TRANSCRIPT OF
MEETING
of
STATE LANDS COMMISSION

LOS ANGELES, CALIFORNIA
January 26, 1966
STATE LANDS COMMISSION
MEETING OF
JANUARY 26, 1966

PARTICIPANTS:

THE STATE LANDS COMMISSION:
Hon. Alan Cranston, Controller, Chairman
Hon. Glenn M. Anderson, Lieutenant Governor
Hon. Hale Champion, Director of Finance
Mr. Frank J. Hortig, Executive Officer

OFFICE OF THE ATTORNEY GENERAL:
Mr. Warren J. Abbott, Deputy Attorney General

APPEARANCE:
Mr. John B. Gaskill
Ocean Fish Protective Association, Inc.

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**SUPPLEMENTAL ITEMS:**

1. Emeryville Fill in San Francisco
2. Bay

**UNCALENDARED ITEMS:**

1. Tax Problem - Long Beach

**NEXT MEETING:** 30
MR. CRANSTON: The meeting will please come to order.

First item is confirmation of minutes of meetings of September 23, 1965; October 21, 1965; and November 3, 1965.

GOV. ANDERSON: Move approval.

MR. CHAMPION: Second.

MR. CRANSTON: The matter before us is approval of the minutes of the three meetings mentioned. Moved, seconded, so ordered:

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

Applicant (a) Cardiff Marina Community Services District -- (1) Issuance of 15-year lease, three parcels tide and submerged lands oceanward of San Elijo State Beach, San Diego County, for a breakwater system to provide ocean access for a proposed residential marina development, and (2) issuance of five-year permit to deposit approximately 500,000 cubic yards of dredged material from the entrance channelway on two parcels of State-owned tide and submerged lands.

(b) Fairfield-Suisun Sewer District -- Issuance of 49-year right-of-way easement, 0.044 acre tide and submerged lands in Suisun Slough, Solano County, for a sewage pipeline.

(c) City of Mill Valley -- Termination of Use Permit
P.R.C. 2526.9 effective February 1, 1966, and issuance on replacement thereof of 49-year lease, 4.94 acres tide and submerged lands of Richardson Bay, Marin County, for the placement of moorings and use as a harbor entrance.

(d) State Division of Highways -- Issuance of six-month right-of-entry permit over State school lands in San Diego County, for purpose of taking test borings, constructing equipment trails, and conducting surveys preliminary to construction of a highway.

(e) State Division of Highways -- Extension of term of Permit P.R.C. 3261.9 to June 1, 1966, covering location of pile retards in the bed of the Klamath River, Del Norte County.

(f) Twelfth U. S. Coast Guard District -- Issuance of 49-year easement, 3.25 acres submerged land in the Pacific Ocean, City and County of San Francisco, for an existing submarine cable.

(g) County of San Diego on behalf of Cardiff Marina Community Services District -- Issuance of permit to dredge approximately 154,400 cubic yards of material from tide and submerged lands at entrance to San Elijo Lagoon, San Diego County, in connection with a marina development program, with part of material to be deposited on the beach north of the channel and part on the beach south of the channel.

GOV. ANDERSON: I move it.

MR. CHAMPION: Second.
Mr. Cranston: Approval moved, seconded -- so ordered.

Classification 4 -- Permits, easements, leases, and rights-of-way issued pursuant to statutes and established rental policies of the Commission:

(a) W. I. Cain -- Issuance of five-year recreational minor-structure permit, 0.006 acre tide and submerged land in the Gulf of Santa Catalina, Orange County, to construct a pier -- total fee $25.

(b) Crown Zellerbach Corporation -- Issuance of five-year commercial minor-structure permit, tide and submerged lands, San Joaquin River near Antioch, Contra Costa County (to maintain four existing channel-marker day-beacons); total rental, $100.

(c) El Camino Boat Club, Inc. -- Issuance of 25-year right-of-way easement, 0.054 acre tide and submerged lands in Little Potato Slough, San Joaquin County, for installation of a submarine electrical cable; total rental $100.

(d) Kaiser Steel Corporation -- Issuance of permit for period December 1, 1965 to November 30, 1966, .002 acre submerged land in San Francisco Bay, San Mateo County, to anchor a steel mooring buoy during erection of the San Mateo-Hayward Bridge superstructure; total fee, $50.

(e) Pittsburgh Plate Glass Company -- Issuance of 15-year lease, 0.096 acre sovereign lands in Owens Lake, Inyo County, for an overhead electric power-line easement; total
(f) Zuckerman-Mandeville, Inc. -- Issuance of 15-year lease, 0.138 acre tide and submerged land across the natural bed of Connection Slough, San Joaquin County, for installation of submarine cables for transmission of electrical energy; total rental, $100.

(g) Allied Properties -- Amendment of Lease P.R.C. 2954.1, Santa Barbara County, to correct the legal description and to reduce the area of Parcel "B" thereof from 22.95 acres to 5.051 acres, and to reduce the annual rental for Parcel "B" from $562.20 to $123.75.

(h) Cliff House Properties -- Amendment of Lease P.R.C. 742.1, San Francisco County, to effect a redefinition of the legal description and a division of the leased land into two parcels. No change in rental rate.

(i) Von der Werth, Inc. -- Approval of sublease to Greenbrae Yacht Harbor, Inc., of Lease P.R.C. 2362.1, covering tide and submerged lands of Corte Madera Channel, Marin County, for operation of a boat harbor.

(j) Standard Oil Company of California -- Approval of assignment to Atlantic Oil Company and Newhall Land and Farming Company, jointly, of an undivided 50% interest in Lease P.R.C. 3361.1, covering an easement through subsurface lands of Whiskey Slough, San Joaquin County.

(k) Philip D. Tripp and Richard M. Russell -- Termination of Lease P.R.C. 2989.2, covering Lot No. 46 of
Fish Canyon Sites, Los Angeles County, effective January 1, 1966. Annual rental of $65 has been in default since January 1, 1965.

(1) United States Borax and Chemical Company --
Rescission of two-year prospecting permit for all minerals other than oil and gas on 640 acres State school lands, San Bernardino County, in which all minerals are reserved to the State. Applicant withdrew its application.

(m) Texaco Inc. -- Deferment of drilling requirements under Oil & Gas Lease P.R.C. 2955.1, Santa Barbara County, through September 7, 1966, to gain additional time to perform a review of a seismic survey currently being conducted and to select the best possible drilling location.

(n) Union Oil Company of California -- Deferment of drilling requirements under Oil & Gas Lease P.R.C. 2991.1, Santa Barbara County, through September 13, 1966, in order to evaluate information obtained from the last well.

(o) Standard Oil Company of California, Western Operations, Inc., and Shell Oil Company -- Deferment of drilling requirements under Oil & Gas Lease P.R.C. 2199.1, Santa Barbara County, through October 4, 1966, to evaluate well data and seismic data on seismic surveys conducted during late summer and early fall of 1965.

GOV. ANDERSON: I move.

MR. CHAMPION: Second.

MR. CRANSTON: Approval is moved, seconded, so
ordered.

Mr. HORTIG: Mr. Chairman, may I ask that the
Commission please return to Item 3(c), City of Mill Valley,
Use Permit for harbor purposes, and request that the resolu-
tion on page 7, which provides for uses described as: "for
the placement of moorings and use as a harbor entrance of the
following-described land...", be expanded to:

"... for the placement of moorings, bulkheading and
ancillary facilities in connection with the development of
the harbor entrance and related harbor purposes."

The necessity for this expanded utilization was re-
quested for the first time by telephone call from Mill Valley
at three p.m. yesterday afternoon, which is why it had not
been incorporated in the written agenda before you.

The expanded utilization is recommended by the staff
as the intended use of the Use Permit. It is, therefore,
recommended that the published resolution be adopted by the
Commission including the amendment I just proposed.

Gov. Anderson: Moved.

Mr. Champion: Second.

Mr. Cranston: With that amendment, so ordered.

Classification 5 -- City of Long Beach (Pursuant to
Chapter 29/56, 1st E.S. and Chapter 138/64, 1st E.S.):

(a) Approval of costs proposed to be expended, in-
cluding subsidence remedial work, on the Heim Bridge (2nd
Phase) in the estimated amount of $414,000 with $161,200
(38.9%) estimated as subsidence costs, for the period January 26, 1966 to termination.

(b) (1) Finding that the "Cooperative Agreement for Water Injection Operations (Long Beach Unit and Parcel 'A', Fault Block VI, Ranger Zone)" between the City of Long Beach and the City of Long Beach acting in its capacity as Unit Operator of the Long Beach Unit provides that any impairment of the public trust for commerce, navigation or fisheries to which the granted lands are subject is prohibited, and that the agreement is in the public interest; and (2) approve the Cooperative Agreement on behalf of the State.

GOV. ANDERSON: I move it.

MR. CHAMPION: Second.

MR. CRANSTON: Moved, seconded, and unanimously so ordered.

6 -- Land sales and withdrawals (cleared with all State agencies having a land-acquisition program):

(a) Authorization for sale to William R. and Alta Miller of 640 acres State school lands in Modoc County, at $9600, the appraised value.

(b) Authorization for sale to Hugh L. Hubbard, Jr. of 480 acres State school lands in Riverside County, at $22,010 (appraised value, $12,000).

(c) Authorization for sale to Union Lumber Company of 40 acres State school land in Mendocino County, at $29,280 the appraised value.
(d) Authorization for withholding from sale for an additional two-year period or until December 28, 1967, pursuant to the request of the Resources Agency on behalf of the State Department of Water Resources, the E_\frac{1}{4} of NE_\frac{1}{4}(sic)* of Section 16, T. 20 N., R. 5 W., M.D.M., Glenn County, and all of Section 16, T. 21 N., R. 11 W., M.D.M., Mendocino County, except that the request to withhold the E_\frac{1}{4} of NE_\frac{1}{4}(sic)* of Section 16, T. 20 N., R. 6 W., M.D.M., Glenn County, is to be subject to outcome of the pending exchange application between the State Lands Commission and the U. S. Bureau of Land Management as authorized by resolution of the Commission adopted May 13, 1957.

GOV. ANDERSON: I move.

MR. CHAMPION: I'll second on the condition that it is as stated here, rather than as read by the Chairman.

MR. CRANSTON: I am not sure I am going to approve this. (Laughter) The motion is approved by two members, Governor Anderson and the Chairman.

7. -- Mineral leasing and leases:

(a) Approval and adoption of modified form of prospecting permit.

(b) Approval and adoption of modified form to be utilized for prospecting permits for geothermal steam and related products.

GOV. ANDERSON: Mr. Chairman, can I break in here?

Do you have a telegram? Would you read this on that

*should be NE_\frac{1}{4}
MR. HORTIG: I proposed to do that, Governor Anderson, because this is the appropriate point.

Patently, these items were prepared for consideration by the Commission prior to receipt of this telegram, which was transmitted by Senator Fred S. Farr, Chairman of the Factfinding Committee on Natural Resources to each of the members of the State Lands Commission.

Reading from the identical telegram, as I say submitted to each member:

(Under date of January 25, 1966, Sacramento, California)

"The Senate Natural Resources Committee staff is meeting with the leaders of the geothermal industry in Sacramento tomorrow, January 26th...."

Parenthetically, we have two staff members in attendance at this session today. It is running concurrently with the State Lands Commission meeting.

MR. CHAMPION: Is this a public meeting or just a staff meeting?

MR. HORTIG: It is available to the public, although it is a technical session called by the Senate Factfinding Committee on Natural Resources for drafting proposed legislation.

Returning to the telegram:

"... preparatory to introducing legislation of far-reaching significance in the geothermal resources field. It would be appreciated by
the Senate Committee on Natural Resources if the State Lands Commission would hold up action on geothermal permits or leases pending conclusion of the Committee's investigation and formulation of legislative policy. Perhaps sufficient information will be available as a result of this workshop on proposed legislation to aid the Commission in its deliberations on this subject at its next regular meeting.

Signed: Senator Fred S. Farr, Chairman Factfinding Committee on Natural Resources

In light of this telegram and the meeting of the Senate Factfinding Committee, it is recommended that action be withheld, or consideration be withheld, on items (a) and (b) on the agenda and the staff be directed to withhold the processing until the report can be given to the Commission at the next regular meeting -- withhold processing of any new applications or pending applications for leases on geothermal energy to the extent that the Commission is not already committed to complete action because of the status of the processing of some of the applications that are already before it and are fairly well along the road, and in which the permittees or lessees could have some inchoate interest and should have their processing completed.

For all of those permits and lease applications which are still completely under the discretion of the Commission, it would be recommended that staff be directed to withhold further processing until a review of this matter has been made in conjunction with the Factfinding Committee, and
a report at the next regular meeting of the Lands Commission as to what further action should be taken.

GOV. ANDERSON: I see several items relating to geothermal energy, other than the two you mention. In other words, are you suggesting that we act on some and not act on others?

MR. HORTIG: The others, sir, are authorizations for issuance of permits where a permittee has met all of the requirements and their application has been reviewed by the Office of the Attorney General for...

GOV. ANDERSON: Would it be too much to ask that they be held up for another meeting?

MR. HORTIG: The applicants have all indicated that they would object, and rightly so; that while they are desirous of cooperating -- and, indeed, most of them are with this meeting being held today for updating statutes in the geothermal energy field -- they would prefer to go ahead under existing statutes and proceed under existing permits of the State Lands Commission while the legislation proceeds, rather than wait until an indefinite date.

MR. CHAMPION: What was the position of the Committee?

MR. HORTIG: The position of the Committee or staff would be that whatever were the moral or legal obligations of the Commission, they would have to be met.

MR. CHAMPION: In other words, you communicated to the staff the way you were recommending we proceed today...
MR. HORTIG: Yes, sir.

MR. CHAMPION: ... and they did not object that we proceed through with those commitments? That is understood by the Senate staff?

GOV. ANDERSON: It doesn't say that here... "It would be appreciated by the Senate Committee on Natural Resources if the State Lands Commission would hold up action on geothermal permits or leases pending...." I can understand why they would take it under the present deal. They probably are satisfied or they wouldn't be applying now; but we might not be after this new legislation.

MR. CHAMPION: The thing I was trying to get clear with Frank is: Has this been discussed with the Committee?

MR. HORTIG: It has -- and I must say that these permits are not a matter of right under the law. The Commission may issue them....

MR. CHAMPION: That is not the question I am raising. The question I am raising is: Did the legislative committee or the staff in this discussion indicate that they were satisfied with the way you proposed to proceed today -- that is, that on any of those on which we had a commitment we would go ahead when we feel there is a moral commitment to proceed?

MR. HORTIG: They were informed that as to a limited number of applications pending, this might be the desirable or equitable process. This was not discussed at length, but
no objection was offered.

MR. CHAMPION: What are the issues at stake?

MR. HORTIG: Primarily — Very simply, that the only authority for issuing geothermal exploration permits and leases in California today is the utilization of the basic mineral leasing law, which in 1921 was designed to explore for and mine gold; and adapting that statutory authorization to administratively and effectively cover something as exotic as geothermal energy obviously requires change.

MR. CHAMPION: I mean is anybody saying hold them off because we haven't the right kind of permit, or are they saying hold them off because we are doing something they may not want us to do; and, if so, what is that?

MR. HORTIG: The principal industry problems are that the requirements under existing law are so onerous as to make the operation uneconomic, and this is one of the features that is being looked at by the Senate Factfinding Committee.

MR. CHAMPION: That wouldn't be any reason to hold them up.

MR. HORTIG: On the other hand, we have a number of permits and leases that have been issued under these conditions that are being objected to by developers of long-range programs. Concurrently there is, in the Congress, Federal legislation with respect to Federal leases with respect to geothermal energy and the Senate Natural Resources Committee has indicated that it might be desirable, and an impetus to
this industry in California, that there be some degree of
conformity so there isn't a penalty against State lands as
against Federal lands, or vice versa; and this will require
extensive modification in State law to bring it within about
the same frame of reference.

MR. CHAMPION: Let me ask this another way: Aside
from the question of the relations with the Committee, are we
proceeding with this jeopardizing any interest of the State
either in our view as to what might change or in the view of
the Committee as to what might change? From what you have
just said, it would appear to me that the changes are really
in the interests of the geothermal producers.

MR. HORTIG: On the other hand, in the interest of
terms which would probably provide an incentive, so that there
would be more active development than has been undertaken
before.

MR. CHAMPION: But we have before us some permits
let me put it another way. Why does the Committee ask us to
hold up while they are streamlining this? Is there something
else involved, other than the advantages to the geothermal
industry? In other words, are they wanting to help the people
going in to it, or do they think that we are doing something
wrong that would be a disadvantage to the State?

MR. HORTIG: The only disadvantage that could be
done -- it could be done more efficiently administratively
and it could be done under conditions which would provide a
better incentive and assure a more effective development in California in terms of exploration for and production of geothermal energy.

MR. CHAMPION: In other words, there isn't any reason for the Committee or staff or the people who are seeking these permits on which we have some commitments -- there isn't anything involved there that would be to the detriment of the State if we do now proceed, either in your view or the Committee's? Maybe in the over-all final development there would be a better law.

MR. HORTIG: Only to the extent, of course, that if additional permits and leases are issued and these things become a matter of contract, there is so much less State land available for exploration under any revised and hopefully improved statutes.

MR. CHAMPION: Could we do it this way? Would this be an acceptable substitute -- I don't really know the conditions -- I would like to suggest this:

That we approve those to which we are now committed subject to your clearing that action with the Committee, just so we are sure we are not acting with any misunderstanding here.

GOV. ANDERSON: I should prefer to wait until the legislative committee has had its hearing and the Legislature has had a chance to act on it before our next meeting. It seems to me there isn't anything that couldn't be held open
for thirty days more and then we would actually know what they mean about "far-reaching significance in the geothermal resources field." I think if we act now, we might regret it.

MR. CHAMPION: What I suggest is that it be cleared with the Committee -- that if they felt it could go through without damage, it could go through; if not, it could be held up. In other words, it leaves us in a flexible position to go through with this if there is no damage.

MR. ABBOTT: Mr. Chairman, I'd like to call your attention to what Mr. Hortig recommended. He recommended that action be deferred on items 7(a) and (b) -- approval of new permit forms. Items (c), (d) and (e), as I understand them, are approval of prospecting permits with these new forms. If you defer action on 7(a) and (b), your resolutions on (c), (d) and (e) would have to be changed to approve existing forms or something else.

MR. HORTIG: Moratorium until the next meeting.

MR. CRANSTON: The decision is we will defer action today and consider the matter at the next meeting.

Item (f) Authorization for Executive Officer to offer 5,180 acres tide and submerged land in the Santa Barbara Channel westerly of the City of Ventura, Ventura County, for oil and gas lease -- Parcel 32.

(g) Authorization for Executive Officer to conduct a public review at the City of Santa Barbara, Santa Barbara County, in connection with the offer for oil and gas lease of
State-owned tide and submerged lands surrounding San Miguel, Santa Rosa, and Santa Cruz Islands, Santa Barbara and Ventura counties, with record of the review to be reported to the Commission prior to the determination by the Commission as to the specific lands to be offered for lease and as to the lease form to be used in any offer of an oil and gas lease in said area.

Motion is in order on items (f) and (g).

GOV. ANDERSON: This (g) is directly the result of these communications we have been receiving from the Senator, Assemblyman, and Supervisors calling for this particular hearing?

MR. HORTIG: This is correct. While there is no legal requirement that the staff do this, the staff is considering holding this hearing on its own motion.

GOV. ANDERSON: This is a meeting which the staff will hold? The Commission doesn't have to be there, but is welcome?

MR. HORTIG: Very welcome. You will have a notification.

GOV. ANDERSON: You haven't set that?

MR. HORTIG: No.

GOV. ANDERSON: I move it.

MR. CHAMPION: Second.

MR. CRANSTON: Approved unanimously.

Item 8 -- approval of boundary agreement: (a)
Authorization for Executive Officer to execute an agreement with Howard W. and Helen Brod, fixing the low water mark as the permanent boundary between State submerged land and certain described private lands along the left bank of Steinberger Slough in San Mateo County.

Motion is in order.

GOV. ANDERSON: I move.

MR. CHAMPION: Second.

MR. CRANSTON: Moved, seconded, so ordered.

Classification 9 -- Administration:

(a) Authorization for Executive Officer to order and conduct the requisite hearing in Sacramento on the application for consent to acquisition by the United States of property occupied by the Federal Building and United States Courthouse in Sacramento.

(b) Finding that the acquisition by the United States of the property at 450 Golden Gate Avenue, San Francisco, known as the Federal Building and United States Courthouse, is in the interest of the State, and (2) directing the Executive Officer to file a certified copy of this finding in the Office of the Secretary of State and to have a copy recorded in the Office of the County Recorder of the City and County of San Francisco.

MR. HORTIG: Mr. Chairman, the record should show with respect to item (a) that the hearing will be held at 650 Capitol Avenue, Sacramento, California. This is a
requirement of the statute -- that unless the hearing is held in either the Los Angeles or Sacramento office of the Commission, the actual street address of the location of the hearing must be shown.

MR. CRANSTON: So ordered.

(c) Authorization for Executive Officer to execute compromise agreement, subject to approval by the Governor, determining that under the terms of Oil and Gas Easement 392.1, the reasonable price of the production from said easement at the well during the period June 1, 1963 to June 16, 1963, inclusive, was the price posted by the Standard Oil Company of California for the Huntington Beach Field for oil of like gravity.

(d) Authorization for Executive Officer to execute service agreement with the County of San Mateo for surveying and platting services to be rendered the County pursuant to the provisions of Chapter 1957/1965, at the Commission’s actual costs but not to exceed $5500.

(e) Authorization for Executive Officer to execute service agreement with the City of Benicia, Solano County, for surveying and platting services to be rendered the City pursuant to the provisions of Chapter 2018/1965, at the Commission’s actual costs but not to exceed $5500.

(f) Authorization for Executive Officer to execute an augmentation of the current agreement in the amount of $50,000 with Degolyer & MacNaughton for the continuation of
their services as consultants through June 30, 1966, in connection with the exploration, evaluation, development, and related operations for the production of oil and gas from the Long Beach Tidelands, subject to approval by the Department of General Services.

I'd like to ask in that connection, Frank -- We discussed at the time we made the contract with DeGolyer & MacNaughton the probability of other contracts of a related nature for other services in the course of the development of this field, with the possibility that other firms be considered for those contracts. Where do we stand on that?

MR. HORTIG: The primary, basic problem having been Mr. Cranston, that until adequate staff can be provided for the Commission at Long Beach, the items of primary concern are of necessity being evaluated and reported on by our consultants.

As to the theoretical assignment of personnel to come about on July 1st, 1965, the two top level positions to be established, a manager and assistant manager of operations -- we are now informed there will be an eligible list for consideration for appointment within about three weeks. This means in February, rather than July last year.

Consequently, the existing consultant group has had to be used in order to stay on top of the problem.

MR. CRANSTON: Frank, is there still the possibility or probability that in the course of time other consulting
work will be necessary and there will then be a decision as to who will do the work?

MR. HORTIG: Yes, sir -- for the reason that the contemplation or original purpose of the Commission was to provide a staff and phase out the original consultant group; and specialized consultant groups on specialist projects is still the aim.

MR. CRANSTON: When does that occur?

MR. HORTIG: After the staff is on board. I am pointing out we don't have the two top chiefs; we don't have an eligible list for the two top chiefs yet. So we are still living this hand to mouth existence until such time as the organization can be actually staffed; and then we go over into this distribution of consulting contracts of specialized organizations as fits within their range of expertise.

MR. CRANSTON: Item (g) Approval of proposed budget of the State Lands Division for the fiscal year 1966-67 in the total amount of $1,432,082, including $103,167 for the case United States v. California, and approval for the establishment of twenty-four positions and the abolishment of three positions.

GOV. ANDERSON: Move.

MR. CHAMPION: I'll second with the understanding that I am not involved in the action on (g).

MR. CRANSTON: The items are moved, seconded, and approved unanimously.
MR. CRANSTON (continuing) Item 10 -- Confirmation

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

GOV. ANDERSON: Move it.

MR. CHAMPION: Second.

MR. CRANSTON: Moved, seconded, so ordered.

we have a request to re-open item 3(a) re the
Cardiff Marina Community Services District. Mr. Gaskill of
the Ocean Fish Protective Association is now here and wishes
to be heard. If there is no objection we will re-open that
item.

MR. GASKILL: Mr. Chairman, ladies and gentlemen, I
beg your indulgence. Other commission meetings that I have
attended -- customarily when an item was brought up, the
chairman called for any remarks from those in the gallery and
you will forgive me for not knowing your method of procedure.

MR. CRANSTON: We have a ten-second pause.

MR. GASKILL: Our concern in this matter is: What
will the dumping of the 500,000 cubic yards of dredged material
by the Cardiff Marina Community Services District and the
dumping of 154,400 cubic yards of material by the County of
San Diego do to the beaches and the immediate offshore waters
in this area?

I have totaled the footage on the calendar summary
listed for Parcels SL-4 and SL-5. The total footage on SL-4
is 2836 and 2500 feet; on cel SL-5 it is 3821.66 feet.
The total yardage of approximately 650,000 cubic yards is a tremendous amount of materials.

If it is proposed to dump this on the beaches, it is our opinion that as far as any public usage of the beaches this land will no longer be of any particular benefit to those who wish to use the beaches or such matters as that; if, on the other hand, it is going to be dumped immediately offshore, our concern is that the pollution will ruin whatever surf fishing is available in this area.

In view of the fact that the land from approximately San Onofre to Oceanside -- primarily encompassing the tidelands of Camp Pendleton -- has now been restricted for use by the public, this additional loss of land will deprive the people of the use of this; and I would like to know at this time what the proposal is as far as the dumping of this material is concerned.

MR. HORTIG: Mr. Chairman, if I may respond --

Before bringing this matter to the Commission with a recommendation, the usual staff processing in depth was, of course, applied by the State Lands Division engineering staff, and all the contingencies and reactions referred to by this gentleman were evaluated.

There are affirmative reports of approval also from the U. S. Army Corps of Engineers and all of the State agencies having corollary responsibilities within the
Resources Agency -- primarily the Division of Beaches and Parks, who have approved the conduct of this operation under the form of permit here authorized to be issued by the State Lands Commission.

MR. CHAMPION: Well, the question is: How are they going to do it? Is it going to be on the beaches, and has Beaches and Parks said the beaches will still be usable? Or are they going to be dumping offshore, and have the Fish and Game people said there won't be any problem?

What, specifically, is the answer?

MR. HORTIG: Beaches and Parks have, of course, been concerned as to the manner and depth of the dumping, and the manner of dumping will be covered in a permit which will be issued by the State Park Commission. There is also provision in the permit issued by the State Lands Commission for a sand bypassing plant in the event sand bypassing offshore will be more desirable than on the beaches, so as to maintain not only the extent but what Beaches and Parks feel is going to be an augmented series of beaches.

Subject to those conditions, Beaches and Parks has given its consent to this operation.

GOV. ANDERSON: What about Fish and Game?

MR. HORTIG: Fish and Game, in view of the fact that this material is to be deposited on the beach itself, have concluded that there is going to be a minimum of roiling effect or any detrimental effect with respect to the offshore
GOV. ANDERSON: When you go into a project like this, in addition to our State people like Beaches and Parks and Fish and Game, do you consult people like Federal Wild Life?

MR. HORTIG: Where there is a possible Federal interest, the Department of Fish and Game, of course, consults with and does cooperate with the U. S. Fish and Wild Life Service additionally.

GOV. ANDERSON: Were they consulted in this case?

MR. HORTIG: I do not know. Fish and Game did not feel that there was a Federal involvement or Federal problem. In other words, the Fish and Wild Life Service of the Federal Government does not enter into any consideration of a problem that is solely within the jurisdiction of the State of California as such; but every problem in connection with tide and submerged lands -- and particularly on the ocean coast -- comes under the jurisdiction of the U. S. Corps of Engineers and the Beach Erosion Control Board, and these agencies were not only consulted but after this the U. S. Corps of Engineers issued the permit.

GOV. ANDERSON: Their role is not concerned with Fish and Wild Life. I wouldn't be a party to stopping this, but I think when we come to something as important as this we ought to make sure that all of these groups have been contacted.

MR. CHAMPION: Isn't that the responsibility of
Fish and Game under these circumstances?

MR. HORTIG: Yes, sir.

MR. CHAMPION: They are supposed to work this out. They are the ones that have the relationships involved and they are supposed to be spokesmen for the other agencies.

MR. HORTIG: And the Resources Agency for the agencies within the Resources Agency.

MR. CRANSTON: Mr. Gaskill, what is your reaction to what has been said here as to the steps that have been taken to clear this with government interests?

MR. GASKILL: I would say that it was adequately covered.

However, to add an additional word to Mr. Hortig’s remarks, we were not contacted; and as far as any other organization of private citizens who are concerned in matters of conservation and preservation of such things, it is seldom that we are contacted by State commissions.

We watch the newspaper and see if there is something there that concerns us and if it does, we take time off from work and come to the meetings and attempt to acquaint ourselves as well as possible what what is actually going on, in order to see if there is some place here or any other commission hearing where we should take a stand.

MR. CRANSTON: Are your doubts about this particular project relieved by what Mr. Hortig said has been done to check out the consequences of this project with the several
governmental agencies involved?

MR. GASKILL: Yes; in view of the fact that the
dredged material is obviously not going to be deposited in
the tidelands themselves but on the beaches, then there is no
problem as far as the ocean water itself is concerned. And
if they have, as Mr. Hortig stated, checked this matter com-
pletely with the Beaches and Parks Commission and they are
satisfied, then I too am satisfied.

Thank you.

MR. CRANSTON: Thank you very much for coming.

Frank, should the Bay Conservation and Development
matter come up this morning?

MR. HORTIG: At any time the Chairman wishes. I
can introduce it at this point.....

MR. CRANSTON: Let's do that.

MR. HORTIG: ... or, as new business, if you wish,
Mr. Chairman, to speak on the subject of the placing of fill
by the Town of Emeryville in San Francisco Bay --

MR. CRANSTON: This matter is something that has
become of interest to the Commission.

Last week Frank Hortig represented the Commission
at the Bay Conservation and Development Commission, but I
asked him to read a letter from me in which I suggested that
the Bay Commission do two things: Ask the Town of Emeryville
to temporarily suspend its fill operations; and, secondly,
that its staff be advised to work with the Lands Commission
staff to investigate the feasibility of a joint injunction
suit in the event that Emeryville does not voluntarily sus-
pend the current fillings.

The Bay Conservation Commission approved both
motions.

This is the background of the situation:

Emeryville is hoping to build an island in San
Francisco Bay on granted submerged lands which it holds in
trust from the State. Every trustee has considerable lati-
tude in the development of its grant, but whatever it is
must be in the general statewide interest.

As originally proposed, the original project would
have been entirely or almost entirely residential. I, among
others, have spoken out in opposition that a residential
project could not be in the general statewide interest when
it is in the bay.

The City is revising its plans and they will come
to this Commission for review. That will be March first at
the earliest. This Commission may or may not approve the
plan and, if it does, there probably will be a host of other
legal problems.

For example, the San Francisco Bay Conservation and
Development Commission might exert or seek to exert jurisdic-
tion at that point; or Emeryville might seek to press its now
dormant suit against the State. In any event, one way or the
other, this most unusual case might well go to the courts for
final decision.

Meanwhile, Emeryville is putting fill into the bay for a causeway to give access to the proposed island -- and because the Legislature has deemed unnecessary fill in San Francisco Bay to be against the public interest, a position with which I and I think the entire Commission concur -- I feel it urgent that the filling operation be suspended until this matter is resolved.

Accordingly, the Bay Conservation Commission has formally asked the officials of the City of Emeryville to voluntarily suspend their operation. I hope they will do so. They will have an opportunity to do so next Monday night, when I believe they have a council meeting.

Meanwhile, this Commission and the Bay Conservation and Development Commission are investigating the feasibility of a joint suit for a temporary injunction to halt the fill, if necessary. I hope a suit will not be necessary, but we must be prepared for that possibility.

The Lands Commission will not again meet for several weeks and I believe that we should today grant stand-by authority to the Attorney General to enter litigation against Emeryville on behalf of this Commission, if feasible and necessary to stop continued fill.

GOV. ANDERSON: I move it.

MR. CHAMPION: Second.

MR. CRANSTON: Moved and seconded and, without
objection, so ordered.

Item 11 -- Informative only, no Commission action required -- (a) Report on status of major litigation.

MR. HORTIG: For the record of the Commissioners only -- no substantive changes since the last report except for the deletion of an action which was stricken from the calendar, which makes one piece less of litigation against the Commission.

MR. CRANSTON: My notes and your notes seem not to jibe as to the next Commission meeting. I see now the date and place of the next meeting is Tuesday, March 1, in Sacramento.

MR. HORTIG: This was subsequently rearranged with the secretaries of all Commissioners for Tuesday, March 1st.

MR. CRANSTON: Tuesday, March 1st -- what time?

MR. HORTIG: Two p.m.

MR. CRANSTON: Two p.m.?

MR. HORTIG: In Sacramento.

MR. CHAMPION: As a point of information, has this Commission ever taken any formal action in connection with the tax problems at Long Beach?

MR. HORTIG: No, sir.

MR. CHAMPION: It has not?

MR. HORTIG: No, sir.

MR. CHAMPION: Is the Commission familiar with this general problem? What I would like to suggest is a staff report, preliminary to asking the Lands Commission to take a
position on whether it would support legislation to deal with that problem during the special session.

MR. CRANSTON: Well, there are ramifications that we have to explore very carefully.

MR. CHAMPION: That is why I am asking at this time for a staff report, so the whole matter can be laid before us.

MR. CRANSTON: Are there supplemental items?

MR. HORTIG: Yes sir, there are.

MR. CRANSTON: Item 13 -- Proposed subsurface oil and gas lease, proprietary lands, reserved mineral rights, Townlot Area, Long Beach Unit, Los Angeles County, W.O. 5826 (Tract No. 11).

MR. HORTIG: Mr. Chairman, bids were received on a proposed subsurface oil and gas lease on a town lot owned by the State of California within the Long Beach Unit area, in which the minerals are under the jurisdiction of the State Lands Commission.

As reported on page 91 of your supplement, the high bidder was Signal Oil and Gas Company, offering a flat royalty rate percentage of fifty-two percent, over the low bidder of thirty-eight percent, and the proposed form of lease has been approved as to legality by the Office of the Attorney General.

So it is recommended that the Commission authorize the award of lease to Signal Oil and Gas Company in accordance with that bid.

Similarly, the next item is on another town lot
owned by the State of California -- in one instance it is the
site of the National Guard Armory -- and for this other site
Signal Oil and Gas Company were the high bidders at fifty-two
percent; and it is recommended that both leases be authorized
for issuance in accordance with those bids.

MR. CRANSTON: You are talking now about Item 14?

GOV. ANDERSON: I move Item 13.

MR. CRANSTON: Item 13 is moved,...

MR. CHAMPION: Second.

MR. CRANSTON: ... seconded, and approved unani-

mously.

Item 14 -- Proposed subsurface oil and gas lease;

proprietary lands, Townlot Area, Long Beach Unit, Los Angeles
County, W.O. 5827 (Tract No. 39).

GOV. ANDERSON: I second.

MR. CHAMPION: Second.

MR. CRANSTON: Moved, seconded and approved

unanimously.

15 -- Report to the State Legislature re debris
removal and control at Clear Lake, pursuant to S.C.R. No. 16
and A.C.R. No. 23, 1964 Special Legislative Session.

MR. HORTIG: Mr. Chairman, by separate resolutions,

Senate Concurrent Resolution 16 and Assembly Concurrent Reso-
lution 23, both adopted by the respective houses in the 1964
Special Session, the Legislature called on the Lands Commis-
sion to survey the low water mark of Clear Lake in Lake
County and make recommendations to the Legislature as to who
should be responsible for maintaining the lake bottom and a
further study to determine what action is necessary to remove
the debris that has accumulated and which will accumulate in
the future, and what the cost of that action would be.

It was also provided that this report be submitted
to the 1966 Session of the Legislature.

The draft of the staff report is attached, which it
is recommended be adopted by the Lands Commission as the re-
port pursuant to the requirements of the legislative resolu-
tions.

In summary, I think it can be stated the recommenda-
tion being that the State Lands Commission adopt the report,
including recommendations, prepared with respect to the
respective resolutions; that the Executive Officer be author-
ized to submit the report to the Legislature at the 1966
Session; and that the Executive Officer be authorized to
testify before such legislative committee or committees as
may be designated to act on the subject matter of the report.

The recommendations which have been incorporated in
the report and which have been proposed for approval by the
Commission are that the State Lands Commission be assigned
the responsibility by statute to institute a debris removal
program in Clear Lake. There is no existing authority to any
State agency.

MR. CHAMPION: What about the removal in park areas?
Is that done by Beaches and Parks?

MR. HORTIG: That is done by Beaches and Parks by contract, and on an interstate lake, such as Lake Tahoe, there is a concurrent responsibility exercised to a degree by the U. S. Corps of Engineers.

But Clear Lake, as a typical example, is not navigable waters of the United States, but navigable waters of the State of California, and there are no parallel statutes with respect to State authority; and yet, in view of the modifications of the theories, particularly relating to sovereign immunity, there is a State responsibility in the area and no authority to do anything about maintaining the area in a safe condition — and this is a vacuum that the Legislature is going to have to fill.

Second, that in the legislation assigning such responsibility, it be clearly stated that the program be limited to Clear Lake only; that the undertaking of a potential clearing of debris from Clear Lake shall not keep it from being considered "unimproved" under Section 831.6 of the Government Code; and that the work may be performed by State employees or through private contracts.

Third, an initial sum of $50,000 be appropriated by the Legislature, to be used by the State Lands Commission as it finds necessary and desirable for limited programs of debris removal and control at Clear Lake.

Four -- that Section 6303.1 of the Public Resources...
Code be amended by the addition of the words making it a mis-
demeanor for anyone to deposit or cause to be deposited any
debris in the navigable waters, streams, lakes, sloughs, bays,
or estuaries -- which is not clear in the existing statutes.

Under Section 6303.1, if someone digs up the State's
sand or gravel from the water and hauls it away, why, this is
a violation of the law; but if he chooses to use the navigable
waters as a dumping ground, it isn't clear that there is any
statutory authority under which he can be prosecuted -- except
by the local District Attorney as an abatement of a public
nuisance, which is a cumbersome process.

Five, that the State Lands Commission be authorized
to investigate the possibility of a joint program between the
State and Lake County for debris removal and control. Such
program might include the use of prison labor.

Six, that the Legislature assign to the proper
legislative study committee the subject of debris control in
all the navigable waters of the State not falling within the
responsibility of the Federal Government, for the purpose of
developing a comprehensive program.

These are the findings that are in the report,
which it is recommended that the Commission adopt for trans-
mittal to the Legislature.

MR. CHAMPION: I don't agree with some of the recom-
mendations. I think we ought to make the report timely. I
would prefer to have the report submitted without the detailed
recommendations; that since this is a special session, which
has many major items before it, that we submit the report
without recommendations and thereby have more time to study
the problem.

What we are doing is committing ourselves to a
program in Clear Lake and recommending study of the rest of
them. It seems to me we should not be in that position.

Once we go into Clear Lake, there is a substantial commitment.

MR. HORTIG: Of course the Commission was already
placed in this position by the Legislature requesting us to
make a report on Clear Lake only.

MR. CHAMPION: We were not required to make recom-
mendations.

MR. HORTIG: Inferentially -- "... determine what
action is necessary to remove the debris that has accumulated
and accumulates in the future, and what the cost of that
action would be." This is the actual implementation and
accomplishment.

MR. CHAMPION: You have a number of undetermined
factors -- the possible use of prison labor. It seems to me
we ought to take it under advisement for study and to explore
these things without commitment.

MR. HORTIG: Would it be satisfactory in your view,
Mr. Champion, if we included only as the recommendation of the
Commission that the Legislature assign an appropriate legis-
late study committee the subject of the total problem and
and staff's suggestions for possible consideration?

MR. CHAMPION: Subject to the opinions of the other members of the Commission, I would like to see that include a statement that dealing with Clear Lake independently would jeopardize the proper subject of all like circumstances; and therefore would recommend to the Legislature that it take the Clear Lake matter and what has been reported on it, and include it in an over-all interim study, and we would cooperate in '67.

GOV. ANDERSON: How did we handle Folsom Lake?

MR. CHAMPION: Beaches and Parks had a contract. What we had was a recreational area which was not being used.

GOV. ANDERSON: Is this a normal procedure -- we have a crisis and emergency action?

MR. CHAMPION: My recollection is not perfectly clear, but did we seek appropriations on anything like this?

MR. HORTIG: There have been other cases. There have been appropriations sought for clearance at Lake Tahoe which have not survived the budgetary process. There have been two appropriations to clear beaches in Santa Barbara County, where funds were appropriated to the Lands Commission for service contracts to clear derelicts and other debris.

GOV. ANDERSON: I feel if there is a critical issue we should have a chance to study the whole thing. We are involved with beaches, with interstate lakes, and lakes like Clear Lake; and I would think if there should be a policy sat
the Legislature would have to give it a lot of consideration.

In the meantime, we should do something on an emergency basis for Clear Lake and not have it become a policy.

MR. CHAMPION: We couldn't do anything on an emergency basis. It is not within our jurisdiction now. We don't have any legislative authorization to keep Clear Lake in operation.

GOV. ANDERSON: The moment we start getting into clearing debris from lakes, we are going to get a lot of action from cities.

MR. CHAMPION: If the State doesn't want this, nobody else will.

MR. HORTIG: Under those circumstances, to be sure that the staff completely understands and may carry out the desire of the Commission, we would then even withhold our stated recommendations or suggested recommendations until such time as appropriate legislative committees might consider what avenues there might be -- not as recommendations of the Commission but as avenues of approach, in the meantime, submit the factual report.

MR. CHAMPION: But we make a recommendation that nothing be done except on an integrated basis.

MR. CRANSTON: What is the action?

MR. HORTIG: The adoption of the resolution that the report, amended in accordance with this discussion, be submitted to the Legislature and that the Executive Officer be
authorized to testify before the appropriate committees.

    GOV. ANDERSON: So move.

    MR. CHAMPION: Second.

    MR. CRANSTON: Moved, seconded, approved unanimously.

    GOV. ANDERSON: To make my position clear, my feeling
    is that the State has the responsibility to help in this field,
    whether it be lakes or streams, but I think it should be
    uniform.

    MR. CRANSTON: Finally, Item 16 -- Proposed oil and
gas lease, Ventura County - W.O. 6027 (Parcel 27A):

    MR. HORTIG: Another parcel in the sequence of
sequential lease offers by the Lands Commission recommended
by the staff.

    GOV. ANDERSON: I move it.

    MR. CHAMPION: Second.

    MR. CRANSTON: Moved, seconded, and unanimously
so ordered.

Once again, the next meeting of the Commission
will be Tuesday, March 1, 1966 at two p.m. in Sacramento.

If there is no further business to come before us,
we stand adjourned.

ADJOURNED 10:55 A.M.

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CERTIFICATE OF REPORTER

I, LOUISE H. LILLICO, hereby certify that the foregoing thirty-nine pages contain a full, true and accurate transcript of the shorthand notes taken by me in the meeting of the STATE LANDS COMMISSION of the STATE OF CALIFORNIA at Los Angeles, California on January 26, 1966.

Dated: Los Angeles, California, January 27, 1966.

[Signature]

LOUISE H. LILLICO