers
are concerned; but where the spoils disposal area was privately-
owned, the private owner paid the State of California for the
spoils that were deposited on his land.

COL. TURNER: This I am not aware of, because I have
never known where there has ever been a payment for either
flood control dredging or navigation dredging. Now, most of
the dredging previously done in that area has been by hopper
dredge. This is the first time we have gone to a pipeline dredge. We have found that by use of hopper dredging that the dredging backed, is washed back into the channel; so we have changed our method in this channel. But in the case of the construction of the Stockton Channel, there was no royalty paid for material put on privately-owned property. In the case of the Sacramento project, in which the State first obtained easements, there has been no payment for royalty.

MR. HORTIG: This, of course, has been in connection with the State contribution. The Stockton Channel actually is a project on which the State of California cooperated in terms of purchasing and making available spoils areas available to the Army Corps of Engineers. In that sense again, this was a governmental project. There was no spoils disposal under those circumstances where the City was involved, where materials were being deposited on privately-owned lands for private benefit.

COL. TURNER: I'd like to add one more thing: We have made a charge for land enhancement and we do have in the review report for the deep channel a charge for the land enhancement, because it will be substantial and it can be measured; but this will be paid to the Federal Government.

MR. CRANSTON: Is it possible for this project to be accomplished, leaving out the price? We can work out the price by the next meeting.

MR. HANSEN: I believe that's possible.

MR. CRANSTON: I move that we approve it, subject
GOV. ANDERSON: How do you work out price?

MR. CRANSTON: We will just have to work at it and approve it at the next meeting.

GOV. ANDERSON: Wouldn't it be better to get the price settled, if they are willing to compromise?

MR. CRANSTON: We are not ready to.

MR. LANGNER: Could I ask in considering this that you consider our interpretation -- and certainly your counsel will be able to provide his -- that the section under which this charge is being made is not applicable, we feel, to this project? The project is a Federal project by the Federal Government and the spoils are removed on contract by the Federal Government, and the spoils are to be removed to private lands -- which does not come under 6303.

MR. JOSEPH: The whole subject is removal from sovereign land, and sovereign land is what you are talking about.

MR. LANGNER: We find that there never has been a charge against the United States. You cannot maintain a charge against the Federal Government.

MR. CHAMPION: There are two parallel lines of precedent, which don't engage except when it comes to making our decision, so I don't think you are necessarily in conflict; there are two different lines of precedent here.

MR. CRANSTON: I would include in my motion language
that the price, if any, will not exceed three cents per cubic yard or less, so it is understood it might be three cents -- and the words "or less" mean we will consider it.

MR. CHAMPION: This bothers me. How do you negotiate that for which you have already negotiated? How do you collect?

GOV. ANDERSON: Once you have given the right to go ahead, you are through. If you want to negotiate, I'd rather negotiate right now.

MR. CRANSTON: It need not necessarily be a matter of negotiation. I believe we have the power to fix the price. We will fix the price at our next session, if my motion is approved.

GOV. ANDERSON: We have already given them the right to go ahead, and they say they won't do it.

MR. CHAMPION: I'd like the advice of counsel. What position are we in, once having given consent and later determining a price? What if the parties say, "I am sorry. You gave your permission and that's it?"

MR. JOSEPH: If they have begun taking the material off there, they have the material and can deposit it; but if the consent is conditional upon paying the money afterwards, then you have something to base yourself on.

MR. CHAMPION: Then they are stuck with whatever price we determine.

MR. CRANSTON: Yes. I asked them if we could determine
it on that basis and we would be fair in our decision.

MR. BROATCH: Gentlemen, I can't speak for the Board of Supervisors; we understood there would be no charge. But I am sure there will be a workable solution to move it, and I am sure we will stand by whatever you decide.

MR. JOSEPH: I think Section 6303 of the Government Code applies to this very situation. There is a large area of discretion in the State Lands Commission as to what consideration should be charged and there are all these various considerations to be taken cognizance of at that time; but it must be remembered that this is largely a discretionary matter.

MR. CHAMPION: I think we are aware of that already. If you leave that in the form of a motion, I would second it -- the understanding would be that we give permission to proceed as outlined; that we will fix a price at a meeting within thirty days, and that price will be the one that will apply to the application. Any question?

MR. SHAVELSON: It was approved on Mr. Cranston's motion that the price, if any, will be three cents a yard or less and also on the condition of their promise to pay the price?

MR. CHAMPION: Right, right. We haven't taken any formal action on that. I will put the question: Is there any question on that procedure? (No response) It will stand approved then. We will continue with the calendar.

(b) Humble Oil & Refining Company, et al: Issuance
of new lease, in exchange for Oil & Gas Lease P.R.C. 145.1, in accordance with Sec. 6827 of the Public Resources Code, in order that lessee may take advantage of the more flexible operating and development conditions specified.

(c) John C. Ruckmick -- Two-year prospecting permit for minerals other than oil and gas, 159.7 acres vacant State school land, San Bernardino County, at standard royalty rates.

(d) San Diego Gas and Electric Company -- Deferment of operating requirements for lease year ending 3/9/64, tide and submerged lands of San Diego Bay, San Diego County, Mineral Extraction Lease P.R.C. 2094.1. Third electrical generating unit of lessee's South Bay Power Plant scheduled for completion by July of this year. There is possibility that this unit could necessitate further dredging.

(e) Standard Oil Company of California -- Deferment of drilling requirements through 10/4/64, Oil and Gas Lease P.R.C. 2199.1, tide and submerged lands, Santa Barbara County, to continue conducting intensive reservoir evaluation program to provide sound engineering bases for estimating potentials and requirements for future development.

(f) Suisun Pacific Ltd. -- 15-year lease, 5.933 acres tide and submerged lands in old channel of Suisun Slough, Solano County, for small-craft marina; annual rental $4,713.18.

GOV. ANDERSON: I'll move it.

MR. CRANSTON: Second.

MR. CHAMPION: It has been moved and seconded that
we approve Item 4. Any questions? (No response) Stand approved.

Oil and Gas Leases: (a) Authorization for use of combined bid-lease form approved in July 1962 in the offer for extraction of oil and gas from area of tide and submerged lands in the Elwood Field, Santa Barbara County, and approval of amendment of paragraph 22 of combined bid-lease form adopted July 19, 1962, to conform to provisions of Chapter 1945/1963.

(b) Rescission of 1/30/64 authorization to offer Parcel 18, Santa Barbara County, for oil and gas lease; and authorization for Executive Officer to re-offer area as Parcel 18A, using therefor amended basic bid-lease form reflecting changes required by Chapter 1945/1963.

(c) Authorization for Executive Officer to offer 5,535 acres tide and submerged lands, Santa Barbara County, designated as W. O. 5050 (Parcel 19) for oil and gas lease.

MR. HORTIG: Mr. Chairman, page 22 of the Commission's agenda, third line, reads: "Of X = 1,543,160 Y = 360,620." There is a transposition which should be corrected to read: "Y = 306,620." This is as to the legal description of the parcel proposed to be offered for lease.

MR. CHAMPION: With that amendment, what is the pleasure of the Commission?

GOV. ANDERSON: I'll move it.

MR. CRANSTON: Second.

MR. CHAMPION: Any questions? (No response) Stand approved.
MR. CHAMPION: (continuing) Proposed Legal Actions:

(a) Mansfield-Benbow Corporation, Timber Trespass, State land, Humboldt County. Authorization for Executive Officer to refer to Office of Attorney General for such action as may be necessary to secure settlement for any and all costs and damages suffered by the State as a result of the trespass.

(b) Trespass, Commercial Pier and Wharf, State sovereign lands, Monterey Bay, Monterey County, Wilbur C. Sandholdt, et al. Authorization for Executive Officer to request Office of Attorney General to take necessary steps for collection of damages and to secure removal of trespass.

(c) --

We have some other matters there and I think I will omit that for the moment and read it separately. So if we could have action on (a) and (b), we will take up (c) separately.

GOV. ANDERSON: I'll move.

MR. CRANSTON: Second.

MR. CHAMPION: Moved and seconded that we approve (a) and (b). Any further questions? (No response) If not, they will stand approved.

(c) Proposed Settlement Agreement in the matter of Long Beach Amusement Co. v. City of Long Beach, Los Angeles County Superior Court Nos. LBC-22801 and LBC-25199. (1) Approval by Commission of agreement that provides for establishment of mean high tide line of 1911 as last natural
position of the shore in the areas in question; (2) authorization for Executive Officer to execute necessary documents; (3) request to Office of Attorney General to take necessary action to secure dismissal of pending litigation.

Now, with respect to that item I have a letter from Senator Virgil O'Sullivan which reads as follows:

"With regard to Item 6(c) of the Calendar Summary of the State Lands Commission, to be discussed at the Commission meeting February 26, 1964, it is my understanding that the Commission is being advised by its staff and the Attorney General's representative to stipulate to a boundary determination in the matter of Long Beach Amusement Company versus City of Long Beach, Los Angeles County Superior Court Nos. LBC-22801 and LBC-25199.

"In the first place, I do not understand why the subject cases are not carried through to a Court decision, especially in view of the sensitive nature of the location of the boundary of the Long Beach tidelands. Further, is it not possible that a stipulation in this case to the 'mean high tide line of 1911 as last natural position of the shore in the areas in question' is likely to prejudice any contention of the State as to an earlier date in the determination of boundaries of adjacent areas?

"The Court cases initiated in this matter are more beneficial to the public interest than the proposed stipulation. I wish to lodge a strong objection to such stipulation and request that the State pursue its responsibility of securing boundary determination on the basis of exhibits and other evidence available reflecting furtherest possible inshore boundary. The State responsibility to the public interest cannot compromise such a matter."

On receipt of that letter, I asked the staff to discuss the matter further with Senator O'Sullivan, since they have explained to me their reasons for this proposed
action, and to discuss it with Senator O'Sullivan and members of his staff and other legislative staff; and it might be interesting to see if there were any further matters of fact or questions to be taken up in the basis for the recommendation.

That, as I understand it, was done -- or at least it was done to the extent of the staff's ability to speak to the people concerned; and it was also suggested to them that we would be very happy to have them come to this meeting to discuss the matter, to see whether we could get it all handled at this time. I don't know whether there were any responses to that invitation or not. Mr. Hortig, did either Senator O'Sullivan or members of the Factfinding Committee staff evince any interest in presenting further testimony?

MR. HORTIG: Both Mr. Shavelson and I were in consultation with Mr. Ford B. Ford, Mr. Shavelson later than I was, and Mr. Ford is in the audience and could answer the question whether there is to be further presentation on this matter.

MR. CHAMPION: Mr. Ford?

MR. FORB: Mr. Chairman, all that I can say is that Senator O'Sullivan was unable to be here today and, of course, I am not authorized to try to interpret the letter or to expand on his request; and I just tried to recall the letter to the best of my memory in talking to your staff last night, and there is nothing I can suggest to resolve his contention. Perhaps the staff could get in touch with Senator O'Sullivan.
MR. CHAMPION: In other words, there has been no direct contact from Senator O'Sullivan?

MR. HORTIG: No, sir.

MR. CHAMPION: So you do not know if there is any satisfaction in the result being offered?

MR. HORTIG: No, sir.

MR. CHAMPION: What is the position if we could delay this until it could be discussed with Senator O'Sullivan? Mr. Lingle, would you like to speak to this matter?

MR. LINGLE: I suppose that I have been the last one in contact with the other side, and when we talk about delay I wouldn't want to warrant or guarantee anything about what would happen on delay. I certainly recognize it would be legitimate for you to think about that because the matter has carried on for such a long time. However, there also is a problem in that I do know the Long Beach Amusement Company's counsel thinks that they have a very strong case for not more landward but more seaward than the line we have talked about; and I know they will have a board meeting before your next meeting, and this matter has gone on -- as with many of these things, it has taken a long time, and different forms of negotiation to try to work it out. I think the 1911 Sonderegger line -- the City is willing to stipulate with the State that this is the line; this is the best evidence we have got. We think it is a good settlement and I wouldn't want -- whatever misapprehensions and risks there are about delay, I don't want...
them, sir. I'd like to dump them on you, frankly. I am not
trying to run a bucket shop in a bank either.

MR. CHAMPION: Our staff is in complete agreement
with yours; there is no question about that -- and so is the
representative of the Attorney General. This is a matter of
courtesy to the Senator and we attempted to resolve it before
this meeting.

MR. LINGLE: I recognize the problem and I don't
feel at all secure about delay. When we knew the matter was
up for approval, it seemed to take a little of the heat off
because it has been a long time and I have known they are
asking for a considerable amount of money where they think we
drained oil -- "we" being the City as trustee for the State;
and the line we have here is this 1911 Sonderegger-Fitzgerald
line -- which, frankly, I as the City's attorney in private
negotiations for the City am convinced is the best line as the
last state of nature and I have recommended the settlement to
our City Council.

MR. CHAMPION: I think it might be well if the
other members of the Commission could have the benefit of the
conversation which I had with Mr. Shavelson.

MR. SHAVELSON: I will deal with that specific
question. Perhaps it might be more orderly to give a brief
background of these negotiations, that have been going on for
over seven years. Originally, the action was filed by the
Long Beach Amusement Company against the City of Long Beach,
to which the State was a necessary party because of the provisions of Section 6308 of the Public Resources Code, which make us an indispensable party in any proceeding involving title to or boundary of granted tidelands. The complaints in those actions alleged that the legal high tide line was the present ordinary high tide line -- which, if I am not mistaken, is some seven hundred feet -- is that correct?

MR. HORTIG: Yes.

MR. SHAELSON: -- seven hundred feet seaward of this 1911 line, which is the stipulated line. Originally, back in 1957, we were presented with a proposed agreement which fixed a line somewhat seaward of the 1911 line, but still landward of the present high tide line. This agreement was, for technical purposes, submitted to Colonel Leeds, of later the firm of Leeds, Hill and Jewett, who I understand are one of the most reputable firms for seacoast engineering in Southern California. Colonel Leeds, who is now deceased, recommended in his report -- I'll just read the last part of it:

"Therefore, the mean high tide line as it existed in 1911 should be considered as the seaward boundary of all natural accretions, and all accretions seaward thereof should be considered as artificial accretions. The tentative agreement now under consideration should in equity be modified to accord with the above views."

The agreement now before the Commission has been so modified and, therefore, in the opinion of our expert analysts is the correct line of ordinary high tide.

The considerations that are involved in the pending litigation against the City of Long Beach involve two contentions...
as to the effect of artificial influence in the vicinity of
the mouth of the old San Gabriel River. Those influences are
of a local nature. They do not extend as far easterly as the
area we are considering there and, therefore, the fixing of
the line in this area as of the 1911 line is in no way against
our contention that the line was fixed in 1891 in the area of
the old San Diego River, which is involved in our pending litiga-
tion with the City.

GOV. ANDERSON: Then, your feeling is that to stipu-
late to this, would not prejudice our case?

MR. SHAVELSON: Yes, sir.

GOV. ANDERSON: It would not?

MR. SHAVELSON: It would not prejudice our case.

GOV. ANDERSON: These court cases referred to in
this letter are 'more beneficial' to our position.

MR. SHAVELSON: The 1911 line would be the position
of the City and the State in litigation. In other words, the
City and State would be on the same side; our common contention
would be that the line would be the 1911 line. What the court
would have to decide would be whether it would be the 1911
line or whether it was a line seven hundred feet seaward of
that line, as contended by the Amusement Company. So it is
hard to see how we would get any benefit.

GOV. ANDERSON: Then you would feel these court
cases would not be of benefit?

MR. SHAVELSON: No. Court cases are always a gamble,
The fixing of a high tide line fifty or sixty years ago, there is possibly some contention. We think we are right on it. There is possibly a gamble.

Mr. Champion: In which we would have nothing to gain insofar as this point is concerned.

Mr. Shavelson: No, sir.

Mr. Champion: This is why I thought once this was explained to Senator O'Sullivan, we might be able to proceed.

Mr. Cranston: Mr. Chairman, I move we proceed in accordance with the staff recommendation.

Gov. Anderson: I'd rather wait. I don't want to delay matters, but I don't like to go in the face of Senator O'Sullivan, either. I think there is some politics involved here and we have a whole program we don't want to get Senator O'Sullivan too worked up over. I mean, if this is a simple thing, I think it better we should talk to him.

Mr. Champion: I was trying to think of a provisional action that would take care of it and have a discussion with Senator O'Sullivan.

Mr. Cranston: I move we approve it, subject to a conversation by the Chairman with Senator O'Sullivan; that we proceed after the Chairman's conversation.

Gov. Anderson: I am willing to go along with that if it can be done.

Mr. Champion: The only thing that makes me hesitate is that last ...
MR. CRANSTON: I move the approval take effect after the conversation with Senator O'Sullivan.

GOV. ANDERSON: Suppose they don't agree?

MR. CRANSTON: I don't think they will agree.

GOV. ANDERSON: I think Hale's feeling is if he explains this to him, he will agree.

MR. CRANSTON: If they don't, I think we have to proceed in the light of our responsibility here.

MR. SHAVERSON: I think the statute requires that consideration of the action be public.

MR. CRANSTON: We could fix the date following the conversation with the Senator.

MR. SHAVERSON: If we make a final commitment to...

GOV. ANDERSON: Why can't we put it over until next meeting?

MR. CHAMPION: I think Mr. Lingle has raised the critical question as to whether we can afford to take a chance. If there is anything the Long Beach situation is, it is an unstable situation.

I will second that motion of Mr. Cranston. If I now properly understand it, the exact nature of this action is to authorize the Executive Officer to sign a stipulation and is that the way it is approved? We have to approve the agreement.

MR. HORTIC: Right -- of the location of the line.

MR. CHAMPION: Could we do this, then, in terms of
these three things: We could approve the agreement; we could authorize the Executive Officer to execute the documents and to make the request to the Office of the Attorney General, subject to delay at my request. In other words, if we go ahead and do all of these things, he holds it until after I have a chance to consult with Senator O'Sullivan; if there is some further problem, I could ask him to hold it; if not, the Commission action would stand. It would simply be a matter of fixing the date. May that be done?

MR. SHAVELSON: I think what I would suggest, Mr. Chairman, is that the approval be made effective at some subsequent date, as suggested by Mr. Cranston, subject to abrogation by the Commission at a public meeting if you should determine to do so, and after the approval it would take effect. I would not like the Commission's action today to be effective by any action not taken at a public meeting. I have some concern there.

GOV. ANDERSON: I hardly understand that. Suppose Senator O'Sullivan and Mr. Champion do not agree. Then what happens to our action?

MR. SHAVELSON: If it is determined to go ahead anyway, then we would simply allow the date to go without any further action by the Commission and the approval would take effect; but if it were determined that the Senator had valid objections and that you wish to consider the matter further, then I would suggest an emergency meeting of the Commission
Mr. Champion: In other words, after my conversation I consult with the other members to see if there is any further action to take and nothing would be done until the decision of that meeting would be made.

Mr. Shavelson: Yes, sir.

Gov. Anderson: What you are saying is we approve this today, then if you decide after you talk to him we made a mistake ....

Mr. Champion: Then there should be a further hearing.

Gov. Anderson: Then in a sense you call a further hearing to reverse our action. Is this what you are doing?

Mr. Shavelson: And make the action effective as of some future time -- I don't know what exact date, say ten or fifteen days from now -- and reserve to yourself the right to abrogate it at an emergency meeting prior to that time; and in the absence of any such meeting it would take effect.

Mr. Champion: Let's do it that way and set the date as of a week from Friday, which is what day?

Mr. Hortig: A week from tomorrow would be March 6th, a week from this coming Friday.

Mr. Cranston: I restate my motion to that effect.

Gov. Anderson: Then you will meet prior to that time with Senator O'Sullivan.

Mr. Champion: And I will convey the result to you, to the two members. If you think we should have another
meeting, we will do so; if not, it will go through.

GOV. ANDERSON: If Senator O'Sullivan agrees with your explanation, then there will not be another meeting.

MR. CHAMPION: Right.

GOV. ANDERSON: But if there is a difference of opinion, then you will convey it to us and we will have another meeting.

MR. CHAMPION: Yes. I will not try to repeat the matter before us, but if there is no objection that will be the order.

Number 7 -- Authorization for Executive Officer to execute agreement, pursuant to Government Code Section 13110, transferring control and possession, for park purposes, to Department of Parks and Recreation, Division of Beaches and Parks, subject to Easement P.R.C. 2462.9 and preserving all mineral rights, over 25.16 acres sovereign tide and submerged lands in Santa Monica Bay, Los Angeles County, for inclusion in Will Rogers State Beach.

What is the pleasure of the Commission?

GOV. ANDERSON: I'll move it.

MR. CRANSTON: Second.

MR. CHAMPION: Stands approved. Number 8 -- Authorization for Executive Officer to execute form of petition for annexation to the East Bay Municipal Utility District of the area of tide and submerged lands in Carquinez Straits, Contra Costa County, contained in Lease P.R.C. 618.1, issued to
American Smelting and Refining Company.

MR. CRANSTON: So move.

GOV. ANDERSON: Second.

MR. CHAMPION: Stands approved. Approval of Maps and execution of boundary agreements: Authorization for Executive Officer to approve and have recorded --

(a) Sheet 1 of 1 of map entitled "Map of the Grant to City of Vallejo, Chapter 1501, Statutes of 1957, Vicinity of Mare Island, Solano County, California," dated October 1963;

(b) Sheet 1 of 1 of map entitled "Map of the Grant to City of Vallejo, Chapter 63, Statutes of 1963, Vicinity of Mare Island Strait, Solano County, California," dated October 1963;

(c) Sheets 1 and 2 of 2 of maps entitled "Map of the Grant to City of Vallejo, Chapter 24, Statutes of 1963, Vicinity of Mare Island, Solano County, California," dated November 1963;

(d) Sheet 1 of 1 of map entitled "Boundary of State Tide and Submerged Lands Along the Shore of Carquinez Strait, Vicinity of Benicia Arsenal, Solano County, Calif." dated November 1953; and authorization for Executive Officer to execute boundary agreement with the United States and the City of Benicia fixing the boundary of State tide and submerged lands along the shore of Carquinez Strait, Solano County.

GOV. ANDERSON: I'll move them.

MR. CRANSTON: Second.
MR. CHAMPION: Stand approved.

Confirmation of transactions consummated by the Executive Officer pursuant to authority confirmed by the Commission at its meeting on October 5, 1959.

MR. HORTIG: Which consisted of extensions of the time period for two geophysical exploration permits and one geological survey permit previously authorized for issuance by the Commission.

GOV. ANDERSON: I'll move it.

MR. CRANSTON: Second.


MR. HORTIG: The only amplification over the written matter is with respect to the first case listed. The People versus the City of Long Beach, which is Long Beach boundary litigation, has now been calendared again for pretrial conference April 6th of this year.

MR. SHAVELSON: May I just amplify on that a little bit? The reason for the delay had nothing to do with the preparation of either of the parties, but the judge assigned was ill and had to be taken off the case, and we had to get a new judge; but we do have the new judge and we hope to appear on this date.

MR. CHAMPION: Confirmation of next Commission meeting Thursday, March 26, 1964 at ten a.m. in Sacramento. Does that pose any problem?
MR. CRANSTON: No, that's fine.

MR. CHAMPION: Is there any further business to come before the Commission?

MR. HORTIG: Yes, Mr. Chairman, for the record, one telegram addressed to State Lands Commission, Sacramento:

"OIL LOT OWNERS ASSOCIATION OF LONG BEACH REQUEST THAT NO CONTRACTS BE LET OR APPROVED WHICH MAY OR WILL DRAIN PRIVATE LOTS OF OIL AND GAS WITHOUT JUST PAY."

(Signed) CARL WHITSON, President

There being no agreements or contracts of the type that would accomplish hazards of this sort, we will so inform Mr. Whitson.

MR. CHAMPION: Do you have any idea what would cause Mr. Whitson to send such a wire?

MR. HORTIG: It is a little difficult to get such indications from Mr. Whitson.

MR. CHAMPION: The meeting stands adjourned.

ADJOURNED 4:00 P.M.

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CERTIFICATE OF REPORTER

I, LOUISE H. LILlico, reporter for the Office of Administrative Procedure, hereby certify that the foregoing fifty pages contain a full, true and correct transcript of the shorthand notes taken by me in the meeting of the State Lands Commission at Sacramento, California, on February 26, 1964.


[Signature]

LOUISE H. LILlico