TRANSCRIPT OF
MEETING
of

STATE LANDS COMMISSION

SACRAMENTO, CALIFORNIA
January 28, 1965

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PARTICIPANTS:

STATE LANDS COMMISSION:

Hon. Glenn M. Anderson, Lieutenant Governor, Chairman

Hon. Alan Cranston, Controller

Mr. John Sheehan, Deputy Director of Finance appearing on behalf of Hon. Hale Champion, Director of Finance

Mr. F. J. Hortig, Executive Officer

Mr. Alan Sieroty, Executive Secretary to Lieutenant Governor Anderson

OFFICE OF THE ATTORNEY GENERAL:

Mr. Paul M. Joseph, Deputy Attorney General

APPEARANCE:

Mr. Harold A. Langle, Chief Deputy City Attorney for the City of Long Beach

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GOV. ANDERSON: The meeting of the State Lands Commission will come to order. First item is the confirmation of minutes of meetings of September 24, October 9, October 22, and November 13, 1964.

MR. CRANSTON: I move approval.

MR. SHEEHAN: Second.

GOV. ANDERSON: It has been moved and seconded, so ordered.

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

Applicant (a) is American Smelting and Refining Company -- Permit to dredge approximately 5,000 cubic yards of material from tide and submerged lands in Carquinez Strait, Contra Costa County.

Applicant (b) is California-Pacific Utilities Company -- Approval of location for overhead telephone cable, with necessary appurtenances, across Colorado River, San Bernardino County.

Applicant (c) is State of California, Department of Fish and Game -- 49-year permit to construct artificial reef about 3.7 miles southwesterly of radio towers in City of Ventura, 8.83 acres submerged land, Pacific Ocean, Ventura County.

Applicant (d) is Cardiff Sanitation District and Solana Beach Sanitation District -- 49-year life-of-structure

permit for construction, operation, and maintenance of sewer outfall line, 2.84 acres tide and submerged land, Gulf of Santa Catalina, San Diego County.

Applicant (e) is San Joaquin County, Department of Public Works -- 49-year bridge right-of-way, 1.14 acres tide and submerged lands of San Joaquin River, San Joaquin County.

Applicant (f) is Pomeroy-Gerwick-Steers -- Permit, effective 12/1/64 through 9/30/65, for equipment-barge mooring area, two parcels of submerged land, San Francisco Bay, Alameda and San Mateo counties, totaling 40.461 acres.

MR. CRANSTON: I move approval.

MR. SHEEHAN: I'll second.

GOV. ANDERSON: It has been moved and seconded. That's the one I think we wanted to ask a question on, Alan, about the overhead telephone cable.

MR. SIEROTY: Yes.

GOV. ANDERSON: Not with any thought in mind to object to this one, but to suggest the plausibility of having a study made, perhaps by Resources or by the State Lands Commission, or by a combination, as to what our policy should be relative to overhead hanging lines over rivers and bays and things like this. I know we have talked about it each time and they say the cost is prohibitive; and then we go to other parts of the country and they are doing it there.

My feeling is this might be something, when there isn't a pressure on the permit, perhaps the Division -- I am

not sure our Division has the staff facilities, but perhaps Resources or someone could make a survey into this to find out why these lines can't be put underground, under bays and so forth, where possible and prevent the eyesores that result.

MR. HORTIG: This is not only feasible but will be considered a directive to staff.

GOV. ANDERSON: Could that go to staff then?

MR. HORTIG: Yes, sir.

GOV. ANDERSON: When I went back to the national convention I toured some of the east coast and I was surprised to find out how much of the east coast has their lines not hanging up over freeways and roadways and rivers and things; and I asked several how they do it and they said, "All underground." I wondered why they can do it back there in so many areas and we don't do it out here. Maybe I am drawing some quick conclusions I shouldn't have drawn, but I think we ought to be advised on it.

MR. HORTIG: Certainly the study as to the feasibility, both physically and economically and so forth, will be reported to the State Lands Commission in the future. The practice of the State Lands Commission has been to consider these applications with respect to type of installation in the light of the zoning and planning requirements desired by and specified and required by cities and counties where the State lands happened to be located.

As to this particular cable crossing, the counties do not have any zoning or planning requirements per se as to the type of installation that is desired and, of course, there are already numerous overhead crossings both in terms of telephone and power lines, but also even gas transmission lines across the Colorado River. This does not resolve the question as to whether this is a desirable way that it should be done in all instances, but certainly sets the pattern or the precedent; and the fact that there have been no coordinated, directed planning studies with respect to this factor heretofore, this can well be the first of what will undoubtedly be a future policy.

GOV. ANDERSON: In the past there might not have been much incentive to do this, where the growth of population and necessity for lines and pipelines had been not as great and the cost maybe was so much more. Where we are growing and new lines are going to have to be brought in -- new lines and more powerful lines are going to be brought in -- I think some thought should be given to what we want. If we are going to double in population, do we want twice as many power lines over rivers, and so forth. You can hardly turn on your radio; that's one of the things that bothers me.

MR. MONTIC: You certainly touched on one of the major items, Governor, in comparison with the east coast. These are all partially or primarily matters of development and, of course, the east coast developments have been going

on for more years than the west coast's have been; and in the matters of transition, of replacing to new standards, there have been things done on the east coast that have not been yet considered economically in California because the original installation has not been depreciated and the time has not yet come to replace it -- at which replacement time certainly newer, better standards, more modern standards and utilization of all the modern technology, would be applied at that time.

So we do have that element in the comparison that is dissimilar between your east coast installations, because they are generations ahead in some of these developments as against the timing for the placement of the identical type of equipment on the west coast.

GOV. ANDERSON: Mr. Sieroty.

MR. SIEROTY: I am wondering whether we ought not to involve some of the other agencies in this study. The Public Utilities Commission is going to be involved. If we start a study without their cooperation, we just might be wasting time. So my thought is the study should be made jointly with the Public Utilities Commission, with the Resources Agency, with any other agency or department which is directly involved.

MR. HORTIG: I would concur with Mr. Sieroty entirely. It was not my intent to infer that this would be an exclusive in-house production of the State Lands Division

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because there are the other agencies he mentioned and some in addition. Even the U. S. Bureau of Reclamation have concern with respect to the type of installations across navigable waters of the State of California; and their viewpoint and their criteria certainly must be considered in connection with any future authorizations if we are to have an optimum type of authorization.

GOV. ANDERSON: Do you know off the top if there is any basic statute that some of the east coast states have regarding the subject? There must be some basic law.

MR. HORTIG: It is in the field of zoning and planning, Governor. Yes, there are; and there are other certain types of operation, more severe controls over larger areas than possibly apply in California today -- again a matter of historical development starting earlier than California started.

MR. SHEEHAN: I think one of the Assembly committees has gone into this -- on underground wiring anyway.

MR. HORTIG: The Public Utilities Commission did on just this one phase.

GOV. ANDERSON: I remember I was driving along and I was talking to the Governor on it and I said, "How can you get them to do this?" and they said, "We just won't let them do it any other way." I think it was the State of New York.

Is this all the instructions you need?

MR. HORTIG: Yes.

MR. CRANSTON: Glenn, on this one I am very interested in what you are saying. Do you think it might be advisable not to approve this?

GOV. ANDERSON: No, I thought any place where there isn't any objection - - this would be crossing the Colorado River?

MR. HORTIG: That's right.

MR. CRANSTON: This is right next to Needles.

GOV. ANDERSON: I didn't want to question this. I did remember we questioned the big P. G. and E. lines across San Francisco Bay and they said it was too costly and other times they said "This is the way it has been for fifty years," and we go on approving. My thought is: Let's start where there isn't any pressure point of approving or disapproving, where they know of these policies; and if it involved a legislative committee, obviously if they have held one we should find out what their recommendations are.

MR. HORTIG: Their recommendations certainly would be included in this analysis.

MR. CRANSTON: How many administrative agencies would be involved or should be involved?

MR. HORTIG: The Resources Agency and the Public Utilities Commission, as already indicated, would certainly cover better than ninety percent. There are some with minor interests with respect to this particular phase although major interests in their own cognizance. Wildlife conservation

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boards, who are also involved in property acquisition and installations in connection with water areas, and so forth, occur to me at the moment; and there may be a few others of about the same order of magnitude. We will include everyone who has something to contribute to this, so that the Commission can be fully informed on the broadest base.

MR. CRAMSTON: I certainly concur with you, Glenn, on the wisdom of seeking proper development.

MR. SHEEHAN: I can tell you now Pearce Young of Napa was interested in this study, primarily on subdivisions.

GOV. ANDERSON: He did not call on anyone from our State Lands Commission when they had their hearings?

MR. HORTIG: No, sir. This was an investigation by the Assembly Public Utilities Committee with respect to requirements or augmentations that might be desirable in connection with the administration of controls by the Public Utilities Commission and they are certainly one of the keys to this problem of coordination.

GOV. ANDERSON: Did you feel this was primarily related to subdivisions?

MR. SHEEHAN: Yes.

GOV. ANDERSON: He feels it was primarily related to subdivisions.

MR. HORTIG: This is correct, but this would justify one type of installation against another type of installation and would be applicable to other types of lands -- and even a

we get more and more subdivisions, as in this instance along the Colorado River.

GOV. ANDERSON: If there isn't any further discussion, it has been moved and seconded; no objection, it will be approved.

Item 4 is permits, easements, leases, and rights-of-way issued pursuant to statutes and established rental policies of the Commission:

Applicant (a) is Harry W. Erickson -- Five-year noncommercial minor-structure permit for mooring pier, 0.344 acre tide and submerged lands of Sacramento River, Sacramento County, total rental $25.00.

Applicant (b) is William I. Moore -- Five-year grazing lease, 3,782.73 acres school land, San Bernardino County, annual rental $56.74. Was that the one you asked me a question on, Alan? That figures out at about one and one-half cent per acre per year. How is that figured?

MR. HORTIG: On the basis of the field capacity of the land and the ability to support a given number of head of cattle, which is then translated into a comparable rental amount which is in general agreement with the rental fees that are set by the Bureau of Land Management of the Department of Interior for Federal lands which nominally adjoin these vacant State school lands and are also held nominally under grazing permit from the Federal government, in order that there can be no competition -- if there can be competition

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on such low value land; but if the fees are established too high, it has been found by the Lands Division in p-- practice the answer is there isn't even an application for a grazing permit, and the grazer who has large holdings on Federal land grazes his cattle on the adjoining State lands without paying the State anything.

So it is really a question of appraising going land value established by the much larger holdings of the Federal government which are available for grazing.

GOV. ANDERSON: It seems awfully little.

MR. HORTIG: At one bush per mile, which some of this land has, it isn't worth any more.

GOV. ANDERSON: Applicant (c) is Richfield Oil Corporation -- 49-year easement for construction, operation and maintenance of submarine flow line from State Well 308 No. 4 to upland tank site; 2.059 acres tide and submerged lands of Santa Barbara Channel, Santa Barbara County, annual rental $68.18.

(d) Patrick A. Doheny -- Assignment to Willard Bozett and Buttes Oil & Gas Co. of interest in Compensatory Royalty Agreement P.R.C. 2908.1, Colusa and Sutter counties.

Applicant (e) -- Patrick A. Doheny -- Assignment to Willard Bozett and Buttes Oil & Gas Co. of interest in Compensatory Royalty Agreement P.R.C. 2990.1, Colusa and Sutter counties.

Applicant (f) -- Howard Munt and Adam J. Natalie --

Assignment to Adam J. Natalie of Prospecting Permit P.R.C. 3064.2, San Bernardino County.

Applicant (g) -- Carl Luke and Donald Peterson -- Assignment to Harry C. Schilling of Lease P.R.C. 2409.1.

Applicant (h) -- Decon Corporation -- Acceptance of quitclaim deed dated November 24, 1964, relinquishing rights that would have been granted under P.R.C. 3128.1, Orange County.

Applicant (i) -- Decon Corporation -- Acceptance of quitclaim deed dated November 24, 1964, relinquishing rights that would have been granted under Permit P.R.C. 3139.1, Orange County.

Applicant (j) -- Lloyd N. Inslee -- (1) Acceptance of quitclaim deed dated December 2, 1964, terminating Permit P.R.C. 3199.1, covering 0.049 acre of tide and submerged land of Taylor Slough, Contra Costa County; and (2) issuance of permit for construction and maintenance of a recreational pier at the same location. Fee charged was $25.00.

Applicant (k) -- Mobil Oil Company -- Acceptance of quitclaim deed for Lease P.R.C. 373.1, tide and submerged land of Sacramento River, Yolo County, effective July 9, 1963.

Applicant (l) Sunset International Petroleum Corporation -- Acceptance of quitclaim deed for Oil and Gas Lease P.R.C. 995.1, Huntington Beach Field, Orange County, effective January 28, 1965, pursuant to paragraphs 5 and 27 of lease.

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Applicant (m) Union Oil Company of California -- Ten-year renewal of Lease P.R.C. 532.1, 0.41 acres tide and submerged lands of Petaluma Creek, Sonoma County, effective November 9, 1964, annual rental $150.

MR. SHEEHAN: I move approval.

MR. CRANSTON: I'll second.

GOV. ANDERSON: Moved and seconded. Mr. Sieroty.

MR. SIEROTY: Mr. Chairman, I'd like to ask about the item Sunset International Petroleum Corporation. It was my understanding that in order for a lessee to, in a sense, give back his lease to the State, he had to comply with certain procedures in abandoning existing wells, which would clear up the area and make sure that it was safe as well as not unattractive.

Now, in talking to Mr. Hortig about this, there is some question yet as to how far a lessee has to go and I wonder whether maybe it wouldn't be best at this time for Mr. Hortig to explain this procedure. I could ask about the derricks -- whether the lessee has a right to leave a derrick on this property.

MR. HORTIG: This situation, of course, varies with the geographic circumstances -- not only the geographic location, but also the location of a well within a jurisdiction, whether it is within a city or a county subject to certain planning and zoning requirements in addition to the requirements of the State oil and gas lease as issued by the Lands

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Commission and the requirements of the State Division of Oil and Gas.

In simple terms, from the surface of the ground down, the State lease requires and the Division of Oil and Gas statutes require in the abandonment of an oil well that all cautions be taken in shutting down and plugging, closing in with cement and otherwise the previously productive hole -- first, so that there can be no future damage to the oil reservoir in which this well was located by reason of an open hole permitting water from overlying water sands to drain into the oil reservoirs.

GOV. ANDERSON: How deep down do they cap this?

MR. HORTIG: In sections where there is a possibility of movement of fluids, all the way to the bottom. In this case, this well was probably in the order of forty-two hundred feet in oil sands. It has been plugged throughout the oil sand that was originally opened. It has also been plugged through other sands which could not be produced from this particular well, but could be damaged if there was leakage of water from this hole into these other sands; similarly from the domestic water sands, all of which lie about two thousand feet, the well is plugged with cement, solidly and irrevocably through these zones, and again is plugged at the surface after the surface pipe is pulled up, so there can be no danger of anyone falling into an open hole or anything of that nature.

In this particular instance, the well was drilled

from a privately-owned lot in Huntington Beach in the town lot, in the second block in from Ocean Avenue, but slant-drilled out under the tide and submerged lands -- in about 1934, originally. This well has been plugged and abandoned to the surface as I have just described it and in this instance the derrick has been removed by the operator, this by his own volition -- although possibly subject to control by the City of Huntington Beach in their zoning of the area, in which they are attempting to secure a clearance of most of the surface area.

There could be circumstances where an operator could, under these geographical conditions, abandon his derrick in place, although the Division of Oil and Gas would protest, the Lands Division would protest, and the municipality might protest. There could be circumstances where under no present State law or no present City ordinance there might be police powers to compel him to remove the derrick and clean up the area, although local population pressures these days in oil producing communities are producing results in terms of surface clean-up. But the original producing works of this well were located on private property not under the jurisdiction of the State Lands Commission, and the well was under the jurisdiction of the State Lands Commission only after it had gone underground two blocks in order to reach the high water mark and then went into the tide and submerged lands of the State of California, at which

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time the well was probably two thousand feet underground.

MR. SIEROTY: It seems to me where we have a State lease, even though the drilling site may not be on State property, we would have enough connection with the lessee, with the operation, to provide in our lease that when he would abandon the well that he would also remove any derrick or surface obstructions; at least he would have to have clearance from us in abandoning surface, as well as subsurface facilities.

MR. HORTIG: This has certainly been the practical result in those instances where there has been a termination of operations under a lease issued by the State Lands Commission. The instant case is an unfortunate example in that this originally was an easement that was issued in compromise of litigation in 1934 and not under control conditions that were available to the Lands Commission; and in the compromise litigation the operating conditions had to be accepted as they were found and they were subject to the then much less stringent controls than are effective on leases issued by the State Lands Commission.

Fortunately, as I say, the derrick has been removed but the practical result has been accomplished without the necessity for looking for a way of accomplishing it.

GOV. ANDERSON: If there is no further comment, moved and seconded, approved unanimously.

MR. SIEROTY: May I suggest we ask the Attorney

General about the possibility of amending our lease form to take care of the situation where we don't have a lessee as in this case, but one who might want to get away with the least trouble in abandoning their well. I would think it might be taken care of by amending the lease.

MR. HORTIG: I would concur with Mr. Sieroty's suggestion except as to the utility, in that this has not been a problem in connection with any of the leases issued by the State Lands Commission primarily because the current technology is for locating the wells out on the lands which are under the jurisdiction of the State Lands Commission, where the Lands Commission has complete control.

We have only a very few wells drilled under State Lands Commission leases that have been slant-drilled from the upland and these wells by operators who have other wells under the tidelands; and for their own protection they cleared the site, and even the upland site, to its original condition.

The area where such control would have been desirable would have been with respect, as a matter of hindsight, to the series of compromise agreements that were approved by a court back in 1934, and which compromise agreements and their successor leases are probably not subject to being renegotiated retroactively. Any operator who would be willing to have such a condition now added to his lease would also be willing to clear up the lease site anyway when it becomes time to abandon it.

GOV. ANDERSON: Well, the staff and the Attorney General's Office can take a look at it anyway.

MR. HORTIG: We will, Governor.

GOV. ANDERSON: There being no objection, all of the items are approved.

Item 5 -- City of Long Beach. Approvals required pursuant to Chapter 29, 1956, First Extraordinary Session and Chapter 138, 1964, First Extraordinary Session.

(a) Determine that expenditure of approximately $1 million from City's share of tideland oil revenues, for construction of Pier "G" bulkloader enlargement within boundaries of the Harbor District, proposed in letter dated October 21, 1964, is in accordance with provisions of Chapter 138/64, First Extraordinary Session.

Any comment? Mr. Sieroty.

MR. SIEROTY: I'd like to ask Mr. Lingle about the bulkloader. Is this the bulkloader that the City of Los Angeles and the Harbor of Long Beach have been talking about? Is this the so-called duplication of facilities that we have heard about?

MR. LINGLE: I frankly don't know. I know that we have a relatively new bulkloader and we have found that by comparatively small investment we can get more business. I am sorry. I am not an engineer on it and I don't know whether on this one there is an inter-harbor fight or not. We want to build it. We have business for this bulkloader.

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GOV. ANDERSON: Mr. Hortig, would you have something more?

MR. HORTIG: I might state the limitations on authorization and the reasons this matter is before the Lands Commission for approval, and the question that the Lands Commission must deal with pursuant to Chapter 138 of the Statutes of 1964.

This act required for the first time, since its effective date of August 22nd of last year, that any capital expenditures by the City of Long Beach, including the Harbor Commission, over fifty thousand dollars for a particular project must be submitted to the Lands Commission for determination or objection only on the one question -- that the type of facility or capital expenditure which is proposed to be made is authorized or is not authorized by Chapter 138; and Chapter 138 does list in considerable detail, although also in general classification, the types of expenditures which the Legislature has determined which if made by Long Beach from its own share of tideland revenues would be considered unqualifiedly within the trust purposes.

It is clear from staff review and the review of the Office of the Attorney General with respect to the particular proposal which is made by the Harbor District on a facility which the Long Beach Harbor Commission has determined in its administration of the harbor is a necessary adjunct to the harbor, that this facility qualifies for nonobjection pursuant

to Chapter 138.

MR. SIEROTY: Is there any State agency which looks into the question of port operations? What State agency would have that responsibility?

MR. HORTIG: I am not aware of any such and I am sure the representative of Long Beach would be aware if there is such because they would of necessity have been contacted in connection with their Long Beach operations.

Are you aware of any such agency, Mr. Lingle?

MR. LINGLE: I don't believe there is any.

MR. SIEROTY: I raise the question just because of newspaper reports of competition between the Port of Long Beach and Los Angeles, and possible waste by one port or the other and duplication of facilities, and so forth -- which may be a necessary evil in this situation. I don't know, but I just raised it to bring the matter to attention.

MR. LINGLE: I can add from the information I was given on the submittal that through the construction of this bulkloader the total utilization of the facility will be greatly enlarged. It is obvious we are in competition with San Pedro, Los Angeles; but this is within the things that, when this bill was re-changed, we were given some discretion on and in the purview of the thing as it stands today we were notifying you of our intention to add to this bulkloader which our Port Commission felt was a good economic adjunct to the bulkloader that was there.

MR. SIEROTY: The situation as I understand it is that you have had the bulkloader for some time and now the City of Los Angeles wants to have a bulkloader, too -- which some people felt was kind of an unnecessary thing. So we are now ending up with two bulkloaders.

MR. LINGLE: I don't know about that.

MR. SIEROTY: I believe that is a situation which may meet the needs not of the present but of many years hence.

GOV. ANDERSON: Our action here today has been in accordance with our policy. There might be something we can look into but not at the moment.

MR. CRANSTON: I move it.

MR. SHEEHAN: Second it.

GOV. ANDERSON: Moved and seconded, carried unanimously.

Item 6 - Land Items: (a) Restore twenty acres school land in Mariposa County from the withdrawal established by Commission resolution of January 26, 1961; said parcel to be held on the lease list pending the filing of a purchase application by the Merced Irrigation District.

MR. CRANSTON: Move approval.

MR. SHEEHAN: Second.

GOV. ANDERSON: Moved and seconded, carried unanimously.

Item 7 -- Oil and Gas Leases: (a) Authorize Executive Officer to offer for oil and gas lease 272 acres tide

and submerged lands of Lookout Slough and Cache Slough, Solano County.

MR. SHEEHAN: I'll move approval.

MR. CRANSTON: I'll second. I'd like to ask Frank how this happened to come up.

MR. HORTIG: There are explorations on adjoining lands. First, we had applications to negotiate a lease, which the Lands Commission is not authorized to do on an area of this size, and the only way the land can be made available is pursuant to competitive public bidding. Therefore, the land that was in the perimeter of the exploration activities and the hoped-for gas production were blocked out, containing two hundred seventy-two acres of slough and river channel that would be subject to competitive public bidding.

MR. CRANSTON: Is there any problem here in the community? Are there people that live near this?

MR. HORTIG: The people that live near this already have leased their lands for gas development. They surround the State lands we would here be offering for lease.

GOV. ANDERSON: Any comment? (No response) It has been moved and seconded, carried unanimously.

Item 8 -- Service Agreements: (a) Authorize Executive Officer to execute service agreement with Atlas Chemical Industries, in an amount not to exceed $4500, for a survey of the mean low water mark along the property of Atlas Chemical Industries as a preliminary step in establishing a boundary agreement.

MR. CRANSTON: I so move.

MR. SHEEHAN: Second.

GOV. ANDERSON: Moved and seconded. Carried unanimously. Item 9 is to confirm transactions consummated by the Executive Officer pursuant to authority confirmed by the Commission at its meeting on October 5, 1959.

Any comment on this, Frank?

MR. HORTIG: The actions taken by the Executive Officer consisted exclusively of authorizations of extensions of periods for geophysical and geological explorations under permits authorized by resolution of the State Lands Commission in the first instance.

MR. CRANSTON: I move to confirm.

MR. SHEEHAN: Second.

GOV. ANDERSON: Moved and seconded, carried unanimously.

Item 10 -- Informative only, no commission action required: (a) Revisions to estimated productive limits for pools within the Rio Vista Gas Field, Sacramento and Solano counties, submitted by Standard Oil Company of California under Agreement for Easement 415.1.

Do you want to report on that, Frank?

MR. HORTIG: Yes, sir. This is brought to the attention of the Commission to report a change in operating circumstances to the advantage of the State, in that the revisions to the estimated productive limits referred to here

are the last that will be before the Lands Commission because of an authorization by the Lands Commission to operate the field under a unit agreement in the future, with a larger percentage participation by the State than has resulted from prior computations under the original lease conditions.

So Revision 108, appearing on page 29, which had to be reported to the Commission under the prior contract, will be the last one, the unit agreement having taken effect January first of this year. As reported in the agenda item on page 28, you gentlemen can see the State's participation over-all will be 13.4388 percent of the estimated recoverable resources, whereas we shared in various zones varying from eleven to twelve percent.

There is no action required but we felt because this was change in operating conditions, this last revision should be brought to the attention of the Commission, as well as the advantages of the new agreement the Commission has authorized.

GOV. ANDERSON: (b) is report on status of major litigation.

MR. HORTIG: If you gentlemen will refer to page 31 of the agenda, item 6 relates to a case, "City of Morro Bay vs. County of San Luis Obispo," based on the fact that there was a 1947 grant of certain tide and submerged lands in Morro Bay by the Legislature to the County of San Luis Obispo. Subsequently, there was incorporation of the City of Morro Bay in 1964 and in this incorporation the city limits were

established so as to include all the tide and submerged lands that had been granted to the County of San Luis Obispo, the county having been named previously in an action by adjoining private landowners disputing the boundary between the tideland grant and the private land ownerships.

The City of Morro Bay has felt some hesitancy as to accepting the tide and submerged lands' title, or trust title to the tide and submerged lands within their city limits from the county inasmuch as this area is subject to litigation. At the same time, the county, of course, has felt that the city has in fact acquired these tide and submerged lands from the county and that they are no longer a concern of the county.

As a result, the City of Morro Bay filed a petition for declaratory relief in the Superior Court of San Luis Obispo County; and under current statutes, in any litigation involving granted tide and submerged lands, the State Lands Commission must now be named as a party defendant and participate in this litigation, to determine that the State's interests are protected.

The Lands Commission has been served in this action. The Attorney General's Office has drafted the required answer and is about to file an answer, and prior to the filing it was felt desirable to report to the Lands Commission the status of this litigation. Especially for this reason, I requested Deputy Attorney General Paul Joseph to be here to

report to the Commission, inasmuch as he is the attorney who is handling this litigation for the Commission and has prepared the necessary documentation.

MR. JOSEPH: I am Paul Joseph of the Office of the Attorney General here in Sacramento. There has been a quiet title action pending for several years and it is a rather extensive law suit. There was an opinion of the Attorney General's Office in 1952 that if the City of Morro Bay should incorporate, under the granting statute, under the provisions of the Government Code, the City of Morro Bay would succeed to the trust title of the granted tide and submerged lands in San Luis Obispo County.

The City of Morro Bay takes a different attitude. They say they can accept this land whenever they see fit and it must be delivered to them on demand. They feel there must be something wrong with the title here and they would prefer to hold off acceptance until the title matters can be decided. They filed a suit for declaratory relief to find out when they must take title, if at all.

In the meantime, there is a rather big law suit going on. The county isn't willing to spend any more money on it and the city, of course, hasn't done anything yet. There is a meeting planned for February 18th between the city representatives and the county representatives. It is hoped that some solution will be reached at this meeting and probably legislation will be suggested to affirm whatever decision

they reach.

This thing, of course, can be settled. It is all a question of law. Whoever the law says has the title has the title and must go on with the defense of the law suit and the development of the harbor.

Representatives of the city intended to be here this morning, knowing that this matter was coming up for report on the calendar. Unfortunately, the fog condition here in Sacramento hasn't allowed them to; but they are fearful that some action is going to be taken by the Commission that will prejudice them. However, nothing is on the calendar here for any action to be taken. It is just a report.

GOV. ANDERSON: Are we jeopardizing their situation by asking any questions?

MR. JOSEPH: Not at all. A solution should be found for the situation because neither the city nor the county wants to actively keep things going in the harbor at this time. However, they are administering under a joint agreement. They are escrowing any revenues. So the present administration of the harbor is not suffering.

Any questions, of course, can be answered because it is going to be a problem that is going to come before the Commission again.

GOV. ANDERSON: Are we involved solely as Frank mentioned -- that in any action affecting tidelands we are involved in it? Or are we involved because of some condition

In the title originally?

MR. JOSEPH: I imagine the State Lands Commission has to see that grantees of tidelands properly administer these tidelands; and how active it has to be in that supervision, I frankly do not know. But certainly the private landowners who are suing the county and state to get title to these tidelands should not get an advantage because there is a squabble between the city and county, and it is ultimately the responsibility of the State to see that that action is properly defended; and if both the city and county fall down in that action, the State will have to take it over.

The development of the harbor has not been as vigorous in the last several years since this law suit started as it probably would have been otherwise, and it is the responsibility of the Commission to see that the harbor is developed.

GOV. ANDERSON: Does that invelve a boundary of the mean high water mark?

MR. JOSEPH: The upper landowners claim there is an accretion -- that the land has been extended out -- and they seem to feel they have some basis for this. Special counsel have been hired by the County of San Luis Obispo. They feel very strongly there is no basis for the action. However, the action has not been set for trial as yet.

This action here, for information purposes, is the action of the City of Morro Bay against the county and the

State to see when the city must take title to the lands.

MR. HORTIG: This is the only item before us.

GOV. ANDERSON: Have we made a survey down there?

MR. HORTIG: Yes. This is one of the earliest grants in which the Legislature directed the State Lands Commission to survey at the request of the grantee.

GOV. ANDERSON: When was that?

MR. HORTIG: In 1957.

GOV. ANDERSON: There shouldn't be any question of where the boundary is after such a recent survey.

MR. JOSEPH: These landowners are raising a question as to the adequacy or some such thing. As to the solution -- whether the county gets the title or the city gets it -- this could be decided, as I say, of course, by what the law is; but it would be a situation of probably having an unwilling trustee there. As soon as they get together, if they ever do, legislation can be suggested to take care of the matter.

MR. CRANSTON: Isn't there a meeting scheduled for February 18th?

MR. HORTIG: Yes, sir.

MR. CRANSTON: At that point some decision can be made as to some course of action.

MR. JOSEPH: Yes, if they can get together. They have been rather frightened among themselves and haven't wanted to talk and we have sort of precipitated some action here. No doubt they will work out something at that time.

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MR. SIEROTY: Would they like to grant title back to the State? Is there any suggestion of that?

MR. JOSEPH: I don't think they have suggested that, no; although there has been some wild talk. Some people have said the county is ready to grant the land back to the State, but I have no authority on that. That is one of the possibilities -- the city gets it or the county retains it or the State takes it back or a district be formed.

What the city wants is that the county share in the expense of the pending law suit that is going to go on. It hasn't been set for trial and I have heard a sum of $100,000 mentioned as the expense of a defense in this law suit; and the city doesn't want to get into this before they know what they are getting into. They want from the county engineering information, title information and what information the county has accumulated so far. The county so far hasn't been willing to turn over all the information to the city. They have been willing to turn over the title information and other information, but now they are apparently getting together.

MR. SIEROTY: I gather from Mr. Joseph's comments there are really two major issues. The one that we ought to be principally concerned with, I guess, is the basic issue as to whether the land is in public area or private area; and if, as Mr. Joseph says, the city and county are not willing to spend the money for an adequate defense for public title,

I assume the Attorney General's Office is prepared to do that; is that correct?

MR. JOSEPH: Yes. I have told both sides that the State is willing, if necessary, to undertake the defense of the action. The further problem there is an accusation that the development of the harbor is not going on as vigorously as it should be because of the delay in the basic litigation and, of course, the State is interested in the development of that harbor.

MR. SIEROTY: The other question along with that you just mentioned -- whether the city must take title to the tidelands as a result of the annexation -- is that a new question in California?

MR. JOSEPH: Yes, it is a rather new question, just in this form. There are some precedents that have been applied in 1952. In an opinion issued at that time the conclusion was reached that the city must take the title. There has been doubt cast upon the validity of that opinion but we have again come to the opinion that that is the correct legal situation.

However, as I say, that is all very well as a matter of law; but you have to get the people to come around and agree with you before you are going to have a very active administration there. This law suit is to test the validity of that opinion that was reached in 1952. We are answering the complaint asserting that the city has title, and in a

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cross complaint alleging that the development of the harbor and the defense of the law suit is suffering because they will not take title, and asking for an injunction against the city to take title. However, while taking that position, which we felt is rather an extreme position, we felt some agreement should be reached here.

GOV. ANDERSON: Any further comment? (No response) Any further item before we reconfirm the next meeting?

MR. HORTIG: Yes, Mr. Chairman. I have received a copy of the following letter, which covers the subject matter I wish to present to the Commission. This is a letter from Mr. John R. Mansell, City Manager of the City of Long Beach, which was addressed to the Honorable Mayor and City Council, City of Long Beach, California.

It was delivered to that City Council last Tuesday at their regular meeting. The letter reads:

"Gentlemen:

Subject: Procedure for approval of bids for the Contractor's Agreement, Long Beach Unit.

Attached are the recommendations from a meeting held in Los Angeles on January 22, 1965, between members of the State Lands Division staff, Attorney General's Office, State consultants, and City of Long Beach representatives.

These recommendations, concerning approvals....

MR. CRANSTON: Excuse me. Does "State consultants" mean DeGolyer and MacNaughton?

MR. HORTIG: Yes, sir.

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MR. HORTIG: (continuing with letter)

"These recommendations, concerning approvals of the bids for the contractor's agreements, Long Beach Unit, would allow for approval of the bids by the City Council at the regular February 23, 1965 council meeting. The State Lands Division staff has indicated that it would be March 2, 1965 before final approval could be given by the State Lands Commission.

It is recommended that this procedure for approval of the bids be approved as outlined and submitted to the State Lands Commission for their concurrence.

Very truly yours,

John R. Mansell, City Manager "

In view of this report and the recommendation that this matter be submitted to the Commission for concurrence along with the Long Beach City Council, it is my recommendation that the Lands Commission consider setting a meeting not earlier than March 2, 1965, or as soon thereafter as possible, at which time to consider the approval of the recommended bids that will have been forwarded to the State Lands Commission by the City Council for award of contract.

MR. CRANSTON: I'd be glad to join a meeting on that date.

GOV. ANDERSON: Which date?
MR. CRANSTON: The second.
MR. HORTIG: March 2nd is a Tuesday.

GOV. ANDERSON: I did not bring my March calendar.

MR. HORTIG: With the approval of the Chair, we will consult your offices and determine the earliest satisfactory meeting date, starting March 2nd.

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GOV. ANDERSON: I think that's the better way to do it.

MR. CRANSTON: March 2nd at ten o'clock will be satisfactory to me.

GOV. ANDERSON: March 2nd would be the earliest?

MR. HORTIG: Yes, sir.

GOV. ANDERSON: And what period would be preferable -- within a week?

MR. HORTIG: Not later than that -- as soon as possible.

GOV. ANDERSON: March 2nd to 10th?

MR. HORTIG: Yes, sir.

MR. SIEROTY: I assume that you have assurance from the consultants that they will have their material prepared by that time in order to give us information.

MR. HORTIG: The indicated dates are based on the best estimate of the City of Long Beach staff for available reports and recommendations to the Council by February 23rd, and, as they reported, the City's representatives agreed that without some unforeseen bidding irregularity the bids could be analyzed and submitted to the Council meeting by February 23rd. With that as the target date, it is the Lands Division's consensus, concurred in by the consultants, that we could be ready and should be ready to report to the Lands Commission on March 2nd.

MR. SIEROTY: Let me ask this, then: Has the place

for receiving the bids been established?

MR. HORTIG: That was published in the notice. Mr. Lingle, receipt of bids is at the Harbor Commission Building or City Council Chambers?

MR. LINGLE: The City Council.

MR. HORTIG: At what time?

MR. LINGLE: Two o'clock -- I hope you'll all come.

MR. CRANSTON: I'd like to ask about one other matter, Frank -- this matter of the Leslie Salt exchange of lands situated in San Francisco Bay.

I understand you were present at a hearing where the State had something to say on this, and the Resources Agency. What is the status and where do we become involved?

MR. HORTIG: On January 14th I conducted a public hearing pursuant to authorization of the State Lands Commission to so do, on the subject matter of title questions -- resolution of title questions between the State of California and Leslie Salt Company with respect to tide and submerged lands in a designated portion of San Francisco Bay, this in turn pursuant to specific statutory authorization to the Lands Commission to proceed on this matter.

Starting in 1955, we have been working on it ever since; and as a result of the public hearing there is a transcript, of course, which is being analyzed and summarized for report to the Commission. Additionally, representatives of the Resources Agency indicated the desirability for further

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conference with the State Lands Division on certain of the specifics as to the lands involved; and a Mr. Charles Vogel of Bohannon Constructors indicated that he had in his possession, or reported that he had in his possession, certain information that he felt that the Lands Division had not considered in the preparation of the maps prior to the public hearing.

For this reason, then, we are now working on a schedule where we still have to get and we have been attempting to arrange conferences with Mr. Vogel to review the data which he feels is new, so that we can give the Commission a report on the broadest basis with respect to the situation, and also are still to confer with the Resources Agency -- so we can report on that conference in conjunction with the summary of the transcript and a composite of those three actions will serve as a basis for recommendation to the Commission as to whatever further action is appropriate.

MR. CRANSTON: Specifically on the Leslie Salt matter, where does that stand?

MR. HORTIG: This is purely on the Leslie Salt matter.

MR. CRANSTON: This is entirely on that?

MR. HORTIG: Yes, sir; this is exclusively on the Leslie Salt matter. Under these circumstances, it is anticipated we cannot have accomplished all these things by the next regular meeting of the Lands Commission in all

probability, but we will have a status report of progress on the situation for the Lands Commission at the February meeting, which will be an extension of what I have just reported to you now.

MR. CRANSTON: I'd like to ask that you fill us in not only on the legal aspects, but on the practical results of the approval of this exchange by the Lands Commission. Is there going to be a fill or development in this area?

MR. HORTIG: The problem is much simpler than apparently we have been able to convey to everyone who has become concerned.

Up to a hundred years ago, and primarily between ninety and one hundred years ago, the State sold swamp, overflowed and tide lands around the periphery of San Francisco Bay to produce revenue for the State treasury. The legal criteria as to where swamp lands stopped and tidelands started, and where tidelands stopped and submerged lands started were not established by litigation and case law until many years later, so the record title as a result of these documents that were issued by the State of California between 1860 and 1870 indicate that large areas of land were sold extending out into and in some cases literally to the center of San Francisco Bay.

Subsequent litigation in quiet title action in the entire San Francisco Bay area complex has rather clearly established the fact that there never was any authority in

the State to sell submerged lands -- that is, lands waterward of the low water mark -- and, therefore, anyone in possession of a State patent that indicated he had title from the high water mark on beyond the low water mark had a conveyance that was valid, in fact, only from the high water mark to the low water mark because there never was any authority to sell beyond the low water mark.

Several leasss have been renegotiated by the Lands Commission on this concept and several new patents issued primarily in Suisun Bay-Carquinez Straits for similar sales, in which the successors in interest to the original purchasers desiring title insurance were informed by the title companies that the title company would not insure past the low water mark because that was as far as the State and its predecessor agencies could sell. New patents were then issued by the Lands Commission to the correct location of the low water mark and title insurance has been issued.

With this body of precedent, therefore, Leslie Salt Company reviewed its large holdings around the perimeter of San Francisco Bay, the majority of which were purchases of land they made from the original purchasers from the State, involving a great number of these patents. Leslie, in negotiation with the State Lands Commission, came to a realization that there were many areas that, while on paper were conveyed and even though they and their predecessors paid taxes on them for a hundred years and they are on the county record

books as being privately-owned, were never actually legall sold by the State.

On the other hand, there are some areas that wer removed from navigation and removed from the influence of t Bay by establishing salt ponds, as well as diverting water ways by the Bureau of Reclamation and with the approval of the Corps of Engineers, who have jurisdiction over these navigable areas -- and these areas were removed from the public interest.

It was determined that the probabilities would be that the State could not acquire these lands in quiet title litigation, these that had been removed from navigation, in general; but conversely, Leslie concurred that in all probability the State would get and receive, in any quiet title litigation, title to all the lands below low water that were not removed from navigation and definitely all of those that are still navigable today in fact.

So the Legislature in 1955 authorized, in what now appears to have been an unfortunate choice of words, an "exchange" of the State's interest for interest Leslie has in clearing up the title disputes as to claims as to this class of waterways formerly navigable; some that were definitely not navigable and therefore salable; and waterways that were below the low water mark that were never validly sold to Leslie.

The practical effect is that the State Lands

Commission can consider a quitclaim in which they get clear title from Leslie to lands on which they have been, unfortunately, paying taxes for one hundred years, and under which the State relinquishes its claim to litigate all remaining lands which it is the consensus the State could not uphold a claim to by reason of the fact that they were not, in fact, actually navigable at the time of sale or have been removed from navigability.

The result of this is that the State would get title to one thousand five hundred acres of land which is now on Santa Clara, San Mateo and Alameda County tax records, and Leslie would get title to five hundred acres of land on which there is a cloud and on which it has been concluded the State could not uphold a title to.

This would simply clear the status of the title of the lands and has nothing to do with making available any more lands for fill and does not involve any programs for fill, with the exception of the lands in San Mateo County for which the Leslie Salt Company has for some time had a plan -- and a plan which is not only compatible with the master plan of San Mateo County, but which was reported at our hearing as being highly favored by San Mateo County.

There are no plans -- and this is from the executive vice president of Leslie -- there are no plans not announced or even in the formative stage for any of Leslie's lands in Santa Clara or Alameda County at this time.

Therefore, it is felt, at the moment at least, that certainly fundamental to master planning, whatever controls should be exercised for San Francisco Bay, whatever future development -- whether to maintain the status quo or fill or otherwise -- an essential element to determine how this can be controlled requires that the basic titles be cleared and be understood; and this would be just one step, although a major one with a major private landowner around San Francisco Bay, to clear title.

San Mateo County, where the majority of the lands recovered by the State would fall, was real happy that this would assure that the lands recaptured by the State would be susceptible and available for further public interest development.

This is in accordance with further legislation; there is nothing specific, but until this transaction is completed, these lands are owned by Leslie Salt Company. As and when the transaction is completed, as I say, fifteen hundred acres will be owned by the State of California, free and clear of any possibility of litigation.

Inasmuch as these lands are now indicated as being in private ownership, the clearance of the title does not affect any project, any construction, anybody's easements, anybody's tidelands, the utilization for natural resource development. As a matter of fact, this can only be benefitted in terms of having the areas susceptible to natural resource

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development with a title clear in the State of California rather than in a clouded state in private ownership, as they stand today.

There is one other criteria in that the legislative authorization to the Lands Commission specified that the Commission, in evaluating whether or not this exchange should take place, is required to apply the test that the value of the interest relinquished by the State -- in this case proposed for five hundred acres -- be not greater than the value of the interest to be acquired by the State, in this case the fifteen hundred acres. Independent fee appraisals of the two segments have indicated that the fee value of the area to be acquired by the State is something in excess of two times as great as the fee value of the land in which the interest would be quitclaimed to Leslie.

MR. CRANSTON: One question, as I have gathered it, is whether this portion only in San Mateo County might be freed for development at this time and may be consistent with San Mateo County planning but might not be consistent with over-all Bay planning, which is not effective at this time. It is my understanding that Hugo Fisher's recommendation (or whoever testified for him) was that we not clear the title until over-all Bay planning is developed. I understand his recommendation is at least not to do this until we have the over-all planning.

MR. HORTIG: I discussed this report on the day

before the hearing and the staff were unable to consult with Mr. Fisher prior to the public hearing, so an advance report and statement, which you probably have a copy of, was submitted as it had been prepared. But because there are other factors and the potential advantage of having the majority of the lands in clear ownership and possibly available for resource development, or whatever public interest development should be applied, this resulted in Mr. David Joseph, who made the presentation on Mr. Fisher's behalf, amplifying that it was apparent to them and desirable that there be this conference with the State Lands Division to explore the specifics in areas that had not been clear to them prior to the outline of the total problem at the public hearing for the first time.

This was the purpose of the public hearing -- to explain what the problem was; and the majority of the public representation was concerned over these same factors of whether lands would be automatically free to do things that would be contrary to a desirable regional plan -- which, as you have said, is nonexistent at the present time.

I can only hope that our explanation of what the problem is, and what the restricted results will be, relieved a great many minds at that time. As I say, for further discussion we had two requests: One, a purely technical one -- Feeling that there is some record title data which was not considered, Mr. Vogel volunteered to make this available for

us to review, which we will do; and, two, a request from the Resources Agency for a further staff conference.

MR. CRANSTON: The Resources Agency has not changed its position on this?

MR. HORTIG: Not officially, but the purpose of the further staff conference is to eliminate and explain why the problems of concern that are in their formal position are either under control or susceptible of control -- under which circumstances I anticipate a basis for considerable change of position by the Resources Agency.

GOV. ANDERSON: Is there any basis to the charge that we have not been able to give enough information on these transactions and lands and things? I got this from an East Bay Commission of some kind -- that they tried for information for several years and can't find out what is happening, and things seem to be going on and they don't know anything about it.

MR. HORTIG: Unqualifiedly no, Governor, for the following reasons: One, as I say, the authorization for consideration is in the Statutes of 1935. This has certainly been a public record this long; two, any inquiries to staff have resulted in responses and replies; three, the first public presentation of information as to what was going on and what was being considered in this negotiation was authorized by the Lands Commission, again at a public hearing in December, when I was authorized to hold the public hearing

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for the purpose of informing all interested parties, and to hold the public hearing at Oakland, so it would be in the center of the activities, or at least in an East Bay community that would be in the center of the activities -- available to the citizens that all could come, all could hear, all could be informed of the same thing at the same time.

Now, this is the first full scale public consideration of this matter and we notified everyone.

GOV. ANDERSON: What about people who may have contacted you prior to that?

MR. HORTIG: What information was available in terms of the proposal and the nature of the proposal, the statutory authorization, was all conveyed to everybody who inquired at our Sacramento office or at Los Angeles. Periodically during the preparation of the maps and some of the analyses that were in a state of preparation and were not yet complete, which were being processed by our engineering section at headquarters in Los Angeles, inquiries to the Sacramento office included a statement: "This is the status up to _____ that we have as far as this office is concerned. The work is in process toward hopeful completion in Los Angeles and either telephone or visit or letter to the headquarters office will bring you the report on the very latest status."

We actually had such situations -- and I am aware of the reports, at least some of which you have received, --

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but I submit for the record we had a little difficulty in keeping up with people who do things like this, and this happened:

A gentleman walked into our Sacramento office, asked to be informed about this transaction. When the office engineer started to pull the maps and the vast volume of data to give him the complete information, he took one look at it and he said, "Oh, I don't have time to look at all that now. Besides, we have people we can send in to Los Angeles, since you say the very latest editions are available in Los Angeles." They finally did contact us, and then at the public hearing made the statement that information had been unavailable to them.

We have difficulty reconciling these situations or deciding on what the factual situation is, as distinguished from a motivation.

GOV. ANDERSON: Anything further? Mr. Sieroty.

MR. SIEROTY: I make a comment about this because Mr. Hortig started out by saying it is a very simple question and I think those who attended the hearing at the end of the hearing didn't come out with the same conclusion. Just to put it in perspective here -- What has happened here is that the Attorney General's Office and the State Lands Division have started back in '47 trying to work out this problem with Leslie Salt Company, determining who has title to what 'and; and at that time perhaps it might have been simple to work out,

but today we are faced with the growing need, tendency and realization, as it has been expressed here in the State Lands Commission several times, for planning for the Bay area as a whole. So this problem which might have been simple in '49 comes into this planning picture.

We are dealing with Leslie Salt Company -- which owns, I understand, something like fifty-three thousand acres of land in the south San Francisco Bay, which is a tremendous amount of land. You can imagine how much land that is and the possibility of utilization of this land, which I am sure they have thought about a great deal.

For instance, they talked about this one project in San Mateo County -- forty-five hundred acres of tide and submerged land. That is a billion-dollar project, and that isn't even their total holdings in San Mateo County.

So we are involved in a big thing. Again, while the San Francisco Bay Conservation Study Commission has come up with a recommendation to the Legislature for a moratorium, which we don't know the Legislature will approve, in addition to that we have other problems which I think we ought to give some thought to in the future -- and that is, our relation with the other agencies.

Now, Resources comes and says they haven't had adequate time. Even though we have been involved in this since '47, they haven't had adequate time to study the effect on wildlife. They say it will take about six months to study

that. Santa Clara County comes in and says, "We don't know how this is going to affect our flood control and such problems, so we have to have time to study that."

So, whether this could be carried on a few years back, I do not know; but they want an opportunity to make studies and make recommendations as to what sloughs will be given to Leslie or to the State.

As I say, I think this is kind of interesting because the problem is not simple because of the time we find ourselves in, in terms of the desire for over-all planning.

MR. HORTIG: I concur one hundred percent in the analysis that Alan just made -- that this is now the public concept of the problem; but while very important in their own sphere and as a matter of timing, these are all extraneous matters to the problem which was given the Lands Commission to resolve -- and that is, the basic land title problem as to these little waterways. Patently, no county is going to be jeopardized in any plans they had previously with respect to flood control, rights-of-way, and so on, and so forth, because every one of them is going to their own county records has assumed these lands have been owned by Leslie, and yet here is a case where three-fourths of them as a result of this title clearance are going to be back in State ownership.

MR. CRAMSTON: Frank, isn't one way we get involved in it -- various cities and counties and other units of government plunge ahead with their own plan, which might not

be the best thing for an over-all Bay plan; and while title is in doubt, it may be difficult to plunge ahead and maybe a delay or moratorium until the over-all plan is developed might slow down one stage of the development. It seems to me that is the point they were trying to make in their testimony -- the fringe benefit of delay.

MR. HORTIG: One county -- and the county to the north says "This is a good program. Let's go forward." This is why, because there is yet no action by the Commission and recommendation has to be brought to the Commission and consideration has to be given to the action -- this is certainly an election that is within the complete control of the Commission to conclude whether there is advantage in planning first and title clarification later, rather than title clarification and planning later. That element will be recommended on and can be determined by the Commission. You gentlemen have this completely under your control.

MR. CRANSTON: As you put it there, that is the exact point I want to be informed on before we make any final decision on this.

MR. HORTIG: It is a question of which one you do first.

GOV. ANDERSON: Is there anything further to be brought up before the meeting? (No response) If not, then, the next date and place of the meeting will be February 25, 1965, at ten a.m., here in Sacramento. Motion to adjourn

will be in order.

MR. CRANSTON: So move.

MR. SHEEHAN: Second.

GOV. ANDERSON: Moved and seconded. There being no further business, we are adjourned.

ADJOURNED 11:45 A.M.

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CERTIFICATE OF REPORTER

I, LOUISE H. LILLICO, reporter for the Office of Administrative Procedure, hereby certify that the foregoing forty-nine pages contain a full, true and accurate transcript of the shorthand notes taken by me in the meeting of the STATE LANDS COMMISSION held in Sacramento, California, on January 28, 1965.

Dated: Los Angeles, California, February 2, 1965.

/s/ Louise H. Lillico