MEETING
STATE LANDS COMMISSION

ROOM 6031
STATE CAPITOL BUILDING
Sacramento, California

March 31, 1975
10:00 A. M.
MEMBERS PRESENT

Mr. Kenneth Cory, State Controller, Chairman
Mr. Mervyn M. Dymally, Lieutenant Governor, Commissioner
Mr. Roy M. Bell, Director of Finance, Commissioner
Mr. William F. Northrop, Executive Officer

MEMBERS ABSENT

NONE

STAFF PRESENT

Mr. Robert C. Hight, Staff Counsel
Mr. Richard S. Golden, Assistant Executive Officer

OFFICE OF THE ATTORNEY GENERAL

Mr. N. Gregory Taylor, Deputy Attorney General
CHAIRMAN CORY: We will call the meeting to order and acknowledge the presence of Mr. Dymally. Mr. Bell will be joining us shortly, so we might as well go ahead and proceed, unless we go into some sort of impasse in which we need Mr. Bell.

Any questions with respect to the minutes from the previous meeting from February 27th?

COMMISSIONER DYMALLY: No, Mr. Chairman.

CHAIRMAN CORY: Without objections, confirm the minutes of the 27th.

Mr. Northrop, would you report, please?

MR. NORTHROP: Yes, sir.

Mr. Chairman, Governor, I would like to report the Staff review of the Atlantic Richfield company's permit to resume drilling on Platform Holly. It's still underway at this time. Negotiations are proceeding in an orderly fashion, and we expect to be able to bring the final review, and proposed permit changes, before you for consideration at the next meeting, the next Commission meeting in Long Beach on April 30th.

The City of Pittsburg had requested that their application for a fishing pier permit be made an item in today's agenda. The Staff was forced to deny this request for the following reasons: The negative declaration and notice of determination provided by the applicant were not in compliance
with the procedural requirements of the California Environmental Quality Act or the State guidelines.

CHAIRMAN CORY: The chair would like to interrupt for a moment to acknowledge the presence of our third member, Mr. Bell. Mr. Northrop just started his report; go ahead, Mr. Northrop.

MR. NORTHROP: Since the applicant, in this the City of Pittsburg, since the applicant had ample time to comply with the CEQA regulations, the negative declaration is dated June, 1974, and the application of the Commission is dated February, 1975; this Staff could not justifiably treat the matter as an oversight on the part of the applicant. To do so could have asked the Commission to certify documents known to be invalid. As a courtesy to the applicant we checked with the State Printing House as late as Friday, March 28, 1975, and found that the negative declaration still had not been filed with that agency. Possible concerned agencies, therefore, had no opportunity to comment on the project, or in some cases, even didn't know of such a project. Had the usual circulation taken place, it is possible the concerned agencies might have wanted to comment on the project.

I believe, Mr. Chairman, there's someone here from Pittsburg who would like to address the Commission.

(No response)

They advised me they would be here, and they are
apparently not, Mr. Chairman. This finishes my report, excepting two things that just came in:

The Federal Government has contacted us on the possible settlement of the suit regarding the sell-off in the Huntington Beach area. We have not had a chance to examine it, but I wanted the Commission to be advised that we had gotten a settlement, that was just handed to me a few minutes ago.

CHAIRMAN CORY: Do we need a special meeting before the next one to deal with that?

MR. TAYLOR: Mr. Chairman, that will depend upon the Staff's review and a conference with our office as to what action we would recommend.

CHAIRMAN CORY: Do we need, at this point in time when we adjourn, to reserve the option of calling for or putting a tentative meeting to expedite that or would the normal seven working days -- is that sufficient?

MR. NORTHROP: I have a comment to make on Item 5A regarding Running Fence, prior to that presentation, and that concludes my report until we get to Item No. 15, and we will follow the Governor's suggestion in an administrative report on legislation at this meeting.

CHAIRMAN CORY: Okay. Any questions from members?

COMMISSIONER DYMALLY: Just one observation with reference to the application from Pittsburg. I would like
to review the whole question of applications for piers, by political jurisdictions and by individuals. In the past, it's my understanding that the Commission has granted permission without charge to a number of people --

MR. NORTHROP: Public agencies, right.

COMMISSIONER DYMAALY: Public agencies, rivers, and it seems to me -- I would like -- we also should review this whole policy whether we want to continue that practice of no charge one, and giving up all rights to condemn those piers in the event we wish to make that area a recreational area for the public use. So, I would like you to work it out.

MR. NORTHROP: I think in a prior conversation you had had earlier with the Staff, we are now reviewing the whole rental schedule. It will be on the agenda this time; the review of all the rental schedules are on this time.

CHAIRMAN CORY: Before we move on to Item 4, I would like to, with the concurrence of the other Commissioners, appoint Lieutenant Governor Dymally to head up the legislative liaison for the Commission so we can start meeting with the Staff in preparing and dealing with some of the legislative problems. I think his expertise would be -- if you are willing to serve in that capacity?

COMMISSIONER DYMALLY: Mr. Chairman, with your support, I don't see how we could go wrong.

(Brief discussion off the record)
CHAIRMAN CORY: Moving on to Item 4, permits, easements: 4(a), County of Marin and Wildlife Conservation Board, jointly.

MR. NORTHROP: This is a recreational pier permit, or public agency permit.

MR. GOLDEN: Public agency's permit; for the construction and maintenance of a recreational boat launch facility there, and here the public uses and benefits are considerations with the right reserved to later set a monetary value.

CHAIRMAN CORY: It is a public boat launch without fee?

MR. GOLDEN: That's right. If they do charge a fee, then we would institute the monetary remedy.

CHAIRMAN CORY: How would we know if they commenced a charge?

MR. GOLDEN: We'd be in contact with them and --

COMMISSIONER DYMALLY: Shall we put a proviso in the accompanying letter that, if fees are charged, then they have an obligation to inform us?

MR. GOLDEN: I believe that is a part of it.

CHAIRMAN CORY: Okay. Mr. Bell moves; Mr. Dymally seconds. Without objection, such would be the order.

City of Corning.

MR. NORTHROP: This is an agency permit, Mr. Chairman, for a waste discharge line into the Sacramento River. The water quality prior to our approving -- this water quality is already approved. So it is not a raw sewage discharge. It's
treated water that meets the requirements.

CHAIRMAN CORY: Any questions? Mr. Bell moves; Mr. Dymally seconds. Without objections, such will be the order.

Item (c), City of Fairfield?

MR. NORTHROP: This is a same situation in the City of Fairfield, Mr. Chairman.

CHAIRMAN CORY: Any questions? Mr. Bell moves; Mr. Dymally seconds. Without objections, such shall be the order.

(d).

MR. NORTHROP: The Department of Interior, because of water contracts with Mexico and, I think, water agreements between Arizona and California, have requested the permission to install a metering device -- flow device, in the Colorado River.

CHAIRMAN CORY: This relates to the whole problem of salinity in the Sea of Cortez and what we are doing in Mexico?

MR. NORTHROP: Right.

CHAIRMAN CORY: Mr. Bell moves; Mr. Dymally seconds. Without objections, such shall be the order.

Item (e), is Continental Telephone Company and that's an exempt permit?

MR. NORTHROP: We don't have a lot to say about that.

MR. BELL: This is absolutely impossible to do anything about, so we move.

CHAIRMAN CORY: Mr. Bell moves; Mr. Dymally seconds.
Without objections, such shall be the order. Okay, we come to Item 5(a) --

MR. NORTHROP: Mr. Chairman, this application was filed on February 20th, 1975, with State Lands, and because of representations of the proponents that they must have the permit from the State Lands Commission this month, the item was calendared. Since the calendaring process started, questions have been raised about the public related -- public benefit -- health and safety, some of them having implications as to the possible negative effects on the environment. It is true that negative declarations were certified by both Marin and Sonoma Counties, and I understand no adverse comments were received within thirty days thereafter, thus technically fulfilling the requirements of the California Environmental Quality Act. However, as a policy consideration, it is felt that further public testimony should be taken prior to deciding whether it is in the public interest to issue this permit. We still have some concern about the fire danger, as cited by the Department of Forestry, and the questions that are raised about additional information, and it seems there are potential risks involved regarding property and wildlife. It would be probably well for presentations to be made both by the advocates of Running Fence and those people who may have opposition to it.

CHAIRMAN CORY: Would the proponents for Running Fence
Corporation come forward and identify yourself for the record, and give us a brief indication of what is it you propose to do.

MR. NEMEROVSKI: Thank you, Mr. Chairman. My name is Howard Nemerovski; I'm an attorney, and Paul Kayfetz is co-counsel with me on this. We would briefly like to give you about five-minutes background on the project, and then defer for any questions you may have with respect to this. We are very sensitive to your concerns about the environmental issues and, therefore, we have with us today some folks who are available to answer questions you may have. I would like to briefly introduce them to you.

Christo, who is the applicant, who is the artist, is standing there. Dr. Ernest Harris, who is the project engineer who worked on the Valley Curtain Project in Colorado on behalf of the State of Colorado, and is now the project engineer on this, is here. Ted Daugherty, who is the builder and contractor, and who was the building contractor on the Valley Curtain Project is here. Marty A. Bell, who is the research coordinator from URS Research Company is here. Barbara Westrie, who is the project biologist, Burr Henemen, who is the project coordinator, and we have in addition to that, the project geologist and marine engineer who are not here today but whose information is available to the commission should you want it.

As the calendar summary indicates, what applicant is seeking is a six-month non-commercial lease. What will happen
if this application is granted is that poles and sea anchors
will be in place for approximately three months, but then
for only two weeks there will be some fabric mounted on the
poles and on the cables, following which it will be removed --
it will be up during the last two weeks in September. When
that project is completed, it will be removed without a trace
of it ever having been there at all.

As has been indicated by Mr. Northrop, five government
bodies have already reviewed this matter with respect to the
environmental implications; five of them have generated nega-
tive declarations on the environmental issues. We think that's
important to this Commission and we want to make sure it's in
the record.

Briefly, we would like to give you some characteristics
of Christo, which will be helpful to you in your deliberations.
As you can see from the first 200 pages of the Valley Curtain
book which you have in front of you -- it's that orange-colored
book -- there is scrupulous attention to detail. The first 200
pages of that book show engineering drawings, communications
with government agencies, and that particular project which
was up for a very short period of time; there was extensive
dealings with government agencies to make sure that everything
that was required by government was done.

Number two, with the exception of his choice of counsel,
he has always gathered topnotch experts with him in the field
of environment, biology --

CHAIRMAN CORY: A guy is always entitled to one mistake.

(Laughter)

MR. NEMEROVSKI: Well, he's got two here today, I'm sorry to tell you. You should know, although it is not terribly relevant legally, but for your own point of view, that Christo is an internationally renowned artist. There have been letters filed with the Commission from directors of the Museum of Modern Art, the National Endowments for the Arts, the Metropolitan Museum, the Philadelphia Museum, all the Bay area museums, including the San Francisco Museum of Art, indicating that Christo is a highly-regarded artist and his work is in great demand and respected all over the world.

The material that's been presented to you should create the clear impression that there has been extensive attention to environmental issues in the area of biology, traffic control, fire safety, human safety; there have been thousands of hours of contact with these issues, and I think it's important that Christo has not done this grudgingly, but he has done it as part of the process and part of the project. He believes that these issues are important and he spent a considerable amount of time on those.

We have determined that we will control public access to the project to avoid any environmentally sensitive areas. We have arranged, with respect to that portion, that subject
to your particular concern, that people who wish to view the
project as it emerges from the sea, for the short period of
time that it will be there, will be directed by 16 or 17 signs
located in the two county areas to a roadway which will take
them to a place called Oceana Marin, from which they can see the
project without any risk or danger, either to the environment
or to themselves.

Something that I think will appeal to you, and every
one of us who has ever been in government, is that all govern-
mental costs with respect to monitoring the project are going
to be borne by Christo. If the county officials who are going
to be seeing to it that he does what he has said he will do,
those costs will not be borne by the county, but will be borne
by Christo.

In addition to this, there is a million and a half
dollars worth of insurance that has been purchased, and a
bond -- $200,000.00 total so far -- has been obtained,
150,000 for Sonoma County and 50,000 in Marin, to guarantee
that all the conditions that have been posed by the govern-
mental bodies with Christo's concurrence will be complied
with. We are talking about making sure that he is not going
to walk off and leave the project with those conditions
unfulfilled.

Now, his philosophy is very important in this project,
because again, it is environmentally sensitive. I don't know
whether you will accept this at all, but some of us feel that the only major project that we know of involving an expenditure of a million bucks or more which gives tremendous attention to environmental issues and to human issues and, symbolically, when this major undertaking is done, it's the only construction project I have ever seen that, when it's done, it's done, as if it had never been there.

There will not be a trace of its environmental impact. What will be left, hopefully, will be a warm glow among those people who have participated in it, because the folks who are going to be erecting the project at the end are going to be going up and spending the weekend and participating in a human, artistic endeavor.

The last question, which I think is very relevant to everybody, is: Where in the name of heaven does this money come from? Is it foundation money; is it government money? Is this money that is somehow being deferred from a project that would be more socially important? I don't think we want to deal with the question of what's more socially important, but I think it's important for you to know that every dollar for this project comes from the artist's own pocket, that he is a successful artist, he has generated considerable revenue by selling his works throughout the world at very large prices, and he feels that the best thing he can do with his proceeds of his artistic endeavors is to reinvest them in artistic
endeavors. I think that's important, because we have a time of very little government money, very little foundation money, and we wouldn't even want to be before you if we were talking about a situation in which we were taking resources away.

That's essentially the beginning of our presentation. Mr. Kayfetz would like to speak briefly on some of the environmental issues, and those of you that have been involved in environmental projects before can tell you, he is no virgin in the field. He has frequently been on the side of environmentalists who are opposing projects, and it was only after he took a look at this project in some depth, that he concluded that he could lend his reputation in the area of environmentalism to this project. Paul?

MR. KAYFETZ: Thank you very much. I won't burden you with an affirmative presentation. There's been more than 2,000 hours of professional staff time by the biologists, geologists, and others on doing the background work to make sure that this project is carried out and removed without any trace being left upon the landscape or upon the beach or the ocean floor. So rather than try to select from that a presentation for you, we will wait and respond to questions that you, your Staff or the public raise this morning.

Very briefly, I would like to give the bottom line on the Valley Curtain Project from page 175 of the book that you have in front of you. I think that sums up Christo's track
record better than anything else. There is a plaque and a key to the city that was presented to Christo and his wife, Jean Claude, at the conclusion of the Valley Curtain Project at Rifle, Colorado, after everything was removed and, according to the officials from Rifle, you can't now find any trace of the project. You can't tell that that project was ever there.

The plaque at page 175 reads: "Presented to Christo and Jean Claude by the citizens of Rifle, for their dedicated efforts in conceiving and achieving the Valley Curtain; a pure and beautiful tribute to the imagination of man." Signed by the Mayor of Rifle, in August, 1972.

With that, I would like to ask the project engineer, Dr. Ernest Harris, to speak for about one minute, and we will then end our affirmative presentation. Dr. Harris spent almost thirty years as the Chairman of the Department and the Professor of Civil Engineering at Southern Cleveland University. He went into private practice when he moved to Colorado, and shortly thereafter was retained by the State of Colorado to act as Colorado's policeman and technical expert in supervising the Valley Curtain Project there.

Dr. Harris completed that work, and I believe turned from a skeptic and critic of this type of art project to quite a fan and an appreciator of Christo's work and his quality of effort. With that, I will introduce Dr. Harris.

DR. HARRIS: As Paul Kayfetz told you, I was hired as
a watchdog for the State of Colorado on the Valley Curtain Project. My function was to guarantee for the State that all problems of public safety had been taken care of by the engineers who designed the structure for the Valley Curtain Project. This Valley Curtain crossed a state highway; therefore, they were somewhat concerned about it. Being assigned to that job, I was sort of forced to work on it, but I must admit that my opinion was slightly on the unfavorable side. I was, you might say, almost rabidly opposed to it. The employee, however, of an engineering firm usually does as he is told, or at least makes moves in that direction, and as I started to work on the job, I found that this opinion of opposition to it gradually changed to one of mild interest, and certainly to one of respect for the artist, even though I had not met him during the first year of the project.

The first year of attempt met with failure because of the inadequate preparation of certain steps by -- I suppose by the engineer and contractor at that time. During the second year then, Christo approached our firm and asked us to work directly for him, if the Colorado State Highway Department would release us from our contract. The highway department by this time was convinced that Christo was all right and the project was not harmful. They released us, and I went to work, through my firm of course, and directly for Christo, and this feeling, that was originally opposition,
changed quickly to one of sincere and strong interest, and I'd say at the end of the second year of the project, I was completely dedicated to it. I was highly enthusiastic about it. The remarkable thing about this is that this evolution of feelings was not unique to me, but it affected everybody who had anything to do with the project; anybody from the structural iron worker to engineer to night watchman and even spectators, and on the final day of the project, you would hear such things as, from spectators: "Well, I came here to have a good laugh, but, my God, this is beautiful," and they would go on raving about it for days. I think this evolution which hit me hits all, and I have every confidence that it will happen that way in California, too. Thank you.

CHAIRMAN CORY: Is there anyone in the audience who would like to speak against the granting of this permit?

(No response)

CHAIRMAN CORY: Is there any opposition in the audience?

COMMISSIONER DYMALLY: Mr. Chairman, I will be glad to move.

CHAIRMAN CORY: Mr. Dymally moves. I would like to ask a couple of questions.

COMMISSIONER BELL: Let me second, for the purpose of the motion, but for questions after.

CHAIRMAN CORY: Yes. I have a couple of questions;
do you want me to ask them?

COMMISSIONER BELL: At your pleasure.

CHAIRMAN GOUT: What specifically do you wish to do in terms of these tidelands which we are responsible for? We had a very nice view of the project, but very specifically, tell us what it is you propose to do, and what it is you propose to undo after you have done it.

MR. KAYFETZ: On the beach, beginning at the rather short bluff -- it's about ten feet high where the fence comes down off the hills on to the beach -- there will be ten upright stanchions placed, and those will be just a pole eighteen feet high with a big round bottom, like a manhole cover, and those will stand on the surface of the beach. Those will be put in place in approximately July or early August, and then later attached to them will be a cable running along the top. The outermost, or seawardmost stanchion will stand in two and a half feet of water at mean lower, low water. On out, in the ocean, will be a pair of large anchors and a cable will go from that outermost pole out to a bridle attached to those two anchors, and that is the only work that will be done until the second week of September, September 15th.

CHAIRMAN GORY: I have a question about the stanchions: If you start from the mean high tideline, how many of those stanchions would be in the water?

MR. KAYFETZ: Approximately eight of them, and those
will be put in place by a large helicopter so that no vehicles will have to pass on to the beach or on to any of the potentially erodible terrain in the area. Now, on September 15th, a nylon curtain, 18 feet high, will be hung from those stanchions. The stanchions across the beach are 62 feet apart. The curtain will be attached only to the side -- the seaward side of each stanchion, so there will be a large flap open on the landward side every 62 feet that will provide an opening large enough for people or groups to pass through without any inconvenience.

Now, on the portion of the curtain that's hung from the wire that stretches from the outermost stanchion where it stands in two and a half feet of water, out to the anchors offshore, a long curtain will be pulled out on little pulleys by a boat and stretched out so that it hangs above the water with small weights keeping the bottom of it right at or barely in the water, and that curtain and the other curtain will remain in place for a maximum of two weeks. After that time, the stanchions, the curtain, the anchors and every bit of equipment that's been put in place will be totally removed so that there will be no trace by the first weekend in October that this project had ever been there.

All of this work is being done under the direct supervision of a biologist hired by the County of Marin and paid for by Christo, as well as under the supervision of our marine
engineers and marine biologists and geologists.

CHAIRMAN CORY: What happens? Can you describe, or can the Staff describe this area, if you have these anchors and wires coming from it, and a bridle. Is there likely to be any interference with other users of the beach during this two-week period of time?

MR. KAYFETZ: No, for a couple of reasons. One is that this beach is virtually unused because the only public access to it involves approximately a four to five mile hike, and scramble along the shore over rocks that are submerged twice during the tidal cycle each day. To get to it from the landward side, one has to cross about three and a half or four miles of very steep terrain that's crossed by gulleys and has large ridges.

I have made that hike myself a couple of times, and can attest that no casual member of the public will try to get to the beach there. According to the Coastal Commission, the beach is used only by two or three of four fishermen on the most opportune fishing days -- those who are willing to make the scramble and try to time their access between the tidal cycles. It's for this reason that we have made arrangements with the adjoining property owner to allow those who would wish to view the project to drive on the roads within the Oceana Marin Subdivision to a look-out point high on the ridge above the ocean, and there, there will be uniformed sheriff's
deputy and civilian monitors to inform them and to make sure they don't attempt to scramble down on to the beach.

CHAIRMAN CORY: What about the ocean access; when you have these artificial structures, the anchor and the bridle, are they going to be marked with buoys or something?

MR. KAYFETZ: Yes. Those portions above the surface are actually in a rugged surf zone that is not navigable in any sense of the word. Those portions that are submerged that run along the bottom further out will be marked by an ample number of buoys with flashing light devices, so that, in the opinion of the Coast Guard and the Corps of Engineers, there is no hazard to navigation. There is virtually no use of this area of water anyway, but just as a precaution, we are doing these steps.

COMMISSIONER BELL: We have already answered the one I was most interested in, but I did hear you comment that you had a million dollars worth of insurance, and you have provided bonds for the two local areas involved?

MR. NEMEROVSKI: It's a million and a half, Mr. Bell.

MR. KAYFETZ: Yes. We have done that, and the State of California is a named insured on the insurance policy, and is one of the parties that has access to these bonds should, within the four-year period after the project is completed, there be any failure to live up to the conditions or to totally remove the project and all of its artifacts.
MR. NEMEROVSKI: That doesn't mean it's going to take us four years to remove it should we blow it at any time; you have got four years to find it.

COMMISSIONER BELL: Do we have any tort liability problems here?

CHAIRMAN CORY: Attorney General, do we have any?

MR. TAYLOR: We are covered by insurance. I think it would depend on what happens.

MR. KAYFETZ: Our liability insurance policy is a comprehensive general liability policy. The State is a named insured on that, so that under the insurance policy, legal counsel and costs would be provided by the insurance company should anyone sue the State for any type of a tort liability.

MR. TAYLOR: Whether we have liability or not would depend on the facts and circumstances.

COMMISSIONER BELL: Thank you, Mr. Chairman. That answers the questions I have.

CHAIRMAN CORY: How about the bond question. There is one $100,000.00 bond, and one $50,000.00 bond?

MR. NEMEROVSKI: There is one 150 and one 50.

CHAIRMAN CORY: And those are for --

MR. NEMEROVSKI: Compliance with the conditions that were accepted and imposed with respect to Marin County and Sonoma County --

CHAIRMAN CORY: Okay. Is the project willing to
provide similar bonds for that portion which is on State property for the removal of those structures, to cover the cost?

MR. KAYFETZ: We have already done that within the $50,000.00 bond that was required, and agreed to by Marin County. The portion that covers the State tidelands is covered within that bond, so you are covered up to $50,000.00 for your 600 feet.

CHAIRMAN CORY: The only question I would like resolved, and perhaps it would take the Staff to actually do that, if there's favorable vote at this point, I would hope that it would be with the understanding that an amendment to the motion that the legal niceties make sure that the State is in fact protected for the removal of that, and that we could unilaterally move without going through any other party to remove that portion which is on State property and make sure that you are not --

MR. TAYLOR: Your rights are not going to be derivative, they'll be direct --

CHAIRMAN CORY: Yes, direct, and also that we are not double accounting if it takes $65,000.00 to remove that portion, that we aren't out on a limb for $15,000.00 of it or something, because it's on tideland.

MR. NEMEROVSKI: We would acquiesce in any such arrangement the Staff desires.
CHAIRMAN Cory: As you understand it, the bond is sufficient to cover whatever the county wants, plus whatever is on State property?

MR. Kayfetz: Yes, Mr. Chairman, it is.

CHAIRMAN Cory: If not, that deficiency would be corrected?

MR. Kayfetz: Yes, it will.

MR. NEREROVSKI: I believe your Staff has spoken in terms of about a $5,000.00 bond as being necessary to cover the State's interest.

CHAIRMAN Cory: I don't know what that amount is, but if you are planting the stanchions by helicopter and all of that, and if it's difficult -- navigable -- whatever that amount is, I would want it taken care of. I think it's understood. Any other questions?

COMMISSIONER BELL: No, I have none.

CHAIRMAN Cory: We ask one more time; is there anyone in the audience who wishes to speak on behalf of this permit or against this permit?

(No response)

Hearing none, we are ready. All those in favor?

COMMISSIONER BELL: Aye.

COMMISSIONER DYMALLY: Aye.

CHAIRMAN Cory: Aye. Opposed?

(No response)
CHAIRMAN CORY: It is a unanimous vote.

MR. KAYFETZ: Thank you, Mr. Chairman.

CHAIRMAN CORY: 5(b), Engineering Science, Inc.

MR. NORTHROP: 5(b), Engineering Science, Incorporated, has asked for a permit --

(Brief discussion off the record)

COMMISSIONER DYMALLY: I just want to announce for the record that the Lieutenant Governor's office has a library.

(Laughter) I just made that announcement.

CHAIRMAN CORY: Okay. Mr. Northrop, go ahead.

MR. NORTHROP: Engineering Science, Incorporated, has asked for a permit to deploy three current metering stations in Monterey Bay. The question was raised earlier with the Staff as to what the reason for this -- and we're in the process of investigating that; however, the permit is here and they have complied with the requirements.

CHAIRMAN CORY: Will the Lands Commission get all of the data from the meterings?

MR. NORTHROP: Yes. That will be available to us for public information.

COMMISSIONER BELL: I would move.

COMMISSIONER DYMALLY: I second.

CHAIRMAN CORY: Mr. Bell moves; Mr. Dymally seconds.

Without objections, such will be the order.

(c). We will move now to Beverly Dikas.
MR. NORTHROP: In 1971, on April 1st, Beverly Dikas constructed a residence, boat shed, walkway and pilings on State lands, and she has now come in for a lease on that property. This is a typical lease and, should the facilities fall into a state of disrepair and not be corrected, we will remove them, and if she sells the property within that period of time, they will probably revert to the State, this area.

COMMISSIONER DYMALLY: Any objections to this lease?

COMMISSIONER BELL: I have no questions.

COMMISSIONER DYMALLY: Mr. Bell moves.

CHAIRMAN CORY: I second.

COMMISSIONER DYMALLY: Such will be the order.

MR. NORTHROP: The next two things are lease cancellations, Mr. Governor, Mr. Bell. The River Mansion Development Corporation -- I think the best we can say is: "They ain't paid the rent," so we think we ought to throw them out, and they haven't lived up to the terms of the lease, so this is authorization of the Commission, if we can't correct these deficiencies, to take steps to eject them.

COMMISSIONER DYMALLY: Does the corporation know that you are going to make a recommendation today?

MR. NORTHROP: Yes.

COMMISSIONER DYMALLY: Is anyone here from the River Mansion Development Corporation? If not, what do you want from us?
MR. NORTHROP: Approval to --

COMMISSIONER DYMALLY: Just a minute.

MR. McCONNELL: I just wanted to ask a couple of ques-
tions of the Commission.

My name is Darrell McConnell, and I represent the
California Marina and Recreation Association. Pertaining to
the River Mansion Development Corporation, is it the intent
of the Commission to dispose of the marina property on that --
on Steamboat Slough? Is it the recommendation of the --

COMMISSIONER DYMALLY: Mr. Northrop, would you like to
respond to that?

MR. NORTHROP: I'm really not sure what we are respond-
ing to. Jim, do you want to come up and handle this?

MR. TROUT: I am Jim Trout, Manager of the land
operations for the division. In the first place, the River
Mansion Development Corporation has had a lease for some
period of time. They have had an accommodation dock; there
was a restaurant there at one time. What we are proposing
to do is to terminate the lease and ask the former lessee or
the lessee to remove the improvements that are now placed on
the State tidelands. If he doesn't, then we will take whatever
legal remedies would be necessary to clear the land.

MR. McCONNELL: Well, because of the critical short-
age of docking facilities -- moorage facility -- here on the
Sacramento River, in what we would say an off-river situation,
we of the Marina and Recreation Association certainly ask that you consider, in disposing of that property, that you offer for public sale or through some other means to retain that facility down there. The space on the river is extremely critical. We have 28,000 registered boats here in the County of Sacramento, which is the third largest registration in the State, and to go in and tear out this facility, really, would be a travesty.

COMMISSIONER DYMAŁLY: Would it be proper for me to suggest that the Staff take into consideration the request by the Marina Association that, before destroying the property, we consider some alternative such as lease arrangements?

MR. NORTHROP: The problem with the Staff has never been tearing it out; the problem of the Staff is trying to get rent out of those people who are squatting on State lands. I think if we can have something that can be acceptable by the Federal Government and State Lands and Fish and Game, well, we've got no problem with renting things. The problem is trying to get people under rental, and this is the problem we will face in another agenda item today.

COMMISSIONER DYMAŁLY: Shall we suggest, then, the Staff take into consideration the shortage of docking space, and that we not proceed with destruction of the property until you come back?

MR. NORTHROP: Right.
MR. McCONNELL: That answers my question. I thank you very much.

COMMISSIONER BELL: We recommend or approve the termination with the understanding that, before the property is disposed of in that secondary action --

COMMISSIONER DYMALLY: Second by Mr. Cory. All in favor say aye.

COMMISSIONER BELL: Aye.

CHAIRMAN CORY: Aye.

For the record, I believe the stockholder of River Mansion Development is an acquaintance of mine. I would like the record to --

COMMISSIONER DYMALLY: Mr. Cory, do you abstain?

CHAIRMAN CORY: I'll vote against him.

COMMISSIONER BELL: That's okay. (Laughter)

COMMISSIONER DYMALLY: All in favor say aye.

COMMISSIONER BELL: Aye.

CHAIRMAN CORY: Aye.

COMMISSIONER DYMALLY: Unanimous vote.

MR. NORTHROP: We have the same situation of Time Oil Company. It has a lease from which the rent has not been paid nor has there been any improvement in the Carquinez Straits. We are recommending that --

COMMISSIONER DYMALLY: I think the rent has been paid.

MR. NORTHROP: The rent has been paid? Correction --
they have failed to make any improvements or do the things
they were supposed to do. We would recommend that this be
cancelled.

COMMISSIONER DYMALLY: They know that?

MR. NORTHROP: They have been advised.

CHAIRMAN CORY: Any questions or discussion?

Mr. Bell moves.

COMMISSIONER DYMALLY: Second.

CHAIRMAN CORY: Mr. Dymally seconds. Without objec-
tions, such will be the order.

Item (f), PG&E; is a marine terminal in San Luis Obispo
upon which, I believe, there was an environmental impact re-
port delivered to the members.

(Brief discussion off the record)

MR. NORTHROP: This is a 49-year lease, at $28,000.00
a year. However, this rental is subject to review pending a
rental change -- we will discuss in another item at this
time -- and it will be held open for one year for any change
in rentals to comply with our new standards,

CHAIRMAN CORY: Any opposition to this permit from
the audience?

(No response)

COMMISSIONER BELL: I move.

COMMISSIONER DYMALLY: I second.

CHAIRMAN CORY: Mr. Dymally seconds. Without objection,
such will be the order.

MR. NORTHRUP: Mr. Chairman, this is a littoral owner's permit for recreational pier permits and in line with the Governor's suggestion today, and the new regs that are in the process, the cost of processing this will be recouped by the -- we anticipate to recoup the costs of processing even though we are not allowed to charge a rental under the current --

COMMISSIONER DYMALLY: The new rental charge, you said that is statutory, is that right?

MR. NORTHRUP: Statutory, yes. All we can do is recoup what it costs us to process, which we have not been getting.

COMMISSIONER DYMALLY: Do you have the right of condemnation?

MR. TAYLOR: I don't know exactly how it would apply in this situation.

COMMISSIONER DYMALLY: What if we decided at some future date to use that space for public recreation, as it is now for private use? If they want to use that portion of the river bed for public use, should we condemn that pier? How can the State regain possession of that area?

MR. TAYLOR: It would depend upon the terms of the permit, Mr. Governor, but normally if they have a fixed term, there would have to be some settlement made with the private owner. Most of these recreation pier permits are on rivers
or lakes where people have -- in areas where there are
recreational cabins.

CHAIRMAN CORY: Huntington Harbor can hardly be called
cabins. (Laughter)

COMMISSIONER DYMALLY: I am not prepared to vote on
this, Mr. Chairman, and I would like, further, to move for
the disposing of this until a policy has been developed by
the Commission with reference to condemnation, rental, and I
recognize that it calls for statutory change, and we might
want to do that. I would like to move that this matter be
postponed until next month, so we can develop some policy
on it.

CHAIRMAN CORY: Are there any unforeseen problems if
we postpone this until the next meeting?

I think the bulk of these facilities that are existing
are renewals; I don't see any problem.

MR. GOLDEN: No problem that I see.

CHAIRMAN CORY: Without objection, we will put Item
5(g) over one month. One month to the next meeting.

Item 6(a), Bahia Homeowner's Association.

MR. NORTHRUP: The Bahia Homeowner's Association permit:
There are some homeowners that have docking facilities in
close proximity to residences, and it's silting up and the
problem is to dredge it. They propose dredging it, and paying
us ten cents a yard for the dredging, and the thrust of the
dredging is not for the spoils, but for access.

CHAIRMAN CORY: There will be spoils, though.

MR. NORTHROP: There will be spoils on their property, right.

CHAIRMAN CORY: We are getting ten cents a yard?

MR. NORTHROP: We are getting ten cents a yard and -- and it's not a desirable through put.

CHAIRMAN CORY: Another example of through put charges from your friendly State Lands Commission.

Mr. Dymally moves; Mr. Bell seconds?

COMMISSIONER BELL: Yes.

COMMISSIONER DYMALLY: Yes.

CHAIRMAN CORY: Without objections, such will be the order.

Ned Martin?

MR. NORTHROP: This, Mr. Chairman, is similar to the previous agenda item, excepting Mr. Martin is going to pay us ten cents a yard and dredge it and put the spoils on State lands, so we have a twofold benefit. Besides the dredging and improving the access, the water depth, the spoils remain with us so we are able to build up areas that --

CHAIRMAN CORY: How do you monitor the amount of yards in these?

MR. NORTHROP: We have the Staff on the -- Jim, how do you monitor that? (Laughter)
CHAIRMAN CORY: Do you have cross sections of the area now?

MR. EVERITTS: We do not have cross sections of the area now. We have never checked carefully as to the exact amount, but the dredge captain's reports are supposedly certified reports as the certified scales are and that's --

CHAIRMAN CORY: Is he contracting per cubic yard of earth; of material moved or not?

MR. EVERITTS: They contract per cubic yards.

CHAIRMAN CORY: You should get a copy of that. I used to check through the Army Corps of Engineers. I am probably one of the few experts on calculating the amount of earth moved by a dredge.

MR. EVERITTS: We will check it.

CHAIRMAN CORY: Mr. Dymally moves; Mr. Bell seconds.

Without objections -- (Brief discussion off the record)


MR. NORTHROP: This is Mr. Thompson's area.

CHAIRMAN CORY: Mr. Thompson?

MR. THOMPSON: I believe we have a budget for State modification -- to augment the budget by $243,000.00 for salaries and benefits; increases for the field contract in the Long Beach unit.

CHAIRMAN CORY: Mr. Taylor, do we have any choice in this matter of the salary and benefit increase for the field
MR. TAYLOR: I believe this is a matter of discretion within the area of the cities.

CHAIRMAN CORY: It's the city's discretion?

MR. TAYLOR: As long as they do not abuse that; I don't believe that they do.

CHAIRMAN CORY: The question we are looking at by approving this is only one of abusive discretion; not that we have actually certified and believe that these people should get these salaries.

MR. THOMPSON: This comes up in the contractor's agreement between the City of Long Beach, and the field contractor. In Article 15 it talks about the field contractor's employees and their hours of labor, and conditions, and says that it will be approved by the City Manager. It shall be comparable to similar positions held in the industry.

MR. TAYLOR: From the Staff work that we have seen, they have compared the salaries received by each of the various companies in the industry and made averages, and I believe that information is available for the Commission. Based upon that, the city has made its determination based upon prevailing wages in the industry.

MR. NORTHROP: Mr. Chairman, I had an opportunity to talk to the City Manager, Mr. John Mansell, regarding this point and he assures me that his staff will diligently work
to see that this is within the area.

COMMISIONER BELL: Move.

COMMISIONER DYMALLY: Second.

CHAIRMAN CORY: Mr. Bell moves; Mr. Dymally seconds.

Without objections, the item will be approved.

MR. THOMPSON: Item 7(b), then, is the ninth modification of the 1974-1975 plan of the budget. Here we need another $1,368,000.00 for ad valorem taxes in the Long Beach...

CHAIRMAN CORY: This is again an automatic item -- I mean the contract, or whatever it is.

MR. THOMPSON: Well, if we don't pay the taxes, I suppose the assessor will put a lien against us.

MR. TAYLOR: It specifically provided in the agreement that we pay the taxes, and that was one of the ways to maximize income to the State.

MR. NORTHRUP: Mr. Chairman, along this line, may I say that we are meeting next month in Long Beach and, in line with the Governor's request that we delve into various areas, this is one area that we are going to treat in depth, in this administrative report next time, as to what the ramifications are, because we will have before us at that time the total Long Beach budget for '75-'76.

MR. THOMPSON: To date, there has been about seventy million dollars in taxes assessed against the titled properties. The State of California has paid about forty-eight
million dollars of this. This is a possessory interest --

COMMISSIONER BELL: Move.

COMMISSIONER DYMALLY: Second.

CHAIRMAN CORY: Okay. Mr. Bell moves; Mr. Dymally seconds. Without objections, such will be the order.

7(c). It’s the normal subsidence, Mr. Thompson?

MR. THOMPSON: This actually is not. We are looking at a co-op agreement, I believe, and all this says is that we have cooperative agreements between adjacent properties where water will be injected. All we want to do here is replace a well that’s gone bad with another well, within a particular area.

COMMISSIONER BELL: Move.

COMMISSIONER DYMALLY: I second.

CHAIRMAN CORY: Mr. Bell and Mr. Dymally move and second. Without objections, such will be the order.

(d).

MR. THOMPSON: This is merely information for revenue from Parcel "A" -- contracts.

CHAIRMAN CORY: What is the information?

MR. THOMPSON: We make an annual estimate of revenue in the project and then we report quarterly on our progress.

CHAIRMAN CORY: We might be interested in that.

MR. THOMPSON: Right now, we think that we will be about five percent low for estimate of revenue. This is a
combination of our revenue being down, gross revenue being
down, and higher costs.

COMMISSIONER BELL: How does this tie in with your
March 1st estimate?

MR. THOMPSON: It's in line.

(Brief discussion off the record)

CHAIRMAN CORY: (e).

MR. THOMPSON: The next item primarily -- the next
three can be taken together. (e), (f), and (g) are prior
approvals of subsidence projects for the City of Long Beach.

CHAIRMAN CORY: Any questions from members? Without
objections, it will be approved.

Next item, (a).

MR. NORTHROP: This 8(a) is our attempt to have hear-
ings on proposed new rental rates for the State lands, cover-
ing through put -- covering areas of rental on -- changing
the present six percent rate to a different rate and authori-
ization for the Staff to have hearings and report back to the
Commission, not only the results of these hearings, but the
results of other surveys that we have initiated in this area.

CHAIRMAN CORY: Okay; any questions by members? You
guys will go out and conduct the hearings?

MR. NORTHROP: Yes. We'll go out and conduct the hear-
ings and report back.

CHAIRMAN CORY: That's proper to have the Staff conduct
the hearings?

MR. NORTHROP: Mr. Chairman, there is nothing that prohibits --

CHAIRMAN CORY: I've got no interest in sitting at any more meetings than I have to. (Laughter)

MR. NORTHROP: Okay.

CHAIRMAN CORY: Without objections then, 8(a) will be approved.

9(a), Retrocession of Jurisdiction. That sounds kind of exciting.

MR. NORTHROP: Let Jim Trout explain retrocession of jurisdiction.

MR. TROUT: There are provisions in the Government Code whereby the United States can take exclusive jurisdiction over various enclaves within the State of California. These enclaves, then, are exempt from State taxes and other applicable State law. What the United States is asking is to go into concurrent jurisdiction; relinquish exclusive jurisdiction in these five national monuments. They have reimbursed or deposited with the Commission an amount to reimburse us for the cost of public hearings required. It's to share the police power with the State, again, in these areas.

COMMISSIONER BELL: Does it share or does it leave on our shoulders the police power problem?

MR. TROUT: Well, what it means is that primarily the
local county will pick up the police requirements, the police jurisdiction.

COMMISSIONER BELL: We get everything but the title?

MR. TROUT: Yes, the Federal government owns the title, and we just can assess taxes and enforce State laws and we will go to a hearing, and we will contact the local counties and/or the other jurisdictions that would be involved to see if they have any problems.

CHAIRMAN CORY: Any further questions?

MR. TROUT: This will come back to the Commission.

CHAIRMAN CORY: Okay. Without objections, we will authorize the hearings.

10(a).

MR. NORTHRUP: This is an authorization of an easement for three parcels of land for the City of Los Angeles, Department of Water and Power. We are, in effect, selling the property to them for the use of a pipeline. However, should the pipeline not be used or they abandon the line, the title reverts back to the State.

(Discussion off the record)

CHAIRMAN CORY: Any questions? Without objections, it is approved.

v(b). This is the item that was on last month, and were there any changes made?

MR. NORTHRUP: Yes. Dr. Joergenson has agreed --
CHAIRMAN CORY: They granted the additional easement?

MR. TROUT: We have also reserved the connection between the public road and the access across here. This is ten feet wide. We have reserved this as well as the area around Indian Creek and the old logging road access.

MR. NORTHROP: So, if we lose it on the Federal side, we are still --

CHAIRMAN CORY: Any questions?

MR. BELL: No problem.

CHAIRMAN CORY: Without objections, 10(b) is approved.

11(a). Disclaimer of Interest.

COMMISSIONER BELL: Do you want to talk about the Major Litigation?

MR. NORTHROP: Mr. Chairman, this is merely a request by the government asking if we have any interest in a piece of property in which there is some litigation pending. We have none.

MR. TAYLOR: Actually, it has been handled by the Staff. The Staff has researched the files of the State Lands Commission and finds that we have no interest in these parcels of property.

CHAIRMAN CORY: Tell me, is the land so poor the the Court had to appoint counsel to represent it in this case or -- the defendant seems to be --

(Brief discussion off the record)
Without objections, 11(a) is approved.

11(b).

MR. NORTHROP: Mr. Chairman, this is a request by the Staff to take the necessary steps to bring trespassers associated with the Sunnyside Resort of Lake Tahoe and Placer County into some kind of a lease or reject them.

CHAIRMAN CORY: Any questions? Anybody in the audience who wished to express themselves to this item?

COMMISSIONER BELL: No problem with me.

COMMISSIONER DYMALLY: Second.

CHAIRMAN CORY: Mr. Bell moves; Mr. Dymally seconds. 10(b), authorization will be extended. Without objections, such will be the order. 10(c) -- 11(c).

MR. NORTHROP: Major Litigation. The Attorney General's office has several pieces of litigation they would like to address the Commission on or to address the Commission and Staff counsel for the -- would like to move on a couple of problems.

MR. TAYLOR: Mr. Chairman, at the last meeting, you asked us to follow up on the Union Oil-Morton case. That case has been sent back to the District Court in Los Angeles, and is awaiting a further statement from the Department of Interior, as to the basis for the Federal Government imposing moratorium.

We are endeavoring to contact the attorneys in the
Department of Interior and Department of Justice to find out what that response is going to be. As of last week, they had not informed us as to their statement. There is no further action we can take with regard to that case until the Federal Government moves. We are watching the case and we will keep you informed.

The FBA cases -- our service has been made, and we are waiting for a file date. We have been contacted; one of the FBA cases with regard to an interest in whether we wish to discuss the possible settlement with them, and that item will be reported on next month after the Staff has had time to consider it. We have coordinated with Mr. Northrop and with the Governor's office, and with the new Energy Commission, and I have been asked to go back to Washington, D. C., this afternoon for an offshore leasing meeting of the Attorney Generals of the Atlantic Coast States and the National Association of Attorney General Tideland Committee. It is our understanding that this meeting will be to discuss the effects of U. S. versus Main, and will be an endeavoring to adopt a uniform policy for revenue sharing for offshore leasing. I have had extensive conversations with Mr. Northrop. I have your views, I believe, on that. I have the views of the Governor's office, and we will file with you a complete report as to the thinking of other Attorney Generals.

Basically, we will work in coordination with the
Commission, and the Commission's desires and the desires of
the Governor in this connection. The Attorney Generals are
hoping for a fifty percent split with the Federal Government
on revenue sharing; at least that's their opening position.

(Brief discussion off the record)
Fifty percent to the coastal states.
CHAIRMAN CORY: Any questions from the members?
MR. NORTHROP: Mr. Bob Hight, Staff Counsel has liti-
gation he would like to report on.

MR. HIGHT: I would like to just briefly bring you up
to date on where we are on the lawsuits on the Sacramento
River. We, as you know, have filed two lawsuits, and we have
had one meeting with Mr. Shultz, and he has expressed a desire
to settle the case and we are currently negotiating a -- hope-
fully, a settlement.

The other lawsuit: The time for answering on the
pleadings has not yet arrived, and we have had telephone con-
versations with Mrs. Avila's attorney, and they have also
likewise expressed a desire to settle the matter out of liti-
gation.

Last Monday night, Jim Trout, Les Grimes and myself
met with members of the Marina Owners Association and, at the
request of Mr. Biddle, and we explained the basic State Lands
Commission's leasing policies and procedures to the operators
and, hopefully, they understand where we are.
CHAIRMAN CORY: Any questions from the audience?

MR. MCCONNELL: Mr. Chairman, I have a couple of comments on that.

CHAIRMAN CORY: Come forward and identify yourself for the record.

MR. MCCONNELL: My name is Darrell McConnell, and I represent the California Marina and Recreation Association. I also attended the meeting last Monday night, and may I say at the outset there is considerable confusion among the marina operators, and I do believe among the Staff of the Commission relative to these land use permits.

Mr. Schultz, in the case, and I don't think I should bring this up because it's under litigation at the present time, and I hope there will be a nice settlement; a peaceful settlement of this whole thing.

There are marina operators on the Sacramento River who are affected and, as I understand by your statement, Mr. Cory, that there will be other marina operators on other navigable waters here in California who will be affected by this, but who basically have had no knowledge that such permits were needed. There has been no communication from the Commission to these people when they purchased marinas, et cetera, and down the line to the fact that they were going to be affected and would be subject to penalties in case they did not take out the permit.
Now, I feel that, or the association feels that, with this lack of communication and lack of understanding on the marina owners' part; now, we have talked about letters that were sent to certain people in 1961, 1964, 1965, nothing current along the line. I feel that, if these marina operators -- and they change hands considerably -- they are like boat owners; they keep a boat for two or three years and they become disenchanted and they sell their boat. The same thing happens to marina operators. There has been a great expansion in large corporations going into the marina operation throughout the State.

It would be our suggestion of the association that possibly we begin to consider to start now at ground zero, put out the rules and regulations, and I am sure that these marina operators will comply if they have the knowledge of what they are supposed to do.

CHAIRMAN CORY: You are suggesting that the fact that there are laws already on the books saying that they were supposed to have these permits; that that's not sufficient notice? Somehow we should send an individual letter to everybody saying that they ought to obey the law or something.

MR. McCONNELL: Mr. Chairman, I believe that, say, lack of knowledge on the part of the marina operator is grounds for -- or lack of knowledge even on the part of the attorney. Say, in the case of Mrs. Avila, she had no idea that she was
supposed to get a permit from the State Lands Commission, and here she purchased some property from the other party without any knowledge at all.

CHAIRMAN CORY: The Resources Code is relatively explicit, I believe.

MR. HIGHT: It is very explicit. It says that the State Lands Commission has jurisdiction and you shall get a permit.

CHAIRMAN CORY: To do what you suggest puts the State Government in a position of informing each citizen individually of each Code change in the law.

MR. McCONNELL: Do you have the record of the marina operators or the purchase dates when they purchased marinas or what have you?

CHAIRMAN CORY: It's totally irrelevant, sir. That's not the point. The point is that there is a law. It was passed by the Legislature and signed by the Governor and the people of California are supposed to abide by it, and that law says that those waterways belong to the people, and if you want to intrude upon them, you must get a permit. Now, that is the notice. That notice was done -- public meetings, chapter bills. What you are suggesting is that we have some further obligation to seek out who it is that goes out and decides they want to go into the marina business. I am suggesting to you that that's totally impractical to place that
burden upon the government. If a man wants to go into business
or if he wants to build a pier, he has got the problem of know-
ing what the law is.

MR. McCONNELL: But, if you want to collect a tax,
you send out a notice, do you not, sir?

CHAIRMAN CORY: If we want to collect a tax, that's a
right. But, these people are trespassing on State property
is what they are doing. They are doing it without a permit.
I think that's the law.

MR. McCONNELL: Well, it would be my suggestion, then,
that either the legal section or the enforcement section of
the Commission then should keep a record of the changes in
marina operators, et cetera, and at the time that they purchase,
then advise them of what they have to do. I realize it's a
little of the --

CHAIRMAN CORY: To start that places us in an unenvied
position of notifying all Californians -- we don't know where
all of those are -- that's one of the problems that we have
in terms of the administration of State lands, and I think
that the suggestion is not very practical, and it places us
in an obligation of having informed some and not others, which
is a far worse situation.

COMMISIONER DYMALY: Would you apply that to all new-
comers to the State with reference to the legal code?

MR. McCONNELL: Well, I think the California Highway
Patrol pretty well takes care of that, if they are with an out-of-state license, et cetera.

COMMISSIONER DYMALLY: -- the Department of DMV does not write them and say, "here is a copy of the Vehicle Code and that's your responsibility," right?

MR. MCCONNELL: Well, Governor, you know as well as I do that, if you are going to collect what is due you, then you should give proper notice, et cetera. In the discussion last Monday evening there, it developed that there had been no communications since, say, 1965 in some cases where, on these permits, these people were not aware that they had to do it. They are paying their taxes; they are doing this; they are doing that.

COMMISSIONER DYMALLY: That might have been the fault of the Commission, because of its inability to enforce the law, because of Staffing problems or whatever.

MR. MCCONNELL: Yes, you had three investigators and --

COMMISSIONER DYMALLY: The fact of the matter is that they were violating the law, and you say that we ought to -- do you apply that to the kid who robs a bank and you want to counsel him after he has violated the law? Are you saying that we ought to give them counsel through the mail after they have violated the law; is that what you are saying?

MR. MCCONNELL: No, sir. I mean when you are not aware of what is required, that no notice is sent to them. Now
there has been no practical enforcement, as I gather. Now, I
have only represented the association for about a year, and I
am not fully cognizant of all that has gone on in the past.
But, what I am saying is the fact that, if there's been no
enforcement by the Commission in the past, that this has just
been a rule that's been on the books, and all of a sudden we
make a big statement that -- to say that, okay, you owe all
these penalties over the past period of time that you have
owned this property.

COMMISSIONER DYMALLY: I don't want to continue this.
All you are saying, in effect, is if you go and squat on State
land, and you are telling me that you don't know that's a
violation of the law? If you build a house, a pier, or
a marina on somebody else's land, and that you --

MR. MCCONNELL: Wait a minute. They own the land, sir.
They bought the land.

COMMISSIONER BELL: The title report probably has a
restriction.

MR. MCCONNELL: Well, the title report says, in the
case of the recent sale to Mrs. Avila, do you know that there
was no title ever cleared on this property? Well, that's
something the attorney should have done, but in case there,
again, the party did not know --

COMMISSIONER DYMALLY: I suspect that you would not put
the person on the river, as an illiterate person who doesn't
know the law. I bet you wouldn't put them in that classification. The farm worker comes here from Mexico and he's expected to know every California law, and if he doesn't, he gets arrested. Here are sophisticated people who go on the river, and you are saying that the State has to tell them, counsel them through the mail, about the law. I am for what you are suggesting, but I want it to apply to the farm worker and the unemployed ghetto resident too. On every Court, all

MR. MCCONNELL: That's why we are trying to put out notices in Spanish and English and what have you and try to include it in the law that way. We're getting off the page a little, but it was only a suggestion of the Marina and Recreation Association that we look into this matter just a little bit further before we start taking cases to Court. In the cases of the one individual marina in here, I think that we can sit down with the Commission, Staff and possibly work out something.

CHAIRMAN CORY: Question, Mr. Taylor: What about the question of gifts for public funds. Do we have a right to forego those permits?

MR. TAYLOR: I think this has been an area of extreme interest to the Legislature in the past. Obviously, we cannot give away public property. These is also the problem that -- I would like to correct the impression that has been given.
I believe that the State Lands Commission has been doing every-
thing within the current staffing to place under lease all
trespassers that have complied, and certainly highways have
included waterways. Waterways are considered to be of public
access. Certainly, anyone would say that they have a right to
go up and down them and if someone encroaches into that, they
know that they have got to get permission to do so. I don't
believe that they will take the position that anyone has the
right to have that. There are 25,000 miles of shorelines in
this State, and that does present some problems sometimes, as
far as catching up with people, but there has been a program
of catching up with people throughout the State, and this is
trying to intensify it.

MR. MCCONNELL: Well, the intensification, I think, of
what has gone on in the past should certainly be considered,
Mr. Chairman, and where you had three investigations from the
State and now you have got twelve, you have got a stepped-up
program but, at the same time, I think that we should start
from a ground level and work on this thing and I know that my
marina operators and the people in the marina operation busi-
ness will certainly comply.

COMMISSIONER DYMALLY: Suggestion: In your next
bulletin, put a front page story: "If you are uncertain about
the law, call the Lands Commission."

MR. MCCONNELL: What we have done: Now, the Commission
was nice enough through their public relations department to
send us out a letter which went into our current newsletter
advising the marina operators of this condition.

COMMISSIONER DYMALLY: Fine.

MR. MCCONNELL: This has already been done and we
appreciate the cooperation there.

COMMISSIONER DYMALLY: I commend you for that.

MR. HIGHT: Mr. Cory, to answer your question correctly,
the Constitution prohibits the gift of public funds.

CHAIRMAN CORY: The Constitution, then, probably gets
in the way of having lacked some of the -- training of some
of the people in State Government. I'm not so sure I'm pre-
pared to forgive the trespassers. (Laughter)

MR. MCCONNELL: However inequitable it may be sometimes.

CHAIRMAN CORY: I try to do it pleasantly.

MR. MCCONNELL: Thank you so much.

CHAIRMAN CORY: Where are we on the next item?

MR. NORTHROP: 12; Agency Permits, County of Tehama.

CHAIRMAN CORY: (a), County of Tehama.

MR. NORTHROP: They have asked for a foot bridge; a
two-lane bridge with provisions for pedestrian traffic. The
Staff feels that it is within the area.

CHAIRMAN CORY: Mr. Bell moves; Mr. Dymally seconds.

Without objections, such will be the order. Item 13.

MR. NORTHROP: Item 13, Mr. Chairman, Members, the
administration, particularly the resources secretary, has asked
that we have available a meaningful outline of how to apply
or what we require in the various EIR's, and in this item we
have prepared that with the assistance of the Attorney General,
and both our Lands Staff and our Mineral Staff have had input
and we have now put these regulations together.

COMMISSIONER BELL: Is this emergency regulation?

MR. TAYLOR: No; this has been done pursuant to public
meetings. This was authorized at the first regular meeting
on January 30th; public hearings have been held and the Staff
is now reporting back to the Commission for adoption. This is
a regular procedure.

CHAIRMAN CORY: The proposal that we have before us
at the public hearings, were there people who objected to any
of the --

MR. TAYLOR: No one appeared at the public hearings.
(Laughter, followed by discussion off the record)

COMMISSIONER BELL: By the way, we have to meet that
deadline by April 30th.

CHAIRMAN CORY: Mr. Bell moves; Mr. Dymally seconds.
Without objections, such will be the order.

Our next meeting will be Wednesday, April 30th at
10:00 A. M. in Long Beach, unless we schedule a separate meet-
ing for either litigation or special hearings that we have
agreed to.
MR. TAYLOR: There are two possible matters that might be on for litigation purposes next month.

COMMISSIONER DYMAILY: Could we arrange to visit an offshore well in Long Beach?

MR. NORTHROP: Yes, sir.

COMMISSIONER DYMAILY: Thank you.

CHAIRMAN CORY: How do we handle that in the Proposition Nine report? (Laughter)

MR. NORTHROP: Well, I think we have a right to look at it; we are paying for a part of the facility.

CHAIRMAN CORY: But, who pays for the trip? Somebody ought to just go through that to make sure that we -- the Commissioners are informed of how they should handle the transportation logistics.

(Discussion off the record)

MR. NORTHROP: Mr. Chairman, the next item on the agenda is the continuation of my report which is the proposed and pending legislation. Mr. Dick Atlee, our legislative liaison, will be handling that.

COMMISSIONER DYMAILY: I want to hear the report, but I also want to recommend that we not take any position on any of these bills until I have had a chance to review it with the Staff and come back, because I think we can probably solve some of the problems by communication with the authors of some of these bills for amendments or withdrawals of the bills. (Thereupon the reported portion of the meeting was concluded.)
State of California
County of Sacramento

I, ROBERT L. GOLDEN, JR., a Notary Public in and for the County of Sacramento, State of California, duly appointed and commissioned to administer oaths, do hereby certify:

That I am a disinterested person herein; that the foregoing State Lands Commission meeting was reported in shorthand by me, Robert L. Golden, Jr., a Shorthand Reporter of the State of California, and thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said hearing, nor in any way interested in the outcome of said hearing.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal of office the 15th day of April, 1975.

ROBERT L. GOLDEN, JR.
Notary Public in and for the County of Sacramento, State of California
PARTIAL TRANSCRIPT

STATE LANDS COMMISSION

Meeting of March 31, 1975

(Discussion of
Proposed and Pending Legislation)

PARTICIPANTS

Kenneth Cory, Chairman, State Lands Commission
Mervyn M. Dymally, Member, State Lands Commission
Roy M. Bell, Member, State Lands Commission
William F. Northrop, Executive Officer, State Lands Commission
N. Gregory Taylor, Deputy Attorney General
Walter R. Atlee, Legislative Coordinator, State Lands Division

* * *

MR. NORTHROP: Mt. Atlee will make the presentation on where we are on the legislation.

MR. ATLEE: I will attempt to be as brief as possible on this. Each of you have been provided with a package of 12 proposed bills which could be introduced on behalf of the Commission. They all amend the Public Resources Code to resolve problems or add new provisions which would aid the Commission in its administration of energy and land management problems. I will be talking to each of your offices further to coordinate this.

MR. DYMALLY: You're talking about the proposed legislation?

MR. ATLEE: Yes
MR. DYMALLY: I have reviewed that and see some good items in there.

MR. ATLEE: Yes, all the bills have been drafted, and I will be coordinating that directly with your office in the near future. The other part of the presentation I was prepared to make regards pending legislation. There are a number of bills that have a significant impact on the Commission. Deepwater ports, oil pollution control authority, and potential reorganization within the Resources Agency. All of these would indicate that the Commission should adopt an oppose or support position. Due to existing procedures for legislative analyses, we have encountered a number of problems. This leads to the last portion of my presentation which deals with the placement of the Commission in State Government. Now, I don't know whether you would like to go into that.

MR. DYMALLY: Yes, I would like to, very much.

MR. ATLEE: As it is under the law, the State Lands Commission and the State Lands Division are located in the Department of Conservation. This is a paper placement only but it would appear that the Commission is subordinate to --

MR. DYMALLY: Is that in the statutes?

MR. ATLEE: Yes, it is, and we have had a number of problems trying to cooperate with the Resources Agency because there are a number of times the decisions that have to be made are ones that involve other departments within the Resources Agency, and State Lands sometimes comes out on the short end of these decisions.
MR. DYMALLY: Let me just interrupt you to say, as I have said to the staff and I think I need to go on record on this, that I believe because of the nature of the Commission with two elected representatives both of whom campaigned on this issue across the State, that the Commission ought to be an independent agency. It is not a typical agency, it is a unique agency in that you have two statewide elected officials responsible to the voters. I would suggest we put the Commission right here (pointed to area on State organization chart with other independent Boards and Commissions).

MR. ATLEE: That is one of the alternatives I had prepared for you. In this you indicated the state Lands Commission would be floating free within the Executive Branch without any subordination to any department or agency. This is one of the alternatives that I had suggested you consider. Another would be, because of the nature of the Commission's programs, that you may wish to consider having the Commission floating free within the Resources Agency. These are things I'll come back to and discuss at greater length with your office. There are several alternatives, and I do think the Commission does need to clarify the law so that no one could possibly misconstrue the fact that the Commission is not subordinate to the Department of Conservation.

MR. DYMALLY: Let me tell you my bias right now. I would not support any proposal other than Proposal One. We might as we stay where we are. You can talk to the other Commissioners about it, but you don't need to talk to me about it.
MR. DYMALLY: Let me suggest loudly since in recent years the Lands Commission has taken on some new significance with the emphasis on the environment, the emphasis on energy, and the short supply of oil, it is no longer an agency where we sit routinely and pass permits for piers and harbors and so on. It seems to me because at least two members on this Commission must respond to the public, you in terms of your conduct of this Commission ought to be one not subordinate to an appointed person, but subordinate to the people directly. If we want to change the structure of the whole Commission, that's fine, but as long as there are two statewide elected officers on the Commission, then that Commission ought to be independent as is the Energy Commission.

MR. TAYLOR: Governor, I excused myself from the table since I consider legislation not to be something within the purview of our office, except in this regard, that the Attorney General's office has consistently advised the State Lands Commission that it is an independent agency and we would support your legal position to take an independent position. There is a question of how you get along with everyone and that is why we are refraining, but if it comes down to a question of your legal authority, we believe you have exclusive jurisdiction in this area, and in past times we have supported the Commission in that position in similar discussions with similar agencies.

MY DYMALLY: Let me ask a question because I think we are going to get into some administrative problems and let's clarify the position legally. Does that mean that this Commission has jurisdiction, full jurisdiction and management over its staff?
MR. TAYLOR: Yes, you have exclusive jurisdiction, Governor.

MR. DYMALLY: On matters of legislation also?

MR. TAYLOR: Yes.

MR. DYMALLY: Explain that to me.

MR. BELL: Does the Executive Secretary serve only at the pleasure of the Commission?

MR. TAYLOR: Yes, Mr. Northrop serves at your pleasure.

MR. CORY: And don't you forget it.

MR. DYMALLY: In other words, we are much like the Public Utilities Commission as indicated on that chart in terms of the diagram.

MR. TAYLOR: There is an analogy there - yes Governor. You have a reporting function in Resources, and, of course, there is a delicate situation with the Executive Department, and it is a question of accommodation, but the legal authority for exclusive jurisdiction over State granted lands is in the Commission.

MR. CORY: What happens, as a matter of practicality, if the person who is sitting as the Secretary of Resources looks at her organizational chart and sees State Lands there and says all right, I want you to do this, and the Lands Commission is directing the staff to do something else.

MR. DYMALLY: Let's take a real one. Let's take SB 451; there is no such bill. We say support, and they say oppose. Where does that leave the staff in terms of direction?

MR. ATLEE: Thus far there have been three such situations arise already this year, where the staff has recommended support positions on legislation because they would be in the best interest of the Commission, and the Resources Agency has
changed these positions.

MR. DYMALLY: Let's take that as an e.g. What do we do?

MR. TAYLOR: You have the authority to take an independent position, Governor. The question is one of accommodation with other agencies and how everyone gets along, but you have the independent authority.

MR. DYMALLY: How about the staff? Where does the staff take their orders from in terms of this particular bill.

MR. TAYLOR: The staff would take its orders from the Commission.

MR. DYMALLY: How come he is not taking notes? How come the stenographer is not here?

MR. NORTHROP: This is being taped.

MR. DYMALLY, Oh, this is being taped. Fine.

MR. TAYLOR: Because of the reporting responsibilities, this could lead to some interesting situations, but you have the independent authority.

MR. DYMALLY: Mr. Deputy Attorney General, I am requesting from you a written opinion on that.

MR. NORTHROP: According to the new law we have Governor, we can't ask for the Attorney General's opinion until we have cleared it through the Resources Agency.

MR. DYMALLY: I am asking for it. The Lt. Governor, Commissioner of the Lands Commission, is asking for that, okay?

MR. TAYLOR: We'll respond Governor.

MR. BELL: I think the real catch here, and you know this better than I, is that we have numerous independent Boards and Commissions and it depends on the enabling statute as to whether
it says that it has its own staff or, when it doesn't say, then generally the staff is ministerially put under some other agency. That is really the awkwardness here.

MR. DYMALLY: Yes, and I think that could be resolved by taking us out of the Resources Agency.

MR. BELL: I think then, if you don't mention anything, it automatically becomes independent doesn't it?

MR. DYMALLY: Well, not in terms of -- the problem is not so much with the Commissioners as it is with the staff.

MR. BELL: Oh yes, it's the staff and that is true with most independent Boards and Commissions.

MR. TAYLOR: Well Mr. Bell and Governor, this staff is unique in that there is a union of this staff and the Commission that does not exist in agencies like the Department of Fish and Game and the Fish and Game Commission. In other words, the Executive Officer of this Commission works for the Commission and is in charge of the Division.

MR. BELL: The two Retirement Boards are similar to this. For example, the State Allocation Board - the Board is under the Department of General Services; the Board itself is independent.

MR. TAYLOR: That's right but in the instance of this Commission, it is unique. I had quite a readjustment when I worked for agencies to at times find that the Commission and the staff can be completely different, but in this particular agency, because of the control of the agency over the Executive Officer, this agency is one - the Commission and staff.

MR. CORY: If we have the Executive Officer and say, Jim Trout, and the Resources Secretary tells Jim Trout to do
one thing and the Executive Officer tells Jim Trout to do something else, what will Jim Trout do? Now that is the thing that needs to be resolved.

MR. TAYLOR: This problem has occurred about every three years, and has

MR. DYMAVL: It is usually resolved the fourth year. To date this problem has been resolved in favor of the Commission and the fact that the staff reports to the Commission.

MR. BELL: The staff not just the Executive Officer?

MR. DYMALLY: That is correct. That is one reason why I think we ought to spend a little time with the Legislature so the recommendation comes from the Commission and not the staff. That puts it in a different light.

MR. CORY: Mr. Atlee?

MT. ATLEE: That's all I have.

MR. CORY: Are there any other questions on legislation?

MR. DYMALLY: In this case we need to find some authors for some of the --

MR. CORY: Yes Mr. Chairman.

MR. DYMALLY: Enough said. I will come back with some recommendations.

MR. CORY: I intend to agree with you in terms of the summary. The staff has some opposition things in here that I would hope you could work something out, because I would just as soon not oppose the majority floor leader's bill, and you could work those out.

Are there any other items to come before the Commission?
MR. NORTHROP: Mr. Chairman, just as a matter of interest. In case we have problems in Long Beach, the Department of Fish and Game has a boat, as long as we have no more than 13 people, they can take us around.

MR. CORY: Not with 13, we aren't going out!

Without objection no further items to come before the Commission we stand adjourned, subject to the possible two executive sessions.

Meeting adjourned at 11:45 a.m.