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MEETING
STATE LANDS COMMISSION

ROOM 6031
STATE CAPITOL BUILDING
Sacramento, California

March 31, 1975
10:00 A. M.

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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

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P R O C E E D I N G S

1
2 CHAIRMAN CORY: We will call the meeting to order
3 and acknowledge the presence of Mr. Dymally. Mr. Bell will
4 be joining us shortly, so we might as well go ahead and
5 proceed, unless we get into some sort of impasse in which we
6 need Mr. Bell.

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

9 COMMISSIONER DYMALLY: No, Mr. Chairman.

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

12 Mr. Northrop, would you report, please?

13 MR. NORTHROP: Yes, sir.

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

21 The City of Pittsburg had requested that their applica-
22 tion for a fishing pier permit be made an item in today's
23 agenda. The Staff was forced to deny this request for the
24 following reasons: The negative declaration and notice of de-
25 termination provided by the applicant were not in compliance

1 with the procedural requirements of the California Environmen-
2 tal Quality Act or the State guidelines.

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

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

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

24 (No response)

25 They advised me they would be here, and they are

1 apparently not, Mr. Chairman. This finishes my report, ex-
2 cepting two things that just came in:

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

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

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

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

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

23 CHAIRMAN CORY: Okay. Any questions from members?

24 COMMISSIONER DYMALLY: Just one observation with
25 reference to the application from Pittsburg. I would like

1 to review the whole question of applications for piers, by
2 political jurisdictions and by individuals. In the past,
3 it's my understanding that the Commission has granted per-
4 mission without charge to a number of people --

5 MR. NORTHROP: Public agencies, right.

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

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

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

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

25 (Brief discussion off the record)

1 CHAIRMAN CORY: Moving on to Item 4, permits, easements:
2 4(a), County of Marin and Wildlife Conservation Board, jointly.

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

5 MR. GOLDEN: Public agency's permit; for the construc-
6 tion and maintenance of a recreational boat launch facility
7 there, and here the public uses and benefits are considera-
8 tions with the right reserved to later set a monetary value.

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

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

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

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

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

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

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

21 City of Corning.

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

1 treated water that meets the requirements.

2 CHAIRMAN CORY: Any questions? Mr. Bell moves; Mr.
3 Dymally seconds. Without objections, such will be the order.
4 Item (c), City of Fairfield?

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

7 CHAIRMAN CORY: Any questions? Mr. Bell moves; Mr.
8 Dymally seconds. Without objections, such shall be the order.
9 (d).

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

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

17 MR. NORTHROP: Right.

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

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

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

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

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

7
1 Without objections, such shall be the order. Okay, we come to
2 Item 5(a) --

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

25 CHAIRMAN CORY: Would the proponents for Running Fence

1 Corporation come forward and identify yourself for the record,
2 and give us a brief indication of what is it you propose to do.

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

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

24 As the calendar summary indicates, what applicant is
25 seeking is a six-month non-commercial lease. What will happen

1 if this application is granted is that poles and sea anchors
2 will be in place for approximately three months, but then
3 for only two weeks there will be some fabric mounted on the
4 poles and on the cables, following which it will be removed --
5 it will be up during the last two weeks in September. When
6 that project is completed, it will be removed without a trace
7 of it ever having been there at all.

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

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

24 Number two, with the exception of his choice of counsel,
25 he has always gathered topnotch experts with him in the field

1 of environment, biology --

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

3 (Laughter)

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

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

23 We have determined that we will control public access
24 to the project to avoid any environmentally sensitive areas.
25 We have arranged, with respect to that portion, that subject

1 to your particular concern, that people who wish to view the
2 project as it emerges from the sea, for the short period of
3 time that it will be there, will be directed by 16 or 17 signs
4 located in the two county areas to a roadway which will take
5 them to a place called Oceana Marin, from which they can see the
6 project without any risk or danger, either to the environment
7 or to themselves.

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

15 In addition to this, there is a million and a half
16 dollars worth of insurance that has been purchased, and a
17 bond -- \$200,000.00 total so far -- has been obtained,
18 150,000 for Sonoma County and 50,000 in Marin, to guarantee
19 that all the conditions that have been posed by the govern-
20 mental bodies with Christo's concurrence will be complied
21 with. We are talking about making sure that he is not going
22 to walk off and leave the project with those conditions
23 unfulfilled.

24 Now, his philosophy is very important in this project,
25 because again, it is environmentally sensitive. I don't know

1 whether you will accept this at all, but some of us feel that
2 the only major project that we know of involving an expenditure
3 of a million bucks or more which gives tremendous attention to
4 environmental issues and to human issues and, symbolically,
5 when this major undertaking is done, it's the only construction
6 project I have ever seen that, when it's done, it's done, as
7 if it had never been there.

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

14 The last question, which I think is very relevant to
15 everybody, is: Where in the name of heaven does this money
16 come from? Is it foundation money; is it government money?
17 Is this money that is somehow being deferred from a project
18 that would be more socially important? I don't think we want
19 to deal with the question of what's more socially important,
20 but I think it's important for you to know that every dollar
21 for this project comes from the artist's own pocket, that he
22 is a successful artist, he has generated considerable revenue
23 by selling his works throughout the world at very large prices,
24 and he feels that the best thing he can do with his proceeds
25 of his artistic endeavors is to reinvest them in artistic

1 endeavors. I think that's important, because we have a time of
2 very little government money, very little foundation money,
3 and we wouldn't even want to be before you if we were talking
4 about a situation in which we were taking resources away.

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

14 MR. KAYFETZ: Thank you very much. I won't burden you
15 with an affirmative presentation. There's been more than
16 2,000 hours of professional staff time by the biologists,
17 geologists, and others on doing the background work to make sure
18 that this project is carried out and removed without any trace
19 being left upon the landscape or upon the beach or the ocean
20 floor. So rather than try to select from that a presentation
21 for you, we will wait and respond to questions that you, your
22 Staff or the public raise this morning.

23 Very briefly, I would like to give the bottom line on
24 the Valley Curtain Project from page 175 of the book that you
25 have in front of you. I think that sums up Christ's track

1 record better than anything else. There is a plaque and a
2 key to the city that was presented to Christo and his wife,
3 Jean Claude, at the conclusion of the Valley Curtain Project
4 at Rifle, Colorado, after everything was removed and, according
5 to the officials from Rifle, you can't now find any trace of
6 the project. You can't tell that that project was ever there.

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

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

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

25 DR. HARRIS: As Paul Kayfetz told you, I was hired as

1 a watchdog for the State of Colorado on the Valley Curtain
2 Project. My function was to guarantee for the State that all
3 problems of public safety had been taken care of by the en-
4 gineers who designed the structure for the Valley Curtain
5 Project. This Valley Curtain crossed a state highway; there-
6 fore, they were somewhat concerned about it. Being assigned
7 to that job, I was sort of forced to work on it, but I must
8 admit that my opinion was slightly on the unfavorable side.
9 I was, you might say, almost rabidly opposed to it. The em-
10 ployee, however, of an engineering firm usually does as he is
11 told, or at least makes moves in that direction, and as I
12 started to work on the job, I found that this opinion of
13 opposition to it gradually changed to one of mild interest,
14 and certainly to one of respect for the artist, even though
15 I had not met him during the first year of the project.

16 The first year of attempt met with failure because
17 of the inadequate preparation of certain steps by -- I
18 suppose by the engineer and contractor at that time. During
19 the second year then, Christo approached our firm and asked
20 us to work directly for him, if the Colorado State Highway
21 Department would release us from our contract. The highway
22 department by this time was convinced that Christo was all
23 right and the project was not harmful. They released us, and
24 I went to work, through my firm of course, and directly for
25 Christo, and this feeling, that was originally opposition,

1 changed quickly to one of sincere and strong interest, and I'd
2 say at the end of the second year of the project, I was com-
3 pletely dedicated to it. I was highly enthusiastic about it.
4 The remarkable thing about this is that this evolution of
5 feelings was not unique to me, but it affected everybody who
6 had anything to do with the project; anybody from the struc-
7 tural iron worker to engineer to night watchman and even spec-
8 tators, and on the final day of the project, you would hear
9 such things as, from spectators: "Well, I came here to have
10 a good laugh, but, my God, this is beautiful," and they would
11 go on raving about it for days. I think this evolution which
12 hit me hits all, and I have every confidence that it wil
13 happen that way in California, too. Thank you.

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

16 (No response)

17 CHAIRMAN CORY: Is there any opposition in the
18 audience?

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

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

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

25 CHAIRMAN CORY: Yes. I have a couple of questions;

1 do you want me to ask them?

2 COMMISSIONER BELL: At your pleasure.

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

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

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

25 MR. KAYFETZ: Approximately eight of them, and those

1 will be put in place by a large helicopter so that no vehicles
2 will have to pass on to the beach or on to any of the poten-
3 tially erodible terrain in the area. Now, on September 15th,
4 a nylon curtain, 18 feet high, will be hung from those stan-
5 chions. The stanchions across the beach are 62 feet apart.
6 The curtain will be attached only to the side -- the seaward
7 side of each stanchion, so there will be a large flap open
8 on the landward side every 62 feet that will provide an open-
9 ing large enough for people or groups to pass through with-
10 out any inconvenience.

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

23 All of this work is being done under the direct super-
24 vision of a biologist hired by the County of Marin and paid
25 for by Christo, as well as under the supervision of our marine

1 engineers and marine biologists and geologists.

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

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

15 I have made that hike myself a couple of times, and can
16 attest that no casual member of the public will try to get to
17 the beach there. According to the Coastal Commission, the
18 beach is used only by two or three of four fishermen on the
19 most opportune fishing days -- those who are willing to make
20 the scramble and try to time their access between the tidal
21 cycles. It's for this reason that we have made arrangements
22 with the adjoining property owner to allow those who would
23 wish to view the project to drive on the roads within the
24 Oceana Marin Subdivision to a look-out point high on the ridge
25 above the ocean, and there, there will be uniformed sheriff's

1 deputy and civilian monitors to inform them and to make sure
2 they don't attempt to scramble down on to the beach.

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

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

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

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

20 MR. KAYFETZ: Yes. We have done that, and the State
21 of California is a named insured on the insurance policy, and
22 is one of the parties that has access to these bonds should,
23 within the four-year period after the project is completed,
24 there be any failure to live up to the conditions or to
25 totally remove the project and all of its artifacts.

1 MR. NEMEROVSKI: That doesn't mean it's going to take
2 us four years to remove it should we blow it at any time; you
3 have got four years to find it.

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

6 CHAIRMAN CORY: Attorney General, do we have any?

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

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

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

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

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

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

21 CHAIRMAN CORY: And those are for --

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

25 CHAIRMAN CORY: Okay. Is the project willing to

1 provide similar bonds for that portion which is on State
2 property for the removal of those structures, to cover the
3 cost?

4 MR. KAYFETZ: We have already done that within the
5 \$50,000.00 bond that was required, and agreed to by Marin
6 County. The portion that covers the State tidelands is
7 covered within that bond, so you are covered up to \$50,000.00
8 for your 600 feet.

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

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

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

24 MR. NEMEROVSKI: We would acquiesce in any such ar-
25 rangement the Staff desires.

1 CHAIRMAN CORY: As you understand it, the bond is
2 sufficient to cover whatever the county wants, plus whatever
3 is on State property?

4 MR. KAYFETZ: Yes, Mr. Chairman, it is.

5 CHAIRMAN CORY: If not, that deficiency would be
6 corrected?

7 MR. KAYFETZ: Yes, it will.

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

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

16 COMMISSIONER BELL: No, I have none.

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

20 (No response)

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

22 COMMISSIONER BELL: Aye.

23 COMMISSIONER DYMALLY: Aye.

24 CHAIRMAN CORY: Aye. Opposed?

25 (No response)

1 CHAIRMAN CORY: It is a unanimous vote.

2 MR. KAYFETZ: Thank you, Mr. Chairman.

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

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

6 (Brief discussion off the record)

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

9 (Laughter) I just made that announcement.

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

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

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

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

21 COMMISSIONER BELL: I would move.

22 COMMISSIONER DYMALLY: I second.

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

25 (c). We will move now to Beverly Dikas.

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

8 COMMISSIONER DYMALLY: Any objections to this lease?

9 COMMISSIONER BELL: I have no questions.

10 COMMISSIONER DYMALLY: Mr. Bell moves.

11 CHAIRMAN CORY: I second.

12 COMMISSIONER DYMALLY: Such will be the order.

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

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

22 MR. NORTHROP: Yes.

23 COMMISSIONER DYMALLY: Is anyone here from the River
24 Mansion Development Corporation? If not, what do you want
25 from us?

1 MR. NORTHROP: Approval to --

2 COMMISSIONER DYMALLY: Just a minute.

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

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

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

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

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

23 MR. McCONNELL: Well, because of the critical short-
24 age of docking facilities -- moorage facility -- here on the
25 Sacramento River, in what we would say an off-river situation,

1 we of the Marina and Recreation Association certainly ask
2 that you consider, in disposing of that property, that you
3 offer for public sale or through some other means to retain
4 that facility down there. The space on the river is extreme-
5 ly critical. We have 28,000 registered boats here in the
6 County of Sacramento, which is the third largest registration
7 in the State, and to go in and tear out this facility, really,
8 would be a travesty.

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

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

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

25 MR. NORTHROP: Right.

1 MR. McCONNELL: That answers my question. I thank
2 you very much.

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

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

8 COMMISSIONER BELL: Aye.

9 CHAIRMAN CORY: Aye.

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

13 COMMISSIONER DYMALLY: Mr. Cory, do you abstain?

14 CHAIRMAN CORY: I'll vote against him.

15 COMMISSIONER BELL: That's okay. (Laughter)

16 COMMISSIONER DYMALLY: All in favor say aye.

17 COMMISSIONER BELL: Aye.

18 CHAIRMAN CORY: Aye.

19 COMMISSIONER DYMALLY: Unanimous vote.

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

24 COMMISSIONER DYMALLY: I think the rent has been paid.

25 MR. NORTHROP: The rent has been paid? Correction --

1 they have failed to make any improvements or do the things
2 they were supposed to do. We would recommend that this be
3 cancelled.

4 COMMISSIONER DYMALLY: They know that?

5 MR. NORTHROP: They have been advised.

6 CHAIRMAN CORY: Any questions or discussion?

7 Mr. Bell moves.

8 COMMISSIONER DYMALLY: Second.

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

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

14 (Brief discussion off the record)

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

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

22 (No response)

23 COMMISSIONER BELL: I move.

24 COMMISSIONER DYMALLY: I second.

25 CHAIRMAN CORY: Mr. Dymally seconds. Without objection,

1 such will be the order.

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

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

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

13 COMMISSIONER DYMALLY: Do you have the right of con-
14 demnation?

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

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

22 MR. TAYLOR: It would depend upon the terms of the
23 permit, Mr. Governor, but normally if they have a fixed term,
24 there would have to be some settlement made with the private
25 owner. Most of these recreation pier permits are on rivers

1 or lakes where people have -- in areas where there are
2 recreational cabins.

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

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

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

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

17 MR. GOLDEN: No problem that I see.

18 CHAIRMAN CORY: Without objection, we will put Item
19 5(g) over one month. One month to the next meeting.

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

21 MR. NORTHROP: The Bahia Homeowner's Association permit:
22 There are some homeowners that have docking facilities in
23 close proximity to residences, and it's silting up and the
24 problem is to dredge it. They propose dredging it, and paying
25 us ten cents a yard for the dredging, and the thrust of the

1 dredging is not for the spoils, but for access.

2 CHAIRMAN CORY: There will be spoils, though.

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

5 CHAIRMAN CORY: We are getting ten cents a yard?

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

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

10 Mr. Dymally moves; Mr. Bell seconds?

11 COMMISSIONER BELL: Yes.

12 COMMISSIONER DYMALLY: Yes.

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

15 Ned Martin?

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

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

24 MR. NORTHROP: We have the Staff on the -- Jim, how
25 do you monitor that? (Laughter)

1 CHAIRMAN CORY: Do you have cross sections of the
2 area now?

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

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

9 MR. EVERITTS: They contract per cubic yards.

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

14 MR. EVERITTS: We will check it.

15 CHAIRMAN CORY: Mr. Dymally moves; Mr. Bell seconds.
16 Without objections -- (Brief discussion off the record)

17 Item 7. Report on Long Beach Operations.

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

19 CHAIRMAN CORY: Mr. Thompson?

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

24 CHAIRMAN CORY: Mr. Taylor, do we have any choice in
25 this matter of the salary and benefit increase for the field

1 contractor:

2 MR. TAYLOR: I believe this is a matter of discretion
3 within the area of the cities --

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

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

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

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

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

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

1 to see that this is within the area.

2 COMMISSIONER BELL: Move.

3 COMMISSIONER DYMALLY: Second.

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

5 Without objections, the item will be approved.

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

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

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

13 MR. TAYLOR: It specifically provided in the agreement
14 that we pay the taxes, and that was one of the ways to maxi-
15 mize income to the State.

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

23 MR. THOMPSON: To date, there has been about seventy
24 million dollars in taxes assessed against the titled proper-
25 ties. The State of California has paid about forty-eight

1 million dollars of this. This is a possessory interest --

2 COMMISSIONER BELL: Move.

3 COMMISSIONER DYMALLY: Second.

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

6 7(c). It's the normal subsidence, Mr. Thompson?

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

13 COMMISSIONER BELL: Move.

14 COMMISSIONER DYMALLY: I second.

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

17 (d).

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

20 CHAIRMAN CORY: What is the information?

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

23 CHAIRMAN CORY: We might be interested in that.

24 MR. THOMPSON: Right now, we think that we will be
25 about five percent low for estimate of revenue. This is a

1 combination of our revenue being down, gross revenue being
2 down, and higher costs.

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

5 MR. THOMPSON: It's in line.

6 (Brief discussion off the record)

7 CHAIRMAN CORY: (e).

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

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

13 Next item, (a).

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

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

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

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

1 the hearings?

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

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

6 MR. NORTHROP: Okay.

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

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

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

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

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

25 MR. TROUT: Well, what it means is that primarily the

1 local county will pick up the police requirements, the
2 police jurisdiction.

3 COMMISSIONER BELL: We get everything but the title?

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

9 CHAIRMAN CORY: Any further questions?

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

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

13 10(a).

14 MR. NORTHROP: This is an authorization of an easement
15 for three parcels of land for the City of Los Angeles, Depart-
16 ment of Water and Power. We are, in effect, selling the pro-
17 perty to them for the use of a pipeline. However, should the
18 pipeline not be used or they abandon the line, the title re-
19 verts back to the State.

20 (Discussion off the record)

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

23 10(b). This is the item that was on last month, and
24 were there any changes made?

25 MR. NORTHROP: Yes. Dr. Joergenson has agreed --

1 CHAIRMAN CORY: They granted the additional easement?

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

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

8 CHAIRMAN CORY: Any questions?

9 MR. BELL: No problem.

10 CHAIRMAN CORY: Without objections, 10(b) is approved.
11 11(a). Disclaimer of Interest.

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

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

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

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

25 (Brief discussion off the record)

1 Without objections, 11(a) is approved.

2 11(b).

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

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

9 COMMISSIONER BELL: No problem with me.

10 COMMISSIONER DYMALLY: Second.

11 CHAIRMAN CORY: Mr. Bell moves; Mr. Dymally seconds.
12 10(b), authorization will be extended. Without objections,
13 such will be the order. 10(c) -- 11(c).

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

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

25 We are endeavoring to contact the attorneys in the

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

7 The FBA cases -- our service has been made, and we
 8 are waiting for a file date. We have been contacted; one
 9 of the FBA cases with regard to an interest in whether we wish
 10 to discuss the possible settlement with them, and that item
 11 will be reported on next month after the Staff has had time
 12 to consider it. We have coordinated with Mr. Northrop and
 13 with the Governor's office, and with the new Energy Commis-
 14 sion, and I have been asked to go back to Washington, D. C.,
 15 this afternoon for an offshore leasing meeting of the Attorney
 16 Generals of the Atlantic Coast States and the National Associa-
 17 tion of Attorney General Tideland Committee. It is our under-
 18 standing that this meeting will be to discuss the effects of
 19 U. S. versus Main, and will be an endeavoring to adopt a uniform
 20 policy for revenue sharing for offshore leasing. I have had
 21 extensive conversations with Mr. Northrop. I have your views,
 22 I believe, on that. I have the views of the Governor's office,
 23 and we will file with you a complete report as to the think-
 24 ing of other Attorney Generals.

25 Basically, we will work in coordination with the

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

5 (Brief discussion off the record)

6 Fifty percent to the coastal states.

7 CHAIRMAN CORY: Any questions from the members?

8 MR. NORTHROP: Mr. Bob Hight, Staff Counsel has liti-
9 gation he would like to report on.

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

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

21 Last Monday night, Jim Trout, Les Grimes and myself
22 met with members of the Marina Owners Association and, at the
23 request of Mr. Biddle, and we explained the basic State Lands
24 Commission's leasing policies and procedures to the operators
25 and, hopefully, they understand where we are.

1 CHAIRMAN CORY: Any questions from the audience?

2 MR. McCONNELL: Mr. Chairman, I have a couple of com-
3 ments on that.

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

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

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

16 There are marina operators on the Sacramento River who
17 are affected and, as I understand by your statement, Mr. Cory,
18 that there will be other marina operators on other navigable
19 waters here in California who will be affected by this, but
20 who basically have had no knowledge that such permits were
21 needed. There has been no communication from the Commission
22 to these people when they purchased marinas, et cetera, and
23 down the line to the fact that they were going to be affected
24 and would be subject to penalties in case they did not take
25 out the permit.

1 Now, I feel that, or the association feels that, with
2 this lack of communication and lack of understanding on the
3 marina owners' part; now, we have talked about letters that
4 were sent to certain people in 1961, 1964, 1965, nothing
5 current along the line. I feel that, if these marina opera-
6 tors -- and they change hands considerably -- they are like
7 boat owners; they keep a boat for two or three years and they
8 become disenchanted and they sell their boat. The same thing
9 happens to marina operators. There has been a great expansion
10 in large corporations going into the marina operation through-
11 out the State.

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

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

22 MR. McCONNELL: Mr. Chairman, I believe that, say, lack
23 of knowledge on the part of the marina operator is grounds
24 for -- or lack of knowledge even on the part of the attorney.
25 Say, in the case of Mrs. Avila, she had no idea that she was

1 supposed to get a permit from the State Lands Commission, and
2 here she purchased some property from the other party without
3 any knowledge at all.

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

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

9 CHAIRMAN CORY: To do what you suggest puts the State
10 Government in a position of informing each citizen individual-
11 ly of each Code change in the law.

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

15 CHAIRMAN CORY: It's totally irrelevant, sir. That's
16 not the point. The point is that there is a law. It was
17 passed by the Legislature and signed by the Governor and the
18 people of California are supposed to abide by it, and that
19 law says that those waterways belong to the people, and if you
20 want to intrude upon them, you must get a permit. Now, that
21 is the notice. That notice was done -- public meetings, chap-
22 ter bills. What you are suggesting is that we have some
23 further obligation to seek out who it is that goes out and
24 decides they want to go into the marina business. I am sug-
25 gesting to you that that's totally impractical to place that

1 burden upon the government. If a man wants to go into business
2 or if he wants to build a pier, he has got the problem of know-
3 ing what the law is.

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

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

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

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

23 COMMISSIONER DYMALLY: Would you apply that to all new-
24 comers to the State with reference to the legal code?

25 MR. McCONNELL: Well, I think the California Highway

1 Patrol pretty well takes care of that, if they are with an
2 out-of-state license, et cetera.

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

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

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

17 MR. McCONNELL: Yes, you had three investigators and --

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

24 MR. McCONNELL: No, sir. I mean when you are not aware
25 of what is required, that no notice is sent to them. Now

1 there has been no practical enforcement, as I gather. Now, I
2 have only represented the association for about a year, and I
3 am not fully cognizant of all that has gone on in the past.
4 But, what I am saying is the fact that, if there's been no
5 enforcement by the Commission in the past, that this has just
6 been a rule that's been on the books, and all of a sudden we
7 make a big statement that -- to say that, okay, you owe all
8 these penalties over the past period of time that you have
9 owned this property.

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

15 MR. McCONNELL: Wait a minute. They own the land, sir.
16 They bought the land.

17 COMMISSIONER BELL: The title report probably has a
18 restriction.

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

24 COMMISSIONER DYMALLY: I suspect that you would not put
25 the person on the river, as an illiterate person who doesn't

1 know the law. I bet you wouldn't put them in that classifi-
2 cation. The farm worker comes here from Mexico and he's ex-
3 pected to know every California law, and if he doesn't, he
4 gets arrested. Here are sophisticated people who go on the
5 river, and you are saying that the State has to tell them,
6 counsel them through the mail, about the law. I am for what
7 you are suggesting, but I want it to apply to the farm worker
8 and the unemployed ghetto resident too. On every Court, all
9 twenty six --

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

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

22 MR. TAYLOR: I think this has been an area of extreme
23 interest to the Legislature in the past. Obviously, we cannot
24 give away public property. These is also the problem that --
25 I would like to correct the impression that has been given.

1 I believe that the State Lands Commission has been doing every-
2 thing within the current staffing to place under lease all
3 trespassers that have complied, and certainly highways have
4 included waterways. Waterways are considered to be of public
5 access. Certainly, anyone would say that they have a right to
6 go up and down them and if someone encroaches into that, they
7 know that they have got to get permission to do so. I don't
8 believe that they will take the position that anyone has the
9 right to have that. There are 25,000 miles of shorelines in
10 this State, and that does present some problems sometimes, as
11 far as catching up with people, but there has been a program
12 of catching up with people throughout the State, and this is
13 trying to intensify it.

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

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

25 MR. McCONNELL: What we have done: Now, the Commission

1 was nice enough through their public relations department to
2 send us out a letter which went into our current newsletter
3 advising the marina operators of this condition.

4 COMMISSIONER DYMALLY: Fine.

5 MR. McCONNELL: This has already been done and we
6 appreciate the cooperation there.

7 COMMISSIONER DYMALLY: I commend you for that.

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

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

14 MR. McCONNELL: However inequitable it may be sometimes.

15 CHAIRMAN CORY: I try to do it pleasantly.

16 MR. McCONNELL: Thank you so much.

17 CHAIRMAN CORY: Where are we on the next item?

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

19 CHAIRMAN CORY: (a), County of Tehama.

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

23 CHAIRMAN CORY: Mr. Bell moves; Mr. Dymally seconds.
24 Without objections, such will be the order. Item 13.

25 MR. NORTHROP: Item 13, Mr. Chairman, Members, the

1 administration, particularly the resources secretary, has asked
2 that we have available a meaningful outline of how to apply
3 or what we require in the various EIR's, and in this item we
4 have prepared that with the assistance of the Attorney General,
5 and both our Lands Staff and our Mineral Staff have had input
6 and we have now put these regulations together.

7 COMMISSIONER BELL: Is this emergency regulation?

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

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

16 MR. TAYLOR: No one appeared at the public hearings.

17 (Laughter, followed by discussion off the record)

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

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

22 Our next meeting will be Wednesday, April 30th at
23 10:00 A. M. in Long Beach, unless we schedule a separate meet-
24 ing for either litigation or special hearings that we have
25 agreed to.

1 MR. TAYLOR: There are two possible matters that might
2 be on for litigation purposes next month.

3 COMMISSIONER DYMALLY: Could we arrange to visit an
4 offshore well in Long Beach?

5 MR. NORTHROP: Yes, sir.

6 COMMISSIONER DYMALLY: Thank you.

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

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

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

15 (Discussion off the record)

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

20 COMMISSIONER DYMALLY: I want to hear the report, but I
21 also want to recommend that we not take any position on any
22 of these bills until I have had a chance to review it with
23 the Staff and come back, because I think we can probably solve
24 some of the problems by communication with the authors of
25 some of these bills for amendments or withdrawals of the bills.

(Thereupon the reported portion of the meeting was concluded)

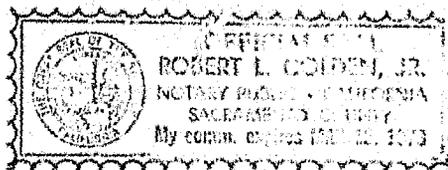
1 State of California }
2 County of Sacramento } ss.

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

7 That I am a disinterested person herein; that
8 the foregoing State Lands Commission meeting was reported
9 in shorthand by me, Robert L. Golden, Jr., a Shorthand
10 Reporter of the State of California, and thereafter trans-
11 cribed into typewriting.

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

15 IN WITNESS WHEREOF, I have hereunto set my hand
16 and affixed my seal of office the 15 day of April,
17 1975.



Robert L. Golden, Jr.
24
25
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: Mr. 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 well 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. DYMALLY: 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?

MR. 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.