TRANSCRIPT OF MEETING of
STATE LANDS COMMISSION
SACRAMENTO, CALIFORNIA
April 29, 1965

PARTICIPANTS:
THE STATE LANDS COMMISSION AND STAFF:
Hon. Glenn M. Anderson, Lieutenant Governor, Chairman
Hon. Alan Cranston, Controller
Hon. Hale Champion, Director of Finance, absent --
represented by Mr. John P. Sheehan, Chief
Deputy Director of Finance
Mr. F. J. Hortig, Executive Officer
Mr. Alan Sieroty, Executive Secretary to
Lieutenant Governor Anderson
Miss Patricia Kimball, Research Analyst,
Office of the Controller.
Mr. Alfred Maulorico, Administrative Assistant,
State Lands Division

OFFICE OF THE ATTORNEY GENERAL:
Mr. Jay L. Shavelson, Assistant Attorney General

APPEARANCES:
(In the order of their appearance)
Mr. Ignazio R. Vella, Vice Chairman of the Sonoma
County Board of Supervisors
continued
APPEARANCES (continued)

Mr. Charles E. Moffatt, District Design Engineer, District 10, Division of Highways

Mr. Robert B. Krueger, Decon Corporation

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

Mr. Eugene L. Sembler, Chief Engineer, San Francisco Port Authority

Mr. L. A. Kimball, Assistant General Manager, San Francisco Bay Area Rapid Transit District
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GOV. ANDERSON: The meeting of the State Lands Commission will come to order. I am informed that Jack Sheehan, the Deputy Director, Department of Finance, is on his way; but it is suggested that we get started anyway.

First item will be permits, easements, and rights-of-way to be granted to public and other agencies at no fee, pursuant to statute:

Applicant (a) State of California, Department of Fish and Game -- Amendment of Life-of-Structure Permit P.R.C. 319549, San Joaquin River, San Joaquin County, deleting present legal description and substituting therefor a legal description that will incorporate a location change and increase the width of the parcel a sufficient distance to provide a catwalk for maintenance and operation of the launching ramp.

Applicant (b) State of California, Division of Highways -- Temporary right-of-entry permit, 0.46 acre sovereign lands in bed of Sonoma Creek, Solano County, to be effective during construction of proposed addition to a bridge on Route 37.

Applicant (c) State of California, Division of Highways -- Right-of-way easement over 7.66 acres sovereign lands of Sonoma Creek, Solano and Sonoma counties, needed for protection of a State Highway Route.

(Applicant (d) Humboldt-Del Norte County, Department of Public Health -- Six-month right-of-entry permit over tide
Applicant (e) Pacific Telephone and Telegraph Company: Agreement approving location of submarine armored communications cable over ungranted tide and submerged lands of Mare Island Strait, Solano County, 150 feet wide and approximately 600 feet long.

Applicant (f) State of California, Department of Water Resources — Two-year permit for temporary placement of drill barge and for drilling of test holes in beds of submerged sovereign lands along proposed route of the California Aqueduct Project in Sacramento and San Joaquin counties.

Applicant (g) State of California, Department of Water Resources — Two-year permit for temporary placement of drill barge and drilling of test holes in submerged sovereign lands along Italian Slough from Old River to Clifton Court Road in San Joaquin, Sacramento, and Contra Costa counties (in connection with planning for the California Aqueduct).

Applicant (h) State of California, Department of Water Resources — Permit to locate fish-passage facilities for period 4/1/65 through 10/15/67 on 0.147 acre tide and
MR. CRANSTON: I move approval of all those items.

MR. HORTIG: Mr. Chairman, before action is taken, we have an indication with respect to item (c), the State of California Division of Highways application for a right-of-way easement for a bridge, that there might be a presentation on this matter by the County of Sonoma. We are not aware whether the County has a representative here this morning.

MR. VELLA: The County is represented, sir.

GOV. ANDERSON: Would you identify yourself, please?

This is on item (c)?

MR. VELLA: Item (c), Mr. Chairman, ladies and gentlemen of the State Lands Commission, I am Ignazio A. Vella, Vice-Chairman of the Sonoma County Board of Supervisors and their official representative at this hearing, appearing in opposition to the application of the Division of Highways for a right-of-way across public land at the mouth of Sonoma Creek for the announced purpose of constructing a bridge with a twenty-foot vertical clearance across Highway 37.

This fixed-span bridge with a twenty-foot vertical clearance is unacceptable to the County of Sonoma, and I am their official representative in expressing opposition to your granting this permit to the Division of Highways until such time as the County of Sonoma and Division of Highways resolve these mutual differences.

In addition, the counties of Sonoma, Solano and
Napa have a pending agreement on an all-weather Navy road across a slough contiguous to this one, known as Napa Slough, which cannot be consummated until we have finished our discussion and until you people have finished your deliberations and until the Highway Commission and the County of Sonoma have finished their deliberations and come to an agreement mutually acceptable to us -- because we are going to block off access to this delta region.

I would also point out I have in my possession letters and documents from the Navy Department saying that the Navy facility at Skaggs Island -- I will read only one sentence from that; these are available to your Commission at any time you ask for them. This is from a letter of April 1965 from the Commanding Officer at Skaggs Island:

"Construction of a bridge with a clearance of only twenty feet of vertical clearance would restrict the use of the entire water race around Skaggs Island except for small craft and restrict the use of a navigable waterway."

The reason I bring this to your attention -- In the original findings of fact of the Corps of Engineers and the Highway Department made in 1963 or '64, we did not have the situation we have in southeast Asia that we have today; and Skaggs Island is a Naval facility -- the facility that is used for relays from that area and beams our messages to that area. Consequently, with the problems facing us in 1965, I respectfully request that this Naval facility will not be
curtailed but will be augmented. If it is augmented, they will have a navigable waterway with forty feet of clearance from Sonoma Creek — from the Bay of San Pablo to Sonoma Creek.

Mr. Hortig: Mr. Chairman, may the record show that this application from the Division of Highways was processed in the normal manner and on report from the Division of Highways that the Division has a permit dated December 24, 1963 from the U.S. Corps of Engineers — which, in fact, was also referred to by Supervisor Vella; and it is in this permit that the determination was made and the authorization was granted as to the vertical clearance of the bridge.

The issuance of a permit for an easement by the State Lands Commission, of course, does not determine whether or not there be an impairment of navigation. This is a matter that is under the jurisdiction and control of and is determined by the United States Corps of Engineers, who previously — and, again, as Supervisor Vella indicated — under different circumstances have already made a determination and issued an authorization for construction of a bridge at this location.

Therefore, the only matter that is before the State Lands Commission as such is the issuance of the underlying easement upon which the Division of Highways would construct the authorized bridge.

The representatives of the Division of Highways are also here this morning if the Commission would wish to hear.
the position of the Division of Highways with respect to this particular application.

GOV. ANDERSON: Were you aware of this controversy before this moment?

MR. HORTIG: Well, yes, as of Tuesday of this week, tentatively that there might be a controversy.

GOV. ANDERSON: So your recommendation was made after and with the knowledge that there was this opposition of the County, or before?

MR. HORTIG: No sir; it was before.

GOV. ANDERSON: Would it have changed your recommendation?

MR. HORTIG: Well, not having all the facts before us yet and this being the first opportunity to get all the facts both from Sonoma County and the Division of Highways, we couldn't say whether there would have been a change in our recommendation because we haven't been given the opportunity to hear all these facts previously.

MR. VELLA: Mr. Chairman, may I respectfully point out that the gentleman is absolutely correct as far as it went, but that facts change and situations change very rapidly in our particular day and age. As you well know, we are sending Marines into the Dominican Republic. We feel -- this is the reason I am up here. The County Board of Supervisors of Sonoma County respectfully wish to bring more facts, not only before the State Lands Commission but also the Highway Division.
We feel this is the place to begin, at least by protocol; and our able State Senator Rattigan suggested this protocol, and this is why we are asking here.

Consequently, we are asking no action by your Commission until all parties have had an opportunity to resolve these aforementioned differences. We don't feel this is going to be a deprivation in any way. Certainly if the facts don't sustain themselves, we will take our hats off and say we are sorry. However, we expect exactly the same sort of return if we are right. This is why we are up here -- to bring some facts to your attention that we feel have not been brought before, and likewise to the Division of Highways.

GOV. ANDERSON: What would happen if this were delayed to the next meeting? Would this delay their program?

MR. HORTIC: This, of course, the Division of Highways could comment on; and their Project Chairman is here today. I think we should have an answer from him.

GOV. ANDERSON: Are there any questions to the Supervisor before we ask for the representative of the Division of Highways? (No response)

There is a representative of the Division of Highways?

VOICE: Yes, sir. There is a representative of the Highway Department and of the Design Department.

GOV. ANDERSON: Who would like to answer the question: If we delayed this to the next meeting, would this hurt:
MR. MOFFATT: Yes, it would. Would you like me to come up?

GOV., ANDERSON: Yes.

MR. MOFFATT: I am Charles Moffatt. I am the District Design Engineer for District 10, Division of Highways and this happens to be one of our budgeted projects for this fiscal year. You asked the question whether this would delay the project. Yes — because we, of course, need the right-of-way to construct the bridge.

I might add also that the present bridge is in a very critical condition and it is becoming increasingly difficult to maintain it; and it could, in my opinion, fall at any time, which would mean a detour through Napa for traffic on Highway 37. This is the main urgency — the critical condition of the present bridge.

GOV., ANDERSON: How much would this delay your project? Usually right-of-ways can be delayed a month or so without upsetting you too much, unless you have waited until the last minute to make the application.

MR. MOFFATT: Will the bridge fall down in the next month? I don't know.

MR. VELLA: May I speak to that question, Mr. Chairman? I would point out that on February 5, 1965, a clipping from the San Francisco Examiner points out that a barge in the mud blocks the Sears Point Highway bridge. This
did happen and I might point out it did happen because there
has been no dredging in this particular area for some time,
plus the floods which I know you know hit us — we have some
$899,000 flood damage pending in our present budget. And one
of the reasons I feel these barges got stuck in the mud was
the fact that there wasn't any dredging in the area, and the
flood control did not dredge, and I would submit the forty-
foot bridge would allow passage. This would probably save
the life of the bascule bridge. This has been standing up
critically from 1963 and I think for one month, if I have to
talk personally to the Mayor, who is a contractor down there,
we will assure you it will stand up for another month.

I would also point out, as you did, if this right-
of-way action was taken at the last minute, certainly this
isn't going to affect it.

I would also point out, since this is from the
Solano side, you might allow section (b) here and then we
will go into the rest of it later. I am not being facetious.
I feel this can be resolved and, as I said, Senator Rattigan
said this is the place to request solution.

MR. CRANSTON: Mr. Chairman, I move we put the
matter over one month, until we can get additional facts on
the matter.

MR. SHEEHAN: Second,

GOV. ANDERSON: Moved and seconded.

MR. CRANSTON: I move approval of all the other items.
GOV. ANDERSON: All other items except (c) are
moved; and seconded?

MR. SHEEHAN: I'll second it.

GOV. ANDERSON: Carried unanimously.

Item 3 is permits, easements, leases, and rights-of-
way issued pursuant to statutes and established rental poli-
cies of the Commission:

Applicant (a) Gene Celli -- Ten-year renewal of
Lease P.R.C. 494-1, 1.05 acre tide and submerged lands of the
Sacramento River, Sacramento County, at minimum commercial
rate rental of $150 a year.

Applicant (b) Deco Corporation -- Fifteen-year
lease, 1,344 acres tide and submerged lands in Sunset Bay,
Orange County, annual rental $4,844.58, (for construction
of 92 small-boat slips.)

MR. CRANSTON: I'd like to ask one question about
that. How automatic are the renewals indicated?

MR. HORTIG: They are upon such reasonable terms
and conditions as the State may prescribe at the time of
application for renewal.

MR. CRANSTON: If there is any feeling that better
use may be made of that area at that time, would we have the
right not to renew?

MR. HORTIG: In view of the control over the terms
and conditions that might be assigned to it, the practical
effect and answer is yes.
MR. CRANSTON: That is the only question I have.

GOV. ANDERSON: Where is the reference to the renewal in the recommendation?

MR. HORTIG: The last three lines of the second paragraph of the item on page 11.

GOV. ANDERSON: That would be three ten-year renewal options?

MR. HORTIG: Yes, sir.

GOV. ANDERSON: How much freedom do you have in review of those options at that time?

MR. HORTIG: Complete control on review.

GOV. ANDERSON: You can change the rate or anything you want at that time?

MR. HORTIG: Yes, sir -- as long as they are reasonable terms and conditions.

GOV. ANDERSON: As of that time?

MR. HORTIG: As the State might then impose in the judgment of the Lands Commission, as of the conditions that pertain at that time.

MR. CRANSTON: This would include the possibility of some other use of that area, if that seemed to be in the best interest, would you say?

MR. HORTIG: Again, I am having difficulty in evaluating all possibilities; but other modifications and other possibilities because the public interest required a higher and better use would certainly be a matter for
consideration by the State Lands Commission; and to the
degree that such changes and conditions were still reasonable
in the light of the circumstances and the judgment of the
Commission, these would be authorized.

GOV. ANDERSON: Does the lessee understand this,
then, as you understand it -- that they really have a fifteen-
year lease with a first chance of taking a look at it at that
time; or do they think they have three ten-year options, as
most leases have, where you pick it up at the same rate?

MR. HORTIG: To be certain of the lessee's under-
standing, the Chairman of the lessee is here this morning,
would you consider directing this question to him?

GOV. ANDERSON: I didn't know he was here.

MR. KRUEGER: Mr. Chairman, Robert Krueger,
representing Decon Corporation. We do indeed understand that
the firm period of this lease is fifteen years, and when time
comes for renewal the State may consider its position and
exact such rental or, as it deems best, terminate the lease.

GOV. ANDERSON: Applicant (c) Mr. and Mrs. Al
Eames --- Ten-year permit for construction and maintenance of
floating cabin site, 0.036 acre tide and submerged lands of
Georgiana Slough, Sacramento County, annual rental $65.

MR. CRANSTON: I'd like to ask about that item, also.
I haven't noticed items like this. Is this a fairly common
practice?

MR. HORTIG: No, it is not. It is unusual, it is
unique, and, as a matter of fact, we explored rather thor-
oughly with all county agencies that might have any control,
either from the standpoint of planning, public health and
otherwise, whether they had issued a permit authorizing this
type of occupancy -- and the count-- did.

MR. CRANSTON: It is consistent with local zoning,
then?

MR. HORTIG: Yes, sir.

MR. CRANSTON: Did we check as to navigational
problems?

MR. HORTIG: Yes, and this has also been cleared
with the U. S. Army Corps of Engineers as not constituting a
navigation hazard at the location at which it is proposed to
be constructed.

GOV. ANDERSON: I was trying to construct in my
mind how big an area that would be. Is the area about the
size of the cabin itself?

MR. HORTIG: No. That is the amount of water area
in the bed of the slough it occupies.

GOV. ANDERSON: How big is that?

MR. HORTIG: I am doing a rapid calculation. It
is about one hundred feet out into the waterway and about
fifty feet wide, as you can see from the Exhibit A following
page 12, Governor. Actually, it is seventy-five feet into
the waterway from the high water mark and a total width of
fifty feet.
GOV. ANDERSON: Wouldn't that be a lot more than 0.086 of an acre? 0.086 of an acre is a pretty small piece of ground.

MR. HORTIG: This is right.

GOV. ANDERSON: And the plot that you describe is more like a third of an acre.

MR. HORTIG: Well, a tenth of an acre is 4,356 square feet; and seventy-five times fifty is 3750 square feet; so this is less than a tenth of an acre.

GOV. ANDERSON: Applicant (d) Hastings Farms — Fifteen-year lease, 1.37 acres tide and submerged land in Lindsey Slough, Solano County, annual rental $72,82. (For a bridge joining Hastings Island Tract and Egbert Tract.)

MR. HORTIG: Mr. Chairman, it is requested that this item be deferred to the next meeting.

GOV. ANDERSON: Applicant (d), then, will be deferred to the next meeting, no objection.

Applicant (e) is Mrs. Percy Louise Jebsen — One-year extension of Prospecting Permit P.R.C., 2973.2, 160 acres State School land, San Bernardino County.

Applicant (f) George W. Ladd — One-year renewal of Lease P.R.C., 400.1, 2.3 acres submerged lands of San Joaquin River, rental $280.80. (Used for floating boat sheds and marine ways).

Applicant (g) Pacific Gas and Electric Company — Fifteen-year easement, 0.516 acre tide and submerged lands,
Calaveras River, San Joaquin County, total rental $512.40.
(For construction, operation and maintenance of overhead power
transmission line.)

MR. CRANSTON: I'd like to ask about that item.
Is there a possibility of putting that underground?

MR. HORTIG: There would be a possibility of putting it underwater, but the line lays extensively over surface and authorized to run over private property overhead on both sides of the river crossing, which is a very narrow crossing of the Calaveras River -- which would result in the physical picture consisting of a tower on each side of the Calaveras River any way, with overhead transmission lines coming to the river and running down below.

MR. CRANSTON: Are there presently towers coming right to the river?

MR. HORTIG: There are presently towers in the general area and this would be an extension of the existent line going through the farming community, and this is intended to provide service which is desired by the occupants of Schenkel's Island.

GOV. ANDERSON: I understood it was going over a country club and individual homes.

MR. HORTIG: No. It adjoins the Stockton Golf and Country Club property.

GOV. ANDERSON: Not over private homes? Isn't it new lines coming in?
MR. HORTIG: Adjoining a subdivision, but over a right-of-way of the Pacific Gas and Electric Company. It does not go over homes as such. It is on a transmission right-of-way for the power which these transmission lines transmit and industrial safety regulations require clearance beneath the lines, similar to the lines going down parallel Century Boulevard, a wide right-of-way on which there are homes on both sides, and certainly no lines go over the homes.

MISS KIMBALL: Would the towers have to be seventy-five feet in any case?

MR. HORTIG: No. The towers are determined by the safety laws. There are industrial accident specifications.

MISS KIMBALL: But regardless, they would have to be seventy-five feet high?

MR. HORTIG: To meet the design requirements for this proposed line, yes. In other words, the overhead line would come in on towers of this height, whether the transmission was to cross the river overhead or go under the river.

GOV. ANDERSON: Where are we at the present time on our request for a sort of long-range policy statement from our Division on this particular question? It seems to me we can't ever start this thing and stop it. You have lines going up so far and can't stop it. You have to stop somewhere. Here it looks to me like the type of thing we want to correct.
MR. HORTIG: The hearings before the Assembly Committee on Public Utilities and Corporations which dealt with this problem in the interim have been reviewed, in order to determine the type of questions to ask; and we are currently circulating all State agencies who have any control, concern or suggestions for specifications, as to methods by which this problem could be controlled.

We have followed the course of an Assembly bill which had been introduced, which would have authorized the Public Utilities Commission to take aesthetic considerations into consideration in connection with approval of an application for installation of lines of this type. Last week the Assembly Committee on Public Utilities and Corporations sent that bill to interim committee for further study, so we have no specifics out of it.

We are proceeding, as I say, for the staff report to be made to the Lands Commission, to collect the viewpoint of all other agencies including those on the eastern seaboard, who by the nature of their development and control achieved a result which impressed you, as you have reported to the Commission.

GOV. ANDERSON: When will we have your report?

MR. HORTIG: An estimate from staff who are working on it, Mr. Maulorico?

MR. MAULORICO: I would estimate between two and three months.
GOV. ANDERSON: How about getting it moved up on the agenda -- move it up a little on priority?

MR. HORTIG: Mr. Maulorico heard you.

MR. SIEROTY: I think one thing we might do on this particular application is to merely approve the fifteen-year easement and not approve the renewal period, because by the end of fifteen years the situation might be quite different and at that time we might want to impose additional requirements. I think it would be clearer if we didn't have those options staring us in the face.

GOV. ANDERSON: This is the same question I asked a while ago. At the end of this fifteen-year easement, why do we have the ten-year option if it is our right at that time to either completely change the rates or say "no," or anything? Why do we have an option in there like that?

MR. HORTIG: This, of course, is standard in connection with installations in which there is a large capital investment, in which the occupant has to amortize the investment and hopefully at the time of option to renew anticipates justifying to the Commission the fact that continuation and approval of the option should only require modification of the rental rate to reflect any appreciation in value of the land occupied, but that because of the installation which had to be undertaken and placed on the property that it might not be equitable to require removal of the property -- thereby giving them the advantage of at least hopefully and potentially
amortizing their investment over a longer period of time than the basic fifteen-year rental term, which is a policy established by the State Lands Commission.

On the other hand, if Mr. Sieroty's suggestion were to be accepted by the Commission today, I can at least forecast reconsideration of whether or not this installation will take place, depending upon whether the Pacific Gas and Electric Company would feel that it is still economically justifiable to put in a line of this order of magnitude for this brief period of time; or they might simply propose, and with approval, I assume, of the Public Utilities Commission, to assess much higher charges for the facility to the users of the facility because of the definite assurance they do not have even a potential option to amortize over more than fifteen years.

Whatever way this goes and whatever the final form it takes, this is going to be reflected in the final rates to the users. It will only be a question of whether or not a flat fifteen-year easement would be calculated at such a high rate that no user would be willing to pay this amount in order to get this service.

These are questions that would have to be evaluated and we have not evaluated because we have not had this proposal before them.

GOV. ANDERSON: What you are saying, then, is we are actually not giving them a fifteen-year lease, but a forty-five-
year lease; and the only thing that would be renegotiated would be the rate.

MR. HORTIG: Primarily, but not exclusively. As voiced to you by Mr. Krueger with respect to the boat landing, the authority in the Commission because of necessity and reasonableness to even terminate the easement is probably in the Commission. The question would certainly be discussed with the Commission as to the equitability of it and the amount of capital investment that would be in the area.

GOV. ANDERSON: Isn't there a difference of choice whether you can change a boat harbor or whether you can change power lines going up in the air? I don't think you can change them with this type of option before you. I think you could on the boat harbor, because a boat harbor is not like power lines.

MR. HORTIG: There are circumstances where these could be equally difficult. On the other hand, the opposite side, of course, is the problem of whether on a flat fifteen-year easement, in anticipation possibly of being required for something else after fifteen years, the transmission lines would be built in the first place — as to whether it could be justified to be built with an amortization period of only fifteen years.

GOV. ANDERSON: Do you have a question?

MR. CRANSTON: Well, it would just seem to me if the language in the formal action we take is "subject to
reasonable terms and conditions by the State Lands Commiss-
sion," it would give us the right to do whatever is
appropriate.

MR. HERTIG: The Attorney General's Office will
confirm the fact that the test would be solely whether the
action of the Lands Commission is reasonable.

Would you like to comment further, Mr. Shavelson?

GOV. ANDERSON: If, in the meantime, the State
adopted a policy of trying to get these lines underground or
underwater wherever we could, would that be reason enough
fifteen years from now?

MR. SHAVELSON: I believe it would, Governor. I
think that the language, "subject to such terms and condi-
tions as the State might then impose" clearly goes beyond
the terms and conditions relating to rate and would also
include matters such as you refer to -- the location --
provided there is either the express or implied provision
that it must be a reasonable condition and justified by the
circumstances; in other words, if there is a change in
circumstances to justify the change in requirements.

Although this one is worded without the use of the
term "reasonable," it might well be implied in the course of
the renewal.

GOV. ANDERSON: Any further questions on it?

(No response)

Applicant (h) Richfield Oil Corporation, et al --
Deferment of drilling requirements, Oil and Gas Lease P.R.C. 2726.1, Santa Barbara County, through 11/3/65. (Drilling operations will be resumed as soon as program has been agreed upon and suitable drilling vessels become available.)

Applicant (1) Richfield Oil Corporation — Deferment of drilling requirements, Oil and Gas Leases P.R.C. 308.1 and P.R.C. 309.1, Coal Oil Point, Santa Barbara County, through 11/17/65.

Applicant (1) Standard Oil Company of California and Humble Oil & Refining Company — Deferment of drilling requirements, Oil and Gas Lease P.R.C. 1824.1, Santa Barbara County, through 12/9/65.

Applicant (k) Shell Oil Company — Fifteen-year pipeline easement, fourteen acres submerged lands in San Francisco Bay, San Mateo County, annual rental $463.40.

This one, how close is the site of this pipeline to where the two or three proposed sites of the bridge are located, the proposed bridge? Are we close to that?

MR. HORTIG: In very general terms, yes, sir — because, as shown on the map following page 21, you can see that as far as any of the potential southern crossings that would go from any of the San Mateo County areas which are considered as possible routes over to the San Leandro area, while not on a parallel, of course, at least one individual bridge location can be seen from this location.

GOV. ANDERSON: But it is not across any one of
MR. HORTIG: Yes, it does.

GOV. ANDERSON: What would happen if this area were chosen? Would that affect the pipeline?

MR. HORTIG: No, because the easement is non-exclusive. It is provided that other facilities may be placed on the same land for purposes not incompatible with the authorized use, in this case a pipeline, and the obvious practical feasibility — it is relatively simple to locate bridge piers or even put a bend in the pipeline, so that the bridge piers or whatever fill that is to be placed could be placed so as not to interfere with the pipeline, and the pipeline would not interfere with the bridge construction.

GOV. ANDERSON: $463 would not be much money if we had to spend money because of a conflict.

MR. HORTIG: There can't be a conflict because of cost of bridge construction.

GOV. ANDERSON: Applicant (1) Standard Oil Company of California, Western Operations, Inc. — Geophysical exploration permit for period 4/29/65 through 7/28/65, for conduct of seismic operations on tide and submerged lands of Santa Barbara, Ventura, Los Angeles, Orange, and San Diego counties.

Applicant (m) Standard Oil Company of California — Five 15-year submarine pipeline easements across State submerged lands, as follows: (1) 0.164 acre of Montezuma Slough,
Solano County, total rental $109.20; (2) 1.894 acres of Suisun and Honker Bays, Contra Costa and Solano counties, annual rental $90.16; (3) 0.344 acre of Sacramento River, Yolo and Sacramento counties, annual rental $205.56; (4) 0.057 acre of Grizzly Slough, Solano County, total rental $100; (5) 0.057 acre of Roaring River Slough, Solano County, total rental $100.

Applicant (n) United States of America -- Two-year extension of Lease P.R.C. 3018.2, 21,120 acres school lands within Fort Irwin, San Bernardino County, effective for period 7/1/64 through 6/30/66, annual rental $21,120.

MR. CRANSTON: I'd like to ask one question about those items (m). I know we have a policy study coming up to us on these prices; but (a) it seems some of those may be low, and (b) I wonder why the discrepancy, which indicates that almost two acres in Suisun Bay is worth less than a fraction of an acre in Montezuma Slough.

MR. HORTIG: Actually, depth of water, extensive mud flats, utility for other purposes -- all these go into the calculation. These are all rental rates in accordance with Commission policy, based on the value of the land.

GOV. ANDERSON: I notice the basis is either "annual rental" or "total rental." It is my understanding where you use "total rental $100" for fifteen years, that is for the full fifteen years?

MR. HORTIG: That is correct.
GOV. ANDERSON: And where there is an annual rate, that is an annual rate.

Number (1) is $109.20 for fifteen years?

MR. HORTIG: That is correct.

GOV. ANDERSON: It does seem rather low.

MR. CRANSTON: I question the way it is done, but I'll wait for that policy report.

MR. HORTIG: That is a review that is actively in progress.

GOV. ANDERSON: When will we have that review?

MR. HORTIG: Well, the staff man who is working on that is not with us, but this we can estimate in about two to three months, as Mr. Maulerico reported on the other.

MR. SHERIDAN: I spoke to Mr. Picard, who is doing this study, and I think he will have some recommendations before that on some of the minimum rates; in other words, he may have them in before the entire thing is finished.

MR. HORTIG: We might possibly expedite things that way, but my estimate is two to three months for the entire report.

MR. CRANSTON: I move approval of the items in Classification 3, with the exception of item (d), which was taken off.

MR. SHEEHAN: Second.

GOV. ANDERSON: Moved and seconded, carried unanimously.
GOV. ANDERSON (continuing) Item 4 -- City of Long Beach approvals required pursuant to Chapter 29/56, First Extraordinary Session and Chapter 138/64 First Extraordinary Session:

Project (a) Approval of Policy No. 102498, including endorsements, issued by Harbor Insurance Company, insuring Field Contractor, City of Long Beach, and State of California against liability for death, personal injury, or property damage to limit of one million dollars sustained in any one occurrence arising out of operations of the Field Contractor under terms of the Contractors' Agreement, Long Beach Unit, Wilmington Oil Field, subject to approval by the Commission of amount of premium when such amount has been determined.

Project (b) Fico Avenue Water Main Abandonment. -- Estimated subproject expenditures from April 29, 1965 to termination of $25,000, with $25,000 (100%) estimated as subsidence costs.

MR. CRANSTON: I move approval of this item.

GOV. ANDERSON: On the first one, I want to ask a question, and that is, the amount of a million dollars liability. What happens if there were a disaster of some type where the claims would be far in excess of one million dollars? What happens then?

MR. HORTIG: Well, first, I believe this policy is as provided for in the contract, and is to indemnify or
insure the City of Long Beach and the State of California. This is in addition to the normal Workmen's Compensation, Industrial Accident, and other coverage which the Field Operating Contractor has, who would be the one that would have the damage — and we hope he doesn't — but for which he also, as a corporation, has additional coverages.

With respect to its applicability and the restrictions, as it fits the contracts and the law, since the representative of the Attorney General's Office who reviewed this policy and recommended that it is in form — at least appropriate legal form — for approval by the Commission is here with us, Mr. Shavelson, would you amplify on Governor Anderson's question?

GOV. ANDERSON: Do you feel a million dollars is sufficient to cover any occasion like this?

MR. SHAVELSON: I think it is quite clear that circumstances could arise under which there would be liabilities far in excess of one million dollars.

GOV. ANDERSON: The type of occasions you read about are far in excess of this. They are very little or tremendous; and one million looks to me like it is very low, or high — one or the other.

MR. SHAVELSON: I think that the practical adequacy of this amount is something that we did not review, as not raising a legal question.

However, the provision for a minimum of one million
dollars insurance that the Field Contractor is permitted to charge as a Unit expense was undoubtedly a factor enhancing the bid and which was anticipated to cover at least the great majority of claims.

Now, as far as the major disaster claims that could come up, I think it would be sound policy to weigh against the nonprotection the prohibitive cost and perhaps non-availability of an insurance of that nature; so that, in effect, we are self-insured as far as these very large amounts are concerned — whereas, as I say, this amount could take care of the routine types of damage and liability that can be expected to arise in the course of an operation of this nature.

GOV. ANDERSON: In other words, you are not commenting on whether it is enough or not; you are commenting basically on the legality of it.

MR. SHAVELSON: I want a little beyond that to point out that I believe as a matter of policy I would imagine that the cost of obtaining the type of insurance, with the type of coverage that would insure us against any contingency and the huge potentials, could very well be prohibitive. It would be paid for almost entirely by the State, and being self-insured on that basis may well be determined to be the best policy.

GOV. ANDERSON: Do you feel it is prohibitive to have an amount larger than this, Frank?

MR. HORTIG: To have it increased sufficiently to cover, in effect, any eventuality, our initial inquiries to
insurance carriers indicated it would be.

GOV. ANDERSON: Doesn't a million dollars sound awfully low?

MR. HORTIG: Well, as pointed out, this is a million dollars insurance on the City and State in addition to all the coverage that the Field Operator carries as the actual responsible operator, who would have the problem -- plus Workmen's Compensation and Industrial Accident compensation. So this is really a supplement and is only to cover liability, if any, on the part of the State and City in connection with damage.

GOV. ANDERSON: Would you then feel we would not have a condition or there isn't a danger where we should prepare for such a situation where we should be protected for a larger amount?

MR. HORTIG: Again, the determination was made in connection with the approvals on the basis of which the bids would be called that probably a reasonable and optimum amount of insurance would be provided by the City and State for a million dollars.

I see Deputy City Attorney Lingle, who participated actively in the evaluation of this factor in connection with the drafting of the call for bids and the Contractor's Agreement and specification of amount; and I would like to have him add his comments to this.

GOV. ANDERSON: Mr. Lingle, would you comment on this?
MR. LINGLE: Jay and I were discussing this. In many instances, of course, you have all the assets of all the contractors standing there, also. In the event of negligence -- in the event of automobile accidents or things of that nature, ordinary negligence -- you have all the assets of these huge corporations standing in front of us also.

GOV. ANDERSON: By that you mean, in other words, their liability -- their insurance policies, their assets -- could free any claim that could be made on the State?

MR. LINGLE: Their responsibility to hold the State and City harmless. They've got enough assets and under ordinary negligence conditions they hold us harmless, so that anybody who got a judgment against us looks to them, whether it is then paid out of an insurance policy or out of their other assets, which total billions. In many instances, we have billions behind us in this thing.

GOV. ANDERSON: I have no further questions.

MR. CRANSTON: I move approval.

GOV. ANDERSON: Moved and seconded that both items be approved.

Item 5 is mineral leases: (a) is approval of revised form of prospecting permit to be utilized for prospecting for geothermal steam and related products.

(b) is approval of form of lease to be utilized for oil and gas lease offers on tide and submerged lands underlying sloughs, rivers, and other inland waterways;
authorization for inclusion in each such lease-offer of
option to all bidders except apparent high bidder to have the
required bid deposit refunded upon written request and re-
linquishment by such bidder of any rights of interest in the
particular lease offer.

(c) is to authorize Executive Officer to offer an
oil and gas lease on 272 acres tide and submerged lands of
Lookout Slough and Cache Slough, Solano County, lease award
to be made to qualified bidder offering highest cash-bonus
payment.

(d) Authorize Executive Officer to reject bid of
Granite Rock Company, the only bidder, for mineral extraction
lease covering approximately 7.33 acres tide and submerged
lands in Monterey Bay, Monterey County. (Bidder failed to
submit either the required financial statement or a statement
of operating ability.)

MR. CRANSTON: I move approval of the staff
recommendations.

MR. SHEEHAN: Second.

GOV. ANDERSON: Moved and seconded, carried
unanimously.

Item 6 is Timber Trespass: Approve settlement with
U. S. Forest Service of timber trespass occurring on State
lands in Lake County under jurisdiction of the Commission, at
negotiated figure of $1,543.31 (the amount of actual damage),
and authorize Executive Officer upon payment of said sum to
execute such agreement as may be required by the U. S. Department of Agriculture, Forest Service, to relieve the Department of further liability, subject to approval of any such agreement by Office of the Attorney General.

MR. CRANSTON: Move approval.

MR. SHEEHAN: Second.

GOV. ANDERSON: Moved and seconded, carried unanimously.

Item 7 -- Adopt statement entitled "The Statutory Responsibilities and Principal Programs of the State Lands Commission" as a concise public statement, and authorize Executive Officer to proceed with its use and distribution in a manner that will best achieve the purposes for which it was prepared.

MR. CRANSTON: Move approval.

MR. SHEEHAN: Second.

GOV. ANDERSON: Moved and seconded, carried unanimously.

Item 8 is proposed legislative grants -- Authorize Executive Officer to present to the Legislature the recommendation that because of the need for establishment of effective criteria and standards on the part of the State in conveying tide and submerged lands and because of the immense value of these lands as a State resource, there should be conducted in each instance, as a preliminary step to any legislative conveyance of tide and submerged lands, a review to determine
the use to be made of the lands and the relationship of such use to the local, regional, and State interests. Additional studies should be aimed at determining potential geologic hazards in the area, such as earthquakes. Because of the Commission's statutory jurisdiction and responsibility over the sovereign lands of the State, such review should be conducted by the Commission upon request by the Legislature, with the findings of the inquiry to be reported to the Legislature together with the Commission's recommendations on the proposed conveyance.

MR. CRANSTON: Move approval.

MR. SHEEHAN: Second.

GOV. ANDERSON: Moved and seconded, carried unanimously.

Item 9 -- Oceanographic study programs: Authorize Executive Officer (1) to proceed with such oceanographic studies as are necessary to determine various potentials of the State's sovereign lands; (2) to investigate feasibility of retaining private consultants for the studies, and to seek the cooperation and aid of such other State agencies as may be appropriate.

MR. CRANSTON: Move approval.

MR. SHEEHAN: Second.

GOV. ANDERSON: Carried unanimously.

Item 10 is the approval of maps -- Authorize Executive Officer to approve Sheets 1 and 2 of 2 of maps
entitled "Survey of the Mean Low Tide Line Along the Shore of San Pablo Bay, Vicinity of Pinole Point, Contra Costa County, California," dated September 1963,

MR. CRANSTON: Move approval.

MR. SHEEHAN: Second.

GOV. ANDERSON: Why did you strike out "and have recorded"?

MR. HORTIG: The purpose of the preparation of these maps at the cost of the applicant was to provide a basis for negotiations and determination of a boundary line to be incorporated into a boundary line agreement, which will subsequently be approved, or considered for approval, by the Lands Commission, and which boundary line agreement will then be recorded to reflect the boundary line in the area.

The service contract under which this survey was conducted did not require the recordation of the map and it was felt it would not be desirable to have two maps reflecting different locations of a line recorded within a brief period of time, which would then require an explanation of why there were two maps respecting the boundary line.

GOV. ANDERSON: Moved and seconded, carried unanimously.

11 -- Service Agreement: Authorize Executive Officer to execute service agreement with City of Palos Verdes Estates, Los Angeles County, for surveying services to be rendered to the City pursuant to Chapter 1975/63, at
Commission's actual costs not to exceed $8,000.

MR. CRANSTON: Move approval.

MR. SHEEHAN: I'll second.

GOV. ANDERSON: Moved and seconded, carried unanimously.

Item 12 -- Confirm transactions consummated by the Executive Officer pursuant to authority confirmed by the Commission at its meeting on October 5, 1959.

MR. CRANSTON: Move approval.

MR. SHEEHAN: Second.

GOV. ANDERSON: Carried unanimously.

Item 13 -- Informative only, no Commission action required:

(a) is report on status of proposed budget, State Lands Commission, 1965-66 fiscal year. Frank, do you want to comment?

MR. HORTIG: Mr. Chairman, you will recall at the last meeting of the Lands Commission several questions were raised as to the status of the budget and modifications that had been incorporated after the Lands Commission approved submittal of a budget at its meeting of December 17, 1964; and to fully inform the Commission at this time, tabulations have been prepared and there is on pages 56 and 57 a complete analysis of the various elements of the budget as submitted by the Lands Division, as approved by the Lands Commission, submitted for consideration by the Department of Finance; the
changes that were incorporated by the Department of Finance
when the budget was incorporated in the Governor's printed
budget; recommendations for changes by the Legislative
Analyst, which consisted primarily of a recommendation for
deletion of one gauger position; and then the Assembly and
Senate Subcommittees' actions in considering the budget, which
approved the restoration of the one gauger position to the
budget and, additionally, of the nine positions deleted by
the Budget Division of the Department of Finance in the
original proposal.

The major duties and responsibilities that would
have been conducted by those persons would be assigned to
augment staff proposed to be located at Long Beach and,
therefore, a replacement for those deleted positions in terms
of man hours of work available for the Division's problems in
Long Beach is included in the recommended budget augmentation
by the Department of Finance, which is now under submittal to
both the Senate Finance and Assembly Ways and Means Committees.
Those committees should approve the budget augmentation.

Effectively, this would mean the restoration or the
availability to the State Lands Division of the equivalent of
manpower that was originally requested and additional man-
power necessary to fully cover the Commission's statutory
responsibilities in administration in Long Beach pursuant to
Chapter 138 of last year's Extraordinary Session.

GOV. ANDERSON: Any comments or questions? (No
(b) is report on status of major litigation. Is there a report on that?

MR. HORTIG: No substantive changes since the last report. There is slow progress on litigation.

GOV. ANDERSON: You have some supplemental items.

Supplemental Calendar Item Number 16 -- Authorize the Executive Officer to issue to the San Francisco Bay Area Rapid Transit District, without payment of royalty, a permit to dredge approximately 120,000 cubic yards of fill material from the vicinity of Alcatraz Island, Angel Island, and Presidio Shoal, San Francisco and Marin counties, for placement as a temporary sand fill in Slip 5, Ferry Building, San Francisco, subject to receipt of a permit from the U.S. Army and to approval of the San Francisco Port Authority; upon removal of the temporary island, all material to be removed and deposited in an authorized deep-water disposal area in San Francisco Bay, or otherwise disposed of as directed by the Commission.

MR. HORTIG: Mr. Chairman, you will note the recommendation is for permit subject to approval of the San Francisco Port Authority.

It had been reported to the staff that the Bay Area Rapid Transit District expected to have clearance and approval of the Port Authority, which would be delivered at this meeting today. A representative of the Port Authority
is here; also the Chief Engineer of the San Francisco Port Authority is here at the direction of his Authority to make a presentation to the Commission on this matter, Mr. Sembler.

GOV. ANDERSON: Mr. Sembler, do you wish to make a report?

MR. SEMBLER: Yes.

GOV. ANDERSON: Would you please identify yourself?

MR. SEMBLER: I am Eugene Sembler, Chief Engineer for the San Francisco Port Authority. The San Francisco Port Authority has been and will continue to give full cooperation to the Bay Area Rapid Transit District.

We are now in the process of reaching certain agreements with this organization. These agreements at the present time have not been conclusive. At the meeting of the Port Authority yesterday, they authorized the Port Director or his representative -- which I am -- to appear before this Commission and request the following:

For the purpose of expressing agreement to the proposed construction of the sand island, with the understanding that no work of any nature whatsoever will be undertaken by the San Francisco Bay Area Rapid Transit District prior to the approval of the San Francisco Port Authority until such time as a final agreement has been reached as between the respective organizations on the entire project.

If the Commission sees fit to grant the permit request today, we request that it be conditioned as I just
MR. HORTIG: A representative of the Transit District is also here -- Mr. L. A. Kimball, the Assistant General Manager, -- and under the circumstances it would appear appropriate to ask whether this procedure would be satisfactory to the Bay Area Rapid Transit District.

GOV. ANDERSON: Mr. Kimball.

MR. KIMBALL: Mr. Chairman, members of the Commission, the procedure and conditions as stated by Mr. Sembler are satisfactory to the District; and we would request your granting the permit, as amended by the conditions.

Thank you.

MR. HORTIG: This would be recommended by staff.

MR. SHEEHAN: I'll so move.

MR. CRANSTON: Second.

GOV. ANDERSON: Moved and seconded. Do we have to have anything in writing on this amendment?

MR. HORTIG: We do have. I have a copy of Mr. Sembler's statement and the conditions desired.

GOV. ANDERSON: You have that condition?

MR. HORTIG: Yes, sir. I have it in writing.

GOV. ANDERSON: It has been moved and seconded that the permit, as amended by the statement of which Mr. Hortig has a copy, be approved. Carried unanimously.

Item 17 -- Authorize Executive Officer to execute agreement providing for rendering of surveying services by
the Engineer of the County of Los Angeles and by the County
of Los Angeles to the State Lands Commission, relating to the
location and re-establishment of surveying markers necessary
for the Commission to comply with Chapter 2000/57, for the
1964-65 fiscal year, at a cost not to exceed $3,000.

MR. CRANSTON: Move approval.

MR. SHEEHAN: Second.

GOV. ANDERSON: Moved and seconded, carried
unanimously.

Item 18 is to authorize Executive Officer to execute
a delegation of authority to Francois D. Dues, Civil Engineer-
ing Associate, to conduct an investigation under Chapter
2000/57.

MR. SHEEHAN: Move approval.

MR. CRANSTON: Second.

GOV. ANDERSON: Moved and seconded, carried
unanimously.

Item 19 is report on reports that have been made to
legislative committees on proposed legislation affecting tide
and submerged lands.

Mr. Hortig?

MR. HORTIG: Mr. Chairman, the material on this
follows Exhibit A, following page 71 of your supplemental
calendar item.

The Commission will recall -- in connection with
review of pending legislation at the last session -- an
authorization given to the Executive Officer to again report, to the various legislative committees considering tidelands grants, the analyses by the State Lands Division of the proposed tideland grants, as well as the general and specific conditions for tideland grants which the Commission adopted as suggestions to be reported to the various committees, this adoption having taken place on August 18, 1964, and relating principally to the recommendation of placement of a moratorium on the issuance of new grants until such time as the various studies being conducted by the various branches of State government were completed and appropriate control specifications have been adopted.

With respect to the bills pending at the time of the last meeting of the Lands Commission, where there have been committee hearings the recommendations of the Commission, as authorized, have been delivered to the respective committees and to the authors of the legislation.

We now have pending currently three additional tidelands grants: S.B. 985 by Senator Gibson -- an act to convey approximately 170 acres of sovereign lands in Suisun Bay and Carquinez Straits to the City of Benicia; A.B. 2050, Assemblyman Stevens -- which, in summary, is an act to broaden the purposes for which tide and submerged lands previously granted to the City of Santa Monica may be used, and, additionally, certain separate parcels of tide and submerged lands in Santa Monica Bay would be granted respectively to the City.
of Los Angeles and to the County of Los Angeles; A.B. 2182 by Assemblyman Crow -- An act to convey the State's interest arising out of the State's sovereignty in a specifically described 2.548 acre parcel to the Alameda Unified School District for school purposes.

As stated at the bottom of page 2 of the supplemental item, in consideration of the August 1964 and March 1965 actions of the Commission, it is recommended that the Executive Officer be authorized to report to appropriate legislative committees the position of the Commission relative to the respective legislation as follows:

S.B. 985 (Gibson) and A.B. 2050 (Stevens) --- Report the general and specific recommendations adopted by the Commission on August 18, 1964, relative to grants of tide and submerged lands to political subdivisions.

Now, while this covers the basic position of the Commission with respect to any tideland grants, Assembly Bill 2050 has such additional factors of such an order of magnitude that full analysis has been reported to the Commission on problems and complications, following on pages 3 through 6 of the supplemental calendar item --- all of the complications that are found in A.B. 2050.

It is, therefore, recommended that the Executive Officer be authorized to report both to the author and to the respective committees considering A.B. 2050 the ultimate result of the proposed combination of grants and authorizations for...
joint powers agreement in Santa Monica Bay and for development under which, it appears (to summarize), the proponents or the recipients of these grants could in the future devalue State land, obtain all the revenue therefrom, and still leave the State with a substantial responsibility for maintaining any project without any obligation or responsibility of the grantees as corporate entities, also without any compensation to the State or any consideration to the State for granting the lands on which these operations would be conducted.

It is felt, in view of the fact that this analysis was prepared for the State Lands Commission, that it should be brought to the attention of the committees who may consider A.B. 2050.

GOV. ANDERSON: Are you saying that the position would be to oppose it?

MR. HORTIG: Yes, sir.

GOV. ANDERSON: Any further comments or questions?

Mr. Sieroty,

MR. SIEROTY: In addition to the information that is stated here, Frank, have we done any investigation, any work, in terms of the tidal action and the erosion that might occur in this event -- what would happen to the beaches? Do we have any information?

MR. HORTIG: There have been studies by the U. S. Corps of Engineers, including model studies.

The test of the efficacy would be the results
actually achieved in experience as, if aid when construction takes place. The hazards in this situation are outlined — the real hazards within the scope of your question are outlined on the top of page 6 of this summary, in which it is pointed out that one such project to be located on the lands proposed to be granted would be the proposed Santa Monica Causeway, which contemplates that a large fill shall be placed in Santa Monica Bay.

Such a fill will be exposed to the erosive powers of the Pacific Ocean along the westerly side, where the proponents plan to establish a public beach under the jurisdiction of the State Department of Parks and Recreation. Such beach area will constitute a buffer against the elements for a State freeway to be located on top of the causeway; and such State freeway will be expected to be a buffer for lands lying easterly thereof, where recreational and residential developments are proposed to be placed. Through such development the State might be required to absorb the greater percentage of the possible nonreimbursable costs for maintaining any development.

This would result from the inability of the beach to stay where it might be placed, and then in turn requiring the protection of the freeway location — all of which are required to protect the other developments, which would be for the private benefit, as well as for the development of the joint powers contractors, the City of Santa Monica, City of
Los Angeles and County of Los Angeles, without any consideration to the State of California.

MR. SIEROTY: The thing I was concerned with -- you mentioned the erosion problem. There will be under this proposal two areas where erosion or the question of beaches arise -- that is the existing beach and then a proposed beach on the westerly, or the easterly side of the causeway. I was wondering whether our staff has done any work in terms of trying to estimate what might happen in the event this causeway were constructed -- what would happen to the existing beaches and what would happen to the beaches that are proposed as part of this causeway.

MR. HORTIG: The answer is: In depth, there has not been any such work. There has been an engineering feasibility study which was prepared for the benefit of the City of Santa Monica, the principal sponsors of this legislation and the proposed project.

The engineering feasibility study, which is by a very reputable firm of consulting seacoast engineers -- who, incidentally, also periodically are under service contract to the State Lands Division, so we can attest to their engineering proficiency -- indicates that probably minimum effective protective works could be maintained.

However, the protective feature and why the Lands Division has not gone into any greater depth at this time in evaluating this feasibility study -- It occurred to us that
the protective features in the fill, if the bill were to pass, the erection of all of these facilities is subject to approval by the State Lands Commission and, patently, such evaluation would have to take place and we would have to determine that such construction could be recommended to the Lands Commission and the studies would be made at that time if we had to prepare recommendations for the Lands Commission.

In the event the determination at that point was negative, as the bill is interpreted the Lands Commission could withhold approval and, therefore, no actual operations could be conducted under this legislation because of lack of feasibility.

GOV. ANDERSON: Well, to clarify my understanding, on S.B. 985, we are not taking a position for or against; but on A.B. 2050, we are opposing it?

MR. HORTIG: On S.B. 985, it is recommended that we report to the committees the basic recommendation of the Lands Commission that there should be no tidelands grants until there is an established legislative policy -- which is not active opposition, except suggesting adherence to some sort of policy to bring order out of what has been up to now accumulated chaos with respect to tideland grants.

A.B. 2050 has the double-barreled problem of involving tideland grants and, therefore, does not fit within any legislative policy and this matter should be brought to the attention of the committee, just as a matter of tideland
grants; but then, additionally, 2050 -- as the Lands Division sees it -- has a tremendous number of technical obstacles and real problems on three points -- legal, administrative, and engineering.

MR. SIEROTY: On the policy question, doesn't 2050 provide that the State would grant to the City of Los Angeles and the County of Los Angeles tidelands, submerged lands, and then the City and County would be able to sell them to private interests?

MR. HORTIG: This is a proposed authorization. This raises a series of legal questions -- whether it is legally feasible.

MR. SIEROTY: The City at the present time cannot do that?

MR. HORTIG: There is a constitutional prohibition against the sale of tide and submerged lands within two miles of a city; and a constitutional prohibition against the sale of tide and submerged lands anywhere.

GOV. ANDERSON: Can we grant these tidelands to the City with the knowledge they may be putting it up for sale?

MR. HORTIG: The question is: Can the Legislature do it?

MR. SHAHELSON: The power of the grantee would be subject to the same limitations as the power of the State. In other words, we can't authorize them to alienate lands to any extent greater than we can alienate them ourselves.
The decisions do indicate that where tide and submerged lands have been cut off and isolated from navigable waterways, the Legislature can declare they have lost their character as tide and submerged lands and, therefore, are not within the constitutional prohibition.

However, in this instance, to my knowledge this would be since the enactment of the Constitution in 1879 the first attempt to convey lands situated right in the middle of important navigable waterways. So I believe it would raise a series of questions on alienability.

GOV. ANDERSON: Any further questions or comments?
(No response).

Item 20 ....

MR. HORTIG: Mr. Chairman, there are more bills in this item.

On A.B. 2162 by Crown, we wish authorization to direct the attention of the author to the necessity for clarification as to the actual status of the lands proposed to be conveyed, and to offer amendments to accomplish this.

This is a technical matter and inadvertently by the description the inference is that State sovereign lands are involved and they are not, in fact; and we would presume the author would prefer to have the technically correct descriptions in his bill, as has been determined to be the case from the basic land title records which are under the jurisdiction and the custody of the State Lands Commission.
MR. CRANSTON: Well, certainly that should be done.

MRS. HORTIG: Right.

Then there follow three non-grant bills, starting at the bottom of page 6, which are of significance to the Commission:

First, S.B. 95 (Dolwig) makes findings that, in summary, would result in (as reflected in the recommendation that the Commission oppose the bill, as reported on page 8):

This bill would unnecessarily stifle the progress being achieved by the State in developing a resource of extreme significance to the revenue needs of the State and consequently to the well being of the people of the State, because the bill would prohibit by a finding all offshore oil operations as unsafe and this finding by the Legislature therefore would prohibit any further offshore development of oil and gas in California except by some exotic methods which have not yet been proven in practice.

Additionally, the safety record for California offshore oil and gas production does not warrant assignment to the State Fire Marshal of the responsibilities enumerated in the bill. This would, in our estimation, constitute a duplication of the orders and safety regulations which are already conducted by the California Division of Industrial Safety.

The safety record established indicates that present controls are appropriate to the need and a serious conflict could arise which could prevent the Commission from fulfilling
its statutory responsibility with respect to tide and submerged lands.

Therefore, it is recommended that the Commission authorize the Executive Officer to express the Commission's opposition to the appropriate legislative committees on these bases — this being on S.B. 995.

GOV. ANDERSON: The motion would be the staff recommendation on S.B. 995, which expresses the Commission's opposition for those reasons?

MR. HORTIG: Right.

GOV. ANDERSON: Also, on A.B. 2182, it is recommended the Executive Officer clarify for the author the wording of the bill?

MR. HORTIG: That's correct.

GOV. ANDERSON: And then on S.B. 985, our opposition until a study has taken place; and on A.B. 2050, our opposition, period.

MR. HORTIG: Opposition until the study has taken place and opposition in view of the technical, legal, and administrative problems.

GOV. ANDERSON: I didn't see where that was written in the recommendations, so the secretary will have that condition in the recommendation relating to 2050?

MR. HORTIG: Yes, sir.

MR. CRANSTON: Moved.

MR. SHEEHAN: Second.
GOV. ANDERSON: Moved and seconded, carried unanimously.

MR. HORTIG: S.B. 1064 by Farr amends Sections 6950, 6952 and 6953 with respect to land titles. By the choice of words, it is felt this could create problems, particularly with respect to lands under the jurisdiction of the Lands Commission.

Therefore, it is recommended that the Executive Officer be authorized to apprise the appropriate legislative committees of the conflict which might be generated among public agencies as a result of adding the power of eminent domain over lands to a greater group of agencies, where we can have interagency domination of land, which could certainly be susceptible to interagency agreement rather than the necessity of filing conflicting litigation.

This could be accomplished effectively by suggesting an amendment as it is stated here, by adding:

"Except that the right of eminent domain shall not be exercised under this chapter by a city or county with respect to any lands within the corporate limits of a city, or lands owned by a county, or owned by the State of California, unless the Legislature by special enactment consents thereto."

MR. SHEEHAN: I would so move.

MR. CRANSTON: Second.

GOV. ANDERSON: Seconded and carried unanimously.
MR. HORTIG: At this point, Mr. Chairman, this completes the item.

In view of the tremendous volume of legislation which you gentlemen know was introduced on last Friday at the last minute and the general knowledge that there are a number of bills that are of direct concern to the State Lands Commission included in that group and the possibilities that committee hearings may be set before the next regularly scheduled meeting of the Lands Commission, it may be come necessary to ask you gentlemen to meet for a special session to consider your recommendations to be carried to those committees in advance of the next regular Commission meeting.

GOV. ANDERSON: Item 20 -- Informative. Report on status of all legislation of concern and interest to the Commission. I guess your remarks pretty well covered that.

MR. HORTIG: This is correct. This is the general tabulation of all the bills of interest to the Commission that are being followed, and is submitted to the Commission regularly as a status report, but without any necessary action because there is no recommendation as to policy here.

MR. CRANSTON: What is your impression of what is going to happen re the McAteer bill on the Bay?

MR. HORTIG: In view of the fact that the McAteer bill is out of the Senate Governmental Committee with a recommendation "Do pass," I think this could only be regarded as a distinct plus, because for the four weeks of hearing that went
on there were some really deep considerations by the committee. All the proponents and opponents were given an opportunity to make full presentations.

In view of the fact that the bill came out of committee substantially unamended, or at least not amended to limit the proposed powers of the study commission which would provide for guidance and control of further development in San Francisco Bay during the time the two-year report and the four-year report are being considered by the committee, it would appear that everything that was duly hoped for in connection with establishing an effective and controlled study base to come up with an ultimate program for considering local, regional and statewide interests in San Francisco Bay will have a mechanism in S.B. 309 as it came from the Senate Governmental Efficiency Committee.

GOV. ANDERSON: Any further questions or comments or business? (No response).

If not, the order will be the reconfirmation of the date, time and place of the next Commission meeting, which is Thursday, May 27th, at ten a.m., in Sacramento, pending a special meeting we may have.

MR. CRANSTON: Moved.

MR. SHEEHAN: Second.

GOV. ANDERSON: Moved and seconded, carried unanimously, and we are adjourned.

ADJOURNED 11:50 A.M.
CERTIFICATE OF REPORTER

I, LOUISE H. LILLICO, reporter for the Office of Administrative Procedure, hereby certify that the foregoing fifty-three 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 April 29, 1965.


/s/ Louise H. Lillico