

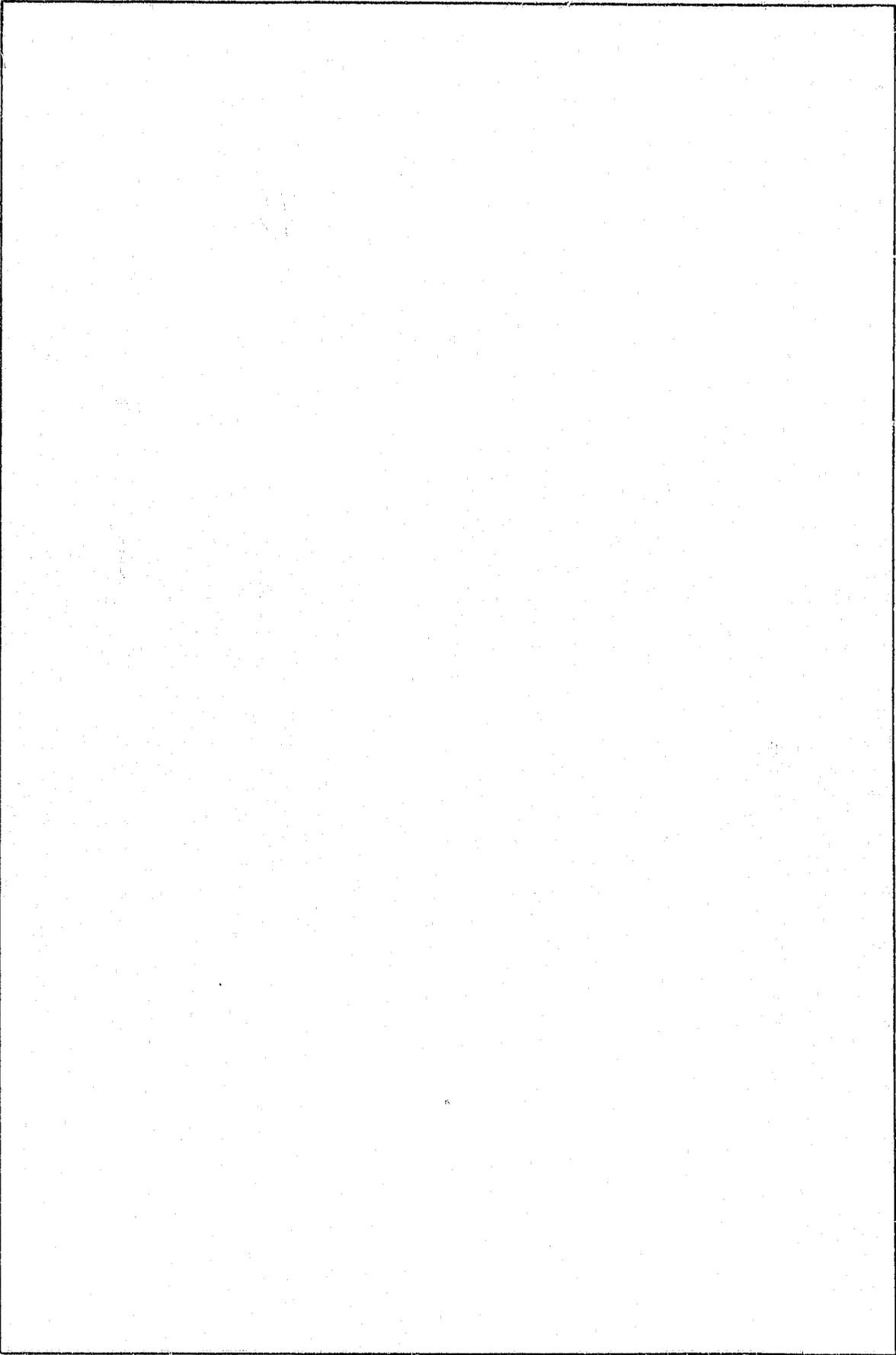
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MEETING
STATE LANDS COMMISSION

ROOM 2117
STATE CAPITOL
SACRAMENTO, CALIFORNIA

MONDAY, DECEMBER 1, 1975
10:00 A.M.

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MEMBERS PRESENT

1
2 Hon. Kenneth Cory, Controller, Chairman

3 Hon. Mervyn M. Dymally, Lieutenant Governor
4

MEMBERS ABSENT

5
6 Hon. Roy M. Bell, Director of Finance
7

ALSO PRESENT

8
9 Mr. William F. Northrop, Executive Officer, State Lands
Commission

10 Mr. R. S. Golden, Assistant Executive Officer, State
11 Lands Commission

12 Mr. D. J. Everitts, Manager, Energy and Mineral
Resources Development

13 Mr. James F. Trout, Manager, Land Operations, State
14 Lands Commission

15 Mr. N. Gregory Taylor, Deputy Attorney General

16 Mr. Robert C. Hight, Staff Counsel, State Lands
Commission
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P R O C E E D I N G S

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3 CHAIRMAN CORY: Let's call the meeting to order.
4 The Secretary will note the presence of Governor Dymally
5 and myself. Mr. Bell is involved in other things today
6 so we're going to have to proceed without him.

7 The first item is the confirmation of minutes
8 of the regular meeting of October 29, 1975. Any corrections
9 or additions to that hearing?

10 Hearing none, we will confirm them as presented.

11 Item 3, the report of the Executive Officer.

12 MR. NORTHROP: Thank you, Mr. Chairman, Governor.

13 A royalty oil sales contract between the State
14 and U.S. Oil and Refining Company was issued in late 1973,
15 covering the royalty oil produced from the ARCO lease in
16 Tract 2 of the Long Beach Unit. This contract was awarded
17 to the successful bidder at 74 cents above the posted
18 price.

19 Deliveries were started on May 1, 1974. However,
20 the Federal Energy Administration issued new regulations
21 in January of 1974 and the next month repealed the State's
22 exemption from crude oil price controls. FEA also ruled
23 that removal of the State's exemption was retroactive to
24 October of 1973 and that the supplier/purchaser relationship
25 in effect between ARCO and the State December 1, 1973,

1 could not be terminated. ARCO, therefore, could not be
2 required to meet U.S. oil's bid offer.

3 On November 6, 1975, we received a Remedial Order
4 from FEA requiring the State to resume deliveries of
5 royalty oil from Tract 2 to ARCO. Appropriate notices
6 were served, and the delivery to ARCO was effected on
7 November 7th. The FEA order also provided that the State
8 could file an appeal on any of the issues. An appeal was
9 filed by the State on November 12, 1975.

10 The FEA Remedial Order pertains only to the
11 injunctive aspect and specifically defers any ruling on
12 the damages aspect until additional data is received from
13 both ARCO and the State. Such information is currently
14 being prepared by the staff.

15 Mr. Gregory Taylor from the Attorney General's
16 Office will amplify this problem.

17 MR. TAYLOR: Mr. Chairman and Governor Dymally,
18 since that time, virtually all the information required
19 on the question of damages has been submitted to the FEA
20 together with the briefs of their State's position appealing
21 the order. ARCO has filed its papers and is seeking
22 \$500,000 damages from the State which it alleges that it
23 has suffered as a result of this action. The State is
24 contesting and denying that ARCO is entitled to any damages
25 whatsoever. The briefs have been filed and they will be

1 scheduled for argument in Washington shortly.

2 LIEUTENANT GOVERNOR DYMALLY: No problem.

3 MR. NORTHROP: The next item is the completion
4 of a contract. The resources appraisal which the State
5 Lands Division has been conducting regarding the federal
6 OCS Lease Sale 35 offshore Southern California for the Office
7 of Planning and Research has been completed and was forwarded
8 to them.

9 The next item is the school land sale applications.

10 The Division has on file four pending applications
11 for the purchase of about 5,223 acres of vacant school
12 lands. These applications have been on file since the
13 late 1960's, and are from public agencies and political
14 subdivisions. Attempts to process these applications
15 through to a completed sale have not been successful.
16 In fact, it appears that the sales will never be completed.

17 The Commission has directed staff to prepare,
18 and diligently follow a management plan for the vacant
19 school lands. The significant acreage now pending on
20 these incomplete applications is inconsistent with this
21 directive.

22 If you have no objection, it is staff's intent to
23 submit a recommendation to the Commission at its next
24 meeting to cancel these applications and restore the
25 lands to unencumbered status.

1 CHAIRMAN CORY: Just so we clarify, these four
2 applications are from public agencies and political
3 subdivisions who want to buy the property that we have
4 as school lands.

5 MR. NORTHROP: Right. And for one reason or
6 another, we have been unable to complete it, not because
7 of anything that the State Lands has done, but because
8 either the entities have changed their minds or situations
9 are different now than when the applications were made
10 or for several reasons these sales cannot be completed.
11 We would like to pull these applications out, advise the
12 applicants that we're canceling them and move on putting
13 them into our blocking program.

14 CHAIRMAN CORY: And the applicants will have
15 a chance to appear before us here if they have some
16 reason why we should not go ahead?

17 MR. NORTHROP: That's correct. It just makes
18 this thing a little neater.

19 U.S. Department of Interior OCS Lease Sale
20 No. 35, Southern California:

21 Immediately upon the U.S. Department of Interior's
22 release of final tract maps for the proposed southern
23 California OCS Lease Sale No. 35, I instructed F. D. Uzes,
24 the Supervising Boundary Determination Officer for the
25 Divisions, to check the tract maps to insure that offshore

1 areas claimed by California were not included in the tract
2 sale. The check revealed that the Department of Interior
3 had included in the proposed sale approximately 428 acres
4 of lands to which California asserts ownership. Determination
5 of the ownership of this acreage, together with several
6 other offshore areas, is one of the issues remaining in
7 the case of U.S. versus California, which is pending before
8 the United States Supreme Court.

9 On November the 18th, I wrote Secretary of
10 Interior Kleppe a letter informing him of the situation
11 and strongly demanding that the disputed acreage be with-
12 drawn from the proposed sale. Simultaneously, I asked
13 the Office of the Attorney General to prepare to obtain
14 an injunction from the United States Supreme Court to stop
15 any lease of the acreage claimed by California. The
16 necessary papers are prepared and are ready for filing.

17 Last Wednesday evening, the Department of
18 Interior informed us that the disputed acreage is being
19 withdrawn from the proposed sale. A notice to this effect
20 will appear in the December 2nd Federal Register. The
21 Division staff has checked the descriptions of the parcels
22 to be withdrawn, and finds that all areas claimed by
23 California have been withdrawn and a buffer zone of 800
24 to 2000 feet beyond those areas has also been deleted.

25 We do have calendar item number 28 on the calendar

1 which will give us the authority in case the Register does
2 not appear.

3 CHAIRMAN CORY: Why should we not proceed anyway
4 given the fact that the Federal Government, I think,
5 consistently showed any failure to cooperate all the way
6 through on this procedure, and I would hate -- frankly,
7 I think the Federal Government, Department of Interior
8 is totally capable of lying. They've engaged in the whole
9 situation in a form of deceit, deception and I do not
10 want us to jeopardize any of our legal rights.

11 So I think at the appropriate time on the agenda,
12 we should take all steps of the Attorney General and do
13 whatever necessary to make sure that people who have not
14 lived up to their word do, in fact, live up to their word
15 in this regard and not lease property owned by the State
16 of California on behalf of the Federal Government.

17 MR. NORTROP: Fine. We will, at the appropriate
18 time in the calendar, insert the language we have prepared.

19 The last two items are instructional items.
20 The Governor had asked that an Alaskan natural gas line
21 report be prepared. Mr. Don Everitts, Manager of our
22 Energy and Mineral Resources for the Division, will give
23 you a progress report at this time.

24 Mr. Everitts?

25 LIEUTENANT GOVERNOR DYMALLY: Mr. Chairman, at

1 the completion of this report, I intend to ask you for
2 an oral report on the Zarb rip-off.

3 MR. NORTHROP: Good point.

4 MR. EVERITTS: As Bill has indicated, this is
5 just a preliminary progress report on the investigation
6 that you have requested the staff to make on the possible
7 impact which the arrival of Alaskan natural gas from
8 Prudhoe Bay might have on California.

9 Approved gas and oil reserves in the Prudhoe
10 Bay on the north slope of Alaska are really very significant.
11 You notice the Prudhoe Bay area up there. They actually
12 represent approximately 27 percent of the total approved
13 U.S. domestic reserves of crude oil and approximately
14 10 percent of the approved U.S. domestic gas reserves.

15 CHAIRMAN CORY: Don, what figures are you using
16 to come to those -- what is the date of that information?

17 MR. EVERITTS: The data that I'm using is from
18 a report put out by SOHIO in October, which they estimated
19 9.5 billion barrels of recoverable oil in the crude
20 reserves, in the approved areas of the field, and 26
21 trillion feet of gas.

22 CHAIRMAN CORY: Do you know when the data base
23 was prepared? The reason I'm asking, I had information
24 from a friend of mine who lives in Alaska who says that
25 according to his contentions, there is a new well on the

1 east edge doing a step out from the area which they had
2 previously drilled, and that came in, he said, in late
3 September or October which they indicated the production
4 is 32 thousand barrels a day.

5 There were several people all from Alaska there
6 who were saying that the output is far greater than they
7 are putting into the system, and I'm just trying to
8 ascertain those figures whether --

9 MR. EVERITTS: As I say, they were the letter
10 of effect; the first time I saw those figures were in May,
11 1975 letter from SOHIO, so they would not have the
12 September data in it.

13 CHAIRMAN CORY: Okay.

14 MR. EVERITTS: For the reason that much of the
15 oil, whatever it may be, may be coming through California --
16 it just about has to. The full report will also include
17 our findings on any impact which could be generated by
18 the construction and installation of deepwater ports.

19 Nationwide, the United States consumes 22 trillion
20 cubic feet of natural gas per year, over 8 percent of
21 that is consumed by California, and only 14 1/2 percent
22 of what California consumes is supplied by California
23 production; the rest is imported.

24 That consumption has been steadily increasing
25 since about 1945, and at the same time, production within

1 the State has been decreasing. To meet the demand, out
2 of state imports have been required.

3 As California production decreases and present
4 sources of outside gas are withdrawn, imports from Alaska
5 and foreign countries will be necessary to satisfy the
6 State's energy requirements.

7 Now, I indicated that this curve here I took
8 from a report recently put together by PG&E and Southern
9 California Gas by the PUC. They predicted total require-
10 ments over here in MCF in equivalent barrels of oil.
11 California's production steadily declining; firm commitments
12 basically home heating, industrial and the electrical
13 utility. As you can see, available gas -- no new supplies --
14 continue to decline; very moderate growth, I think
15 approximately 6 percent. The difference between this
16 black curve, this curve here, and this curve, has got
17 to be supplied by crude oil or oil. We're talking about --
18 there is an equivalent of graphs, 170,000,000 barrels
19 and 470,000,000, so some 300,000,000 barrels of oil will
20 be needed if we get no new supplies of gas. Now, assuming
21 that you get gas from Alaska by one of the many proposals,
22 we can minimize that to some extent. Another reason,
23 of course, why we think that the report should discuss
24 crude oil from Alaska as well as gas, because we're going
25 to be handling a lot of oil for our own purposes. Several

1 companies competing for natural gas reserves expected to
2 be available for delivery to the United States, has
3 proposed various routes and methods of transportation,
4 and have filed applications to the Federal Power Commission.
5 The Alaskan Natural Gas Transmission System has proposed
6 installing a 48-inch buried line from Prudhoe Bay through
7 Alaska. That's this line here, through Canada.

8 LIEUTENANT GOVERNOR DYMALLY: Who proposed that?

9 MR. EVERITTS: This is the Alaskan Natural Gas
10 Transmission System.

11 CHAIRMAN CORY: Who are they?

12 MR. EVERITTS: That's basically El Paso -- well,
13 it's not now really; it's a consortium of the companies.

14 CHAIRMAN CORY: But are they composed of utility
15 distribution companies, or are they composed of gas
16 transmission companies?

17 MR. EVERITTS: I guess the answer is "Yes." It's
18 really the consortium of transmission companies and
19 utility companies, consumer oriented companies.

20 CHAIRMAN CORY: Okay.

21 MR. EVERITTS: The El Paso Gas Company specifically
22 has proposed laying a 42-inch pipeline from Prudhoe Bay
23 to Valdez. We're talking about the red one, paralleling
24 the 48-inch crude oil line that's currently under
25 construction. Under this proposal, the gas would be

1 liquefied near Valdez and transported to California in
2 LNG vessels. It would then be regasified and distributed
3 to various points within the state.

4 The importation of oil and gas from new sources
5 would have, or probably would have, additional impact in
6 California's environment. So, our review of that impact
7 may be summarized by pointing out that number one, we
8 feel underground high pressure natural gas pipelines are
9 common in California. Systems similar to those proposed
10 are transporting natural gas from Alaska have been
11 successfully installed and are presently in use with a
12 minimal effect on the environment.

13 The worldwide movement of LNG currently exceeds
14 500 billion cubic feet annually and is expected to reach
15 2 trillion cubic feet by 1980. There are actually
16 additional plants with a total capacity of 14 trillion
17 cubic feet per day are in the planning or construction
18 stage. So, we feel the viability of liquefaction, ocean
19 transport, revaporization of LNG has been thoroughly
20 demonstrated.

21 It is possible, however, that liquefied natural
22 gas could produce some adverse impacts. There would be
23 increased tankership activity in certain areas. There
24 would certainly be the visual impact of piers, storage
25 tanks and buildings. We feel those could be minimized

1 or mitigated perhaps, by locating the loading facilities
2 further out to sea, perhaps locating the facilities further
3 back into the hinterlands. It is not an impossible dream.
4 Currently in Maryland, the Columbia Gas System is constructing
5 a LNG System that has 6,000 feet of buried underground
6 water lines, so there's no reason why you couldn't do
7 it at 12,000 feet or more. You could get the plants out
8 of sight.

9 If you go to the Los Angeles or Port. Hueneme
10 areas for a plant, it's possible that certain portions
11 of the seacoast be made unavailable to the public. We
12 suggest as one possibility, would be the Point Conception
13 area which is at least isolated and generally not available
14 to the public. Some of the problems in the cooling of
15 sea water through extraction of heat for revaporization
16 could adversely affect some marine life. Maybe we could
17 go into the Alaskan King Crab business or something. But,
18 you can difuse the discharge of that cold water, so it
19 wouldn't be all that troublesome. There are other ways
20 to vaporize, we've discussed that -- waste heat, solar
21 heat. Those things can and probably are being considered.

22 Finally, the transfer and handling of LNG is
23 potentially hazardous and could cause fires and explosions.
24 The FPC has made calculations that indicate that if one
25 of the tanks in an LNG transport should rupture, that it's

1 possible that the explosive plume could form as far as
2 three miles downwind from the source. I suppose that is
3 true, all the more reason to get out in an isolated area
4 where the public probably wouldn't be near it.

5 As far as the status of the applications, the
6 Federal Power Commission is currently considering the
7 applications of both the oil line and the LNG program,
8 or gas line LNG program. Hearing have been going on
9 throughout the year. A 17-volume Draft EIS was issued
10 by the U.S. Department of Interior in June of 1975. The
11 document, however, deals mostly with the natural gas line
12 and just barely touches on the LNG proposal. El Paso
13 has not filed an application with the Interior for the
14 right-of-way permits on the LNG. It's possible that the
15 FPC might grant permits to both companies.

16 As I stated, this has been a summary of the
17 investigation, and we'll have a, I think, a complete
18 report soon.

19 I might just point out one thing on this map
20 over here.

21 This PG 74, this network of blue lines is
22 essentially California's source of gas -- PG&E which
23 provided about 40 percent of California's consumption
24 coming in from the north of Canada, Southern California,
25 Southern California Gas for the Southern part. California

1 Southern Gas Company asserts that they have not been able
2 to get any new supplies or any new contracts since 1969
3 on gas. So they are probably hurting more than PG&E,
4 but it could be that the government is supposedly going
5 to do something about it and probably cut us off, too.
6 So the problem is pretty serious.

7 You also throw this line in here. This is
8 the proposed line that SOHIO wants to convert. It is a
9 gas line now, proposed to convert to a crude oil line
10 to handle the crude oil in conjunction with the gas. We
11 will have some comments on that in the final reports.

12 LIEUTENANT GOVERNOR DYMALLY: We take the crude
13 oil from one of the similar port locations, you are
14 speculating now?

15 MR. EVERITTS: Based on the May '75 data of
16 nine and a half billion barrels of oil, SOHIO asserts
17 that their share is approximately a half million barrels
18 per day, at a million barrel per day rate. They say that
19 the rate probably could be raised to a million and a half
20 barrels per day. But any higher than that, under the
21 reserves that they are reporting, would be unable to
22 handle. This facility basically would be a 42-inch line,
23 probably would handle a million, maybe handle two million
24 barrels a day of crude if you could get tankers and line
25 and pump just as fast as you could get in there. Practically,

1 I think it would handle about three-quarter million barrels
2 a day. They have said that --

3 CHAIRMAN CORY: This is the line?

4 MR. EVERITTS: The red line.

5 LIEUTENANT GOVERNOR DYMALLY: That's an old
6 gas line.

7 MR. EVERITTS: That's the old gas line. The
8 dotted line, as you look at this later on, those are
9 sections that they may have to build. But, the basic
10 line is the existing gas line. They can parallel that
11 line, there is a 30-inch line, they can parallel another
12 30-inch line and essentially double the capacity. Of
13 course the 48-inch line here will handle perhaps two
14 million barrels a day, too. It is designed right now
15 for a million barrels a day, if they can up the pump
16 capacity.

17 LIEUTENANT GOVERNOR DYMALLY: So take the crude
18 from the lease and bring it down to California and ship
19 it into Texas.

20 MR. EVERITTS: If there exists a surplus --

21 LIEUTENANT GOVERNOR DYMALLY: When it gets to
22 Texas will they refine it?

23 CHAIRMAN CORY: There are other pipelines.

24 LIEUTENANT GOVERNOR DYMALLY: Okay, yes. It's
25 shipped. That's different from the gas. You are talking

1 about crude not gas?

2 MR. EVERITTS: Right. But you get the gas from
3 the crude; you can't produce one without the other. So
4 it's really a combined, it's a total problem.

5 CHAIRMAN CORY: I keep getting confused about
6 SOHIO and the other people, there seems to be so many
7 proposals for ports along the California coast. How do
8 the volumes of each of those proposals add together?

9 MR. EVERITTS: This is, of course, part of the --
10 what we would like to do. The thing is, you got three
11 people up there that own the nine and a half billion barrels
12 of oil. SOHIO owns 55 percent of it, something like
13 that; Exxon and ARCO own the rest of it.

14 MR. NORTHROP: Mr. Chairman, the other locations
15 of it, Port Hueneme and the Southern California Gas
16 people inform me that unofficially, that they plan on
17 bringing Indonesian gas.

18 MR. EVERITTS: Now, you are talking about gas
19 or oil?

20 CHAIRMAN CORY: Well, I think it's incumbent
21 upon us to contact all local governments and get all
22 of the various proposals on the drawing board to see how
23 those figures of importation capacity compare with the
24 figures that they say they have up there. I mean, I just
25 get puzzled by the Port of Long Beach using one set of

1 figures, L.A. Port seems to be feuding over something,
2 then I hear talk about the central coast with Stan Cal
3 wanting some facilities there. I just get very confused.
4 I think we need to take both oil and gas and compare
5 what they're telling the people out in the boondocks and
6 see if they add up, because something is very confusing
7 about all of these various proposals. It would seem to
8 me that there should be a finite number if we're in such
9 short supply situation. Maybe we aren't in such a short
10 supply situation and they're unwilling to tell us.

11 MR. EVERITTS: I thought I was narrowing it
12 down to a finite number until they told me about a 32,000
13 barrel a day well.

14 CHAIRMAN CORY: Yes. So, maybe these indications
15 which are just at this point rumors and so forth, but
16 from people who are in a relatively small community,
17 Alaska isn't too large and these are people that are
18 supplying and working in those areas talking to the workers
19 up there, and they say they've got gas and oil far beyond
20 what they are telling us about. And if in fact we find
21 empirical evidence that they are talking to various local
22 entities about various plans, and their capacity exceeds
23 that which they have. I begin to want to put a little
24 more stock in the rumors, assuming they are prudent people
25 and don't waste money.

1 LIEUTENANT GOVERNOR DYMALLY: When you talk
2 about SOHIO, you are talking about SOHIO B and P, right?

3 MR. EVERITTS: Right.

4 CHAIRMAN CORY: Their interest is a combined
5 interest?

6 LIEUTENANT GOVERNOR DYMALLY: BP has bought into
7 SOHIO.

8 MR. EVERITTS: Right.

9 LIEUTENANT GOVERNOR DYMALLY: BP-SOHIO has taken
10 over some of their marketing divisions, so there's a
11 consortium between BP and SOHIO.

12 So as of now, the FTC is considering both
13 applications, the Valdez and other blue line applications.
14 Who is proposing Valdez, the Valdez line?

15 MR. EVERITTS: That is El Paso.

16 LIEUTENANT GOVERNOR DYMALLY: Are they also
17 involved in the blue line, too?

18 MR. EVERITTS: They're involved in it.

19 LIEUTENANT GOVERNOR DYMALLY: So they can't
20 lose, can they?

21 MR. EVERITTS: Not really.

22 LIEUTENANT GOVERNOR DYMALLY: Okay, thank you.

23 MR. NORTHROP: Mr. Chairman, the Governor asked
24 me to comment on Zarb's ruling of the crude oil differential.

25 The week of November 17th, I was advised that

1 we were turned down on our appeal for a comparative price
2 for crude oil that would bring the old crude oil price,
3 or at least the crude produced on State property as an
4 average of approximately \$4.20 a barrel, in line with the
5 \$5.25 generally considered old oil price. Mr. Zarb
6 turned this down because the reading was because it would
7 cost money to the consumer. But yet, we're in a position
8 where we're going to have to start shutting oils back
9 and replace it with \$14 oil. I really don't understand
10 his judge's calculations. So along that line, we have
11 contacted Congressman Hannaford's office and he has
12 arranged a meeting with the State and the City of Long
13 Beach and some independent producers who are likely to --
14 who have the same problem of shutting and production.
15 We are scheduled to meet with him on Thursday to ask him
16 to reconsider his appeal.

17 So, that's where we are on that, Governor.

18 LIEUTENANT GOVERNOR DYMALLY: If he turns us
19 down again, do we have any further plan?

20 MR. NORTHROP: I would have to refer that to
21 our counsel. I think we have taken all of our administrative
22 remedies. Mr. Taylor, would you care to comment?

23 MR. TAYLOR: If we have exhausted our administra-
24 tive remedies, we would be in a position to do that, to
25 go to court and get a ruling.

1 LIEUTENANT GOVERNOR DYMALLY: What about some
2 form of Congressional hearing or appeal in that matter?

3 MR. NORTHROP: It has been suggested, Governor,
4 by yourself and others in other areas but it might be
5 well to -- at least the Commission to memorialize Congress
6 to investigate the entire crude oil pricing in the FEA
7 as it applies to discrimination in California's consumption.

8 LIEUTENANT GOVERNOR DYMALLY: I want to so
9 move, Mr. Chairman, so we are on record instructing the
10 staff to explore the Congressional delegation --

11 CHAIRMAN CORY: Without objection, that will
12 be the order.

13 LIEUTENANT GOVERNOR DYMALLY: -- and we can take
14 through the Congress in the form of amendments to
15 legislation in the form of hearings, Congressional remedy
16 through negotiation.

17 CHAIRMAN CORY: That is the intent, as I
18 understand it, the Governor's motion is not just to pass
19 a resolution memorializing them. We're willing to go to
20 work and see what needed piece of legislation this could
21 be tacked onto.

22 MR. NORTHROP: Fine.

23 CHAIRMAN CORY: Now, so we can go back to --
24 our situation is such that we are sometime in the next
25 coming six to eight months going to be faced with actually

1 stopping oil production, curtailing oil production in
2 specific wells which our cost exceed our income.

3 MR. NORTHROP: Right. We are very close to
4 that point now, and its average, it keeps some of them
5 alive right now but, if we were to look at specifics,
6 we could well start shutting --

7 CHAIRMAN CORY: So, we have individual wells
8 which currently are costing us more money to pull out
9 of the ground than they are currently receiving for them.

10 Where are we, vis a vis, the question of gift
11 of public funds on those specific wells, Counsel?

12 MR. TAYLOR: We are researching that in connection
13 with another problem. I couldn't give you an answer now,
14 but we're looking into it.

15 CHAIRMAN CORY: Since they have told us this,
16 I don't want to have to repay the people of California
17 that money.

18 MR. TAYLOR: I don't think we have that problem,
19 but we'll look into it.

20 LIEUTENANT GOVERNOR DYMALLY: I want my motion
21 to be construed as liberally and broadly as politically
22 and humanly possible, so that the staff will use every
23 bit of energy and genius in pursuing that problem so
24 we can see some solutions.

25 CHAIRMAN CORY: Can the staff confer with some of

1 your staff so we can get some of their genius to working
2 on these plans?

3 (Laughter.)

4 LIEUTENANT GOVERNOR DYMALLY: Whichever. If
5 it's necessary for the Commissioners to go back to
6 Washington, I think our budget was amended slightly to
7 permit us to travel.

8 MR. NORTHROP: The presentation on Thursday,
9 I think it would be well if the Federal Government understood
10 that the State of California is of one mind on this thing
11 and the Commissioners as well as the Governor's representa-
12 tive, or at least a letter from the Governor accompany
13 this.

14 LIEUTENANT GOVERNOR DYMALLY: I want to, not
15 necessarily for the motion, but for you to consider a
16 possible meeting with the Chairman of the Lands Commission
17 and the California delegation, or in his absence, I'd
18 be prepared to accompany or make that trip myself to
19 dramatize the significance of that early in January,
20 or when they reconvene, possibly after the Christmas
21 holidays.

22 MR. NORTHROP: I will pave the way this time
23 to start setting it up.

24 LIEUTENANT GOVERNOR DYMALLY: Fine, thank you.

25 MR. NORTHROP: The last item on my report is

1 a report or informational section on some of the trespass
2 areas of Bethel Island. Jim Trout from our Land Program,
3 will make that presentation.

4 Incidentally, Senator Nejedly had asked to
5 appear before the Commission. He said he would be here
6 around 11:00 o'clock.

7 MR. TROUT: To kind of put this in perspective,
8 our review of the total data situation including most
9 of the natural waterways in that area, indicates to us
10 that there are between 1,200 and 1,400 trespassers
11 occupying state types of submerged lands without a lease.
12 There are 372 at Bethel Island, and we've been able through
13 several visits down there to contact 61 of these people.

14 With the slides, we would like to quickly give
15 you a kind of an overview of the situation of what we're
16 talking about.

17 (Thereupon a slide presentation was made.)

18 MR. TROUT: This is an example of some of the
19 kinds of facilities that are occupying the State Lands.
20 These slides are actually of Bethel Island. You can see
21 that that's no small structure housing several large
22 vessels. These are not small boats. But particularly,
23 look at the two on the far right.

24 Slide number two, here's another structure out
25 over the levee with a finger slip there.

1 MR. NORTHROP: How many boats does that accommodate
2 in that finger slip, Mr. Trout?

3 MR. TROUT: Four, I believe, with a little
4 fishing boat besides.

5 Slide number three, here's another structure
6 out over the water with a landing float in front of it
7 and a covered boat shed alongside of it. Here again you
8 can see that this is certainly not a small boat, that's
9 a significant thing. You can also see just by the stern
10 of the other vessels in there what we're talking about.

11 I don't mean to indicate necessarily that all
12 of these are trespass; some of these may be lease. But
13 these are pictures taken by our own agents in the delta.

14 Again, you can see the sliding glass doors,
15 the fiberglass covering over the boat slip. These are not
16 just huts, these are significant structures.

17 Here's another one, two boat sheds there with
18 a house and a patio extending out over the water. You
19 can see another structure on the left, a long ramp coming
20 out over the water.

21 CHAIRMAN CORY: Is the house an intrusion into
22 State property?

23 MR. TROUT: That we are not entirely certain of.
24 For example, in this particular case, I can't answer it.
25 In some areas, the waterways have been widened; but under

1 the interpretation of recent court decisions, as they
2 have been explained to us by the Attorney General, the
3 Commission does have the authority to control the incursion
4 into the waterway, even if it had been artificially created,
5 if in fact it is part of the public waterway. The
6 Commission has the authority to control structures in
7 that area, whether we own the bid at that particular
8 point or not.

9 All of these are natural waterways, either as
10 they are or as they have been altered slightly by dredging.

11 And this is a little smaller structure, but
12 it does show the kind of things that we're talking about.

13 Again, obviously, not a small boat, a large boat
14 and covered boat shed beside it.

15 More of the same, here. I think it's -- these
16 are pretty typical of the situation we're talking about.
17 This happens to be just Bethel Island, and I have here --
18 in addition, I might just pass up to the Commissioners
19 for a quick look some aerial photographs to give you
20 an example of the kinds of intrusions into the waterways
21 that exist. You can see just solid lines all along these
22 waterways in the delta.

23 LIEUTENANT GOVERNOR DYMALLY: Now, this was
24 the piece of legislation carried by Senator Ayala that
25 had to do with this?

1 MR. TROUT: Mr. Moory and Senator Ayala had
2 to do basically with single family residences, and some
3 of these are larger and would be noncommercial leases.
4 But again, it would affect this kind of thing, right?

5 LIEUTENANT GOVERNOR DYMALLY: I don't know if
6 we can reintroduce a bill, but if we can, I would like
7 to have these slides there for presentation so that some
8 of my colleagues can see what we're talking about.

9 MR. TROUT: We have these slides printed; I
10 have them over there. We have them printed on fairly
11 large illustration board.

12 Basically, that's the situation. It's, of course,
13 of concern to the property owners down there who have
14 occupied public lands without any payments for a substantial
15 period of years. But, as the Chairman said, in a press
16 release some time ago, it is in effect ripping off the
17 public. They are using public land without paying for it.

18 That's basically the summary of the situation
19 in the Delta. The slides illustrate Bethel Island, but
20 it's entirely typical of the entire Delta.

21 LIEUTENANT GOVERNOR DYMALLY: I can't tell you
22 how incense I am about that. When one looks at someone
23 jaywalking having to pay a ticket, and then look at
24 other people who are supposed to know better, they take
25 over, in effect, State lands without payment of bill,

1 structurally, I just think it's incredible that we're
2 permitting this to go without some legislative remedy or
3 some legal remedy. It is incredible.

4 MR. TROUT: As a result of the augmentation
5 of the budget, we've had as many as four land agents down
6 in the Delta for periods of time, knocking on doors,
7 contacting people and over the next few months, we will
8 make an effort to contact every property owner that we
9 can find of record.

10 MR. NORTHROP: That concludes my report,
11 Mr. Chairman.

12 CHAIRMAN CORY: We will go ahead and proceed
13 with the agenda.

14 Senator Nejedly is due here at --

15 MR. NORTHROP: I have a note here that he will
16 be here at 11:00 o'clock.

17 CHAIRMAN CORY: We'll go back to the last item
18 on the report --

19 MR. NORTHROP: As I understand, that's what
20 he wants to discuss.

21 CHAIRMAN CORY: -- when he comes in at 11:00
22 o'clock.

23 Item 4, Boundary Line Agreement and Recreational
24 Lease for item (A) Jack Wynn, Albert J. LaTorre, et al.

25 MR. NORTHROP: This is a boundary line agreement

1 up near Humboldt Bay, Mr. Chairman and Governor, in which
2 some land immediately adjacent to our land is being set
3 in a boundary line agreement.

4 CHAIRMAN CORY: And the terms and conditions
5 are satisfactory to both the Attorney General and our
6 staff. We are in essence, getting what we think is ours.

7 MR. NORTHROP: Yes.

8 CHAIRMAN CORY: Without objection --

9 MR. TAYLOR: Excuse me, Mr. Chairman, The
10 quitclaim by the applicants will be both to the district
11 and to the State, because the State has reserved interests
12 and retained interests in the area. To that extent, the
13 calendar items on page 2 should indicate that it's a quit
14 claim to the district and state and the appropriate
15 recommendations would be changed similar. Both the State
16 and district will get it, and the Commission should
17 authorize our acceptance of that written agreement which
18 will be implicit in your approval.

19 CHAIRMAN CORY: This is on page 2 not in the
20 summary, but in the --

21 MR. TAYLOR: No, in the regular --

22 CHAIRMAN CORY: With that understanding, Item 4(A)
23 will be approved with the agreement going both to the
24 district and to the State.

25 Without objection, such will be the order.

1 Item

2 MR. NORTHROP: Mr. Chairman, this is an initial
3 attempt by State Lands to set up a new bidding procedure
4 and declare an area a known geothermal area. There is
5 a 130 acres up in the Geysers completely surrounded by
6 geothermal leases and producing geothermal properties.
7 The staff is requesting the Commission to declare this
8 a known geothermal area; and secondly, authorize the
9 offering for public bid these lands based on a net profits
10 factor in the operation of this geothermal field.

11 CHAIRMAN CORY: Second. Motion and second before
12 us.

13 Mr. Hight.

14 MR. HIGHT: Unfortunately, we didn't get the
15 appropriate language in to declare this a known geothermal
16 area, so with your permission, I would like to read that
17 into the record.

18 CHAIRMAN CORY: Okay. Would you please read
19 that?

20 MR. HIGHT: Mr. Chairman, we will make this
21 4(A), and the existing 4, 4(B).

22 "Determine that Section 46, Township
23 11 North" --

24 CHAIRMAN CORY: This is 5 or 4?

25 MR. HIGHT: What I'm reading will become 4(A)

1 and the existing 4 will become 4(B). This is on page
2 7, Resolution number 4.

3 CHAIRMAN CORY: Just so we can clarify what
4 we're talking about --

5 MR. HIGHT: 4 now reads "Declare that a parcel
6 described herein".

7 CHAIRMAN CORY: You are talking about -- the
8 reference is not to the Calendar Summary Item 4, but
9 instead a subsection of Calendar item 5, Arabic number four.
10 So everybody understands what slight of hand we pull.

11 (Laughter.)

12 MR. HIGHT: "Determine that Section 46,
13 Township 11 North, Range 8 West, MDM, contains a well
14 capable of producing geothermal resources in commercial
15 quantities and classify such area as being a known
16 geothermal resource area."

17 This will become 4(A) and the existing 4 will
18 become 4(B).

19 CHAIRMAN CORY: Is there anyone here who wishes
20 to speak on Calendar item 5, subparagraph 4(A)?

21 Don't let their inability to organize their
22 work confuse you.

23 (Laughter.)

24 MR. NORTHROP: This is the result of the new
25 calendar reorganizational committee.

1 CHAIRMAN CORY: Hopefully, our next calendar
2 will avoid some of these problems, because I'm having
3 the same problem you are having, Mr. Taylor.

4 Nobody wishes to speak on that. Without objection,
5 we declare it passed as read.

6 4(B) is now before us. Without objection,
7 Governor Dymally moves; without objection, such will be
8 the order.

9 We will go on to Classification 6(A).

10 MR. GOLDEN: The 6(A) is a permit for a 5-year
11 use permit for a recreational boating buoy. The rates
12 are set forth there as in our regulations.

13 LIEUTENANT GOVERNOR DYMALLY: Moved.

14 CHAIRMAN CORY: Without objection, such will
15 be the order.

16 MR. GOLDEN: 6(B) is the extension for 6 months
17 of a permit for a temporary maintenance of a pipeline
18 for fire protection purposes at Donner Lake. The last
19 6-month permit was given with the understanding that
20 there would be action taken to establish a district or
21 in some way provide permanent fire protection. Such
22 action has been taken, and we recommend a 6-month extension.

23 CHAIRMAN CORY: Without objection, such will
24 be the order.

25 6(C)?

1 MR. GOLDEN: 6(C) is an Amendment to Right of
2 Way for a telephone line, submarine telephone line, crossing
3 several of the Islands in the Mokelumne River, and it's
4 exempt by law.

5 CHAIRMAN CORY: Without objection, such will
6 be the order.

7 6(D)?

8 MR. GOLDEN: 6(D) is a 49-year Industrial Lease
9 to the California and Hawaiian Sugar Company for a 42-inch
10 diameter outfall line.

11 The rates there are as set in our regulations
12 and the 10¢ per cubic yard of material dredged is for
13 dispersion of the items back into the river at that place.

14 CHAIRMAN CORY: This is for a storm drain?

15 MR. GOLDEN: It's an outfall line for their
16 industrial waste, and it has been cleared by the Water
17 Quality Board.

18 CHAIRMAN CORY: Without objection, such will
19 be the order.

20 6(E)?

21 MR. NORTHROP: 6(E) is a former trespass
22 who is coming into lease.

23 MRS. PERRY: I'm here. If you're talking about
24 6(E), that's me. And I don't like to be called a trespasser.

25 CHAIRMAN CORY: Would you identify yourself?

1 MRS. PERRY: Mrs. Anona Dunbar Perry.

2 CHAIRMAN CORY: Let's have Mr. Northrop try
3 to minimize his editorializing and tell us what the item
4 is about and then we'll hear from you.

5 MR. NORTHROP: This is a Commercial Lease on
6 1.38 acres of tide and submerged land for the maintenance
7 of an existing boating facility. This is the initial
8 lease.

9 The amendment handles the insurance as prescribed.
10 The consideration is \$345 a year. And we have fixed the
11 right to set a different rental as of December 30, 1975.

12 CHAIRMAN CORY: This is for an annual --

13 MR. NORTHROP: This is on the maintenance of
14 an existing marine boating facility.

15 CHAIRMAN CORY: Okay.

16 Mrs. Perry?

17 MRS. PERRY: This lease isn't on the marine
18 boating facility at all. It's on the gas dock and we
19 lease 15 acres out from our property line. Therefore,
20 the price is rather high.

21 I don't exactly know what I'm insuring for this
22 State. I already carry insurance from the gas company
23 on everything I own. It's very confusing to me to know
24 exactly what I'm guaranteeing.

25 CHAIRMAN CORY: The insurance is a liability

1 insurance.

2 MRS. PERRY: That's true.

3 CHAIRMAN CORY: So that if somebody somehow runs
4 into the dock and gets injured and decides that they're
5 going to sue the State because we permitted you to have
6 that dock there, that there is an insurance company
7 protecting the taxpayers of California.

8 MRS. PERRY: Well, in effect, that's a very
9 unlikely situation. Everybody is going to sue me, and
10 they are not going to even know about you, as far as that
11 goes.

12 CHAIRMAN CORY: Well, unfortunately being the
13 Controller, I get sued several times a day.

14 Mr. Taylor of the Attorney General's Office
15 perhaps can explain that.

16 MR. TAYLOR: If she has existing liability
17 insurance in this amount, she can name the State as the
18 co-insurer.

19 MRS. PERRY: That's what I was doing, but I
20 don't understand why. And the amount, the amount is far
21 too high.

22 CHAIRMAN CORY: Mrs. Perry, the amount relates
23 to the liability, and the liability is to the injured
24 party. If a person ran into the dock and was injured,
25 they would sue for the damages to them, not to your dock.

1 They really wouldn't care about your dock. They would
2 be concerned about what happened to their multi-million
3 dollar cabin cruiser and their children and the major
4 wage earner in the family who was injured. And that is
5 very possible for a relatively inexpensive dock to create
6 a rather large liability in terms of property damage and
7 bodily injury. And that is the purpose for the large
8 limits. The large limits concept for the State of California
9 derives from a general historical problem that the State
10 is a target risk. If anybody can find liability against
11 the State, juries tend to award large amounts of damages.

12 MRS. PERRY: I don't know, it seems like you
13 are picking on little people with all your rules and
14 regulations. Mr. Dymally doesn't know why people, as he
15 calls it, trespass on the river. It is because we pioneered
16 the river, we worked and struggled and we pay high taxes
17 because we have water on our property and we can't stick
18 our toe in it because it belongs to the State of California.
19 You might as well tell us we can't breathe our air. You
20 also have your own harbors in competition with us and
21 you do nothing for us. You take our gas money and you
22 say if we happen to build a little dock out in the water,
23 we're trespassing.

24 LIEUTENANT GOVERNOR DYMALLY: Well, aren't you?

25 MRS. PERRY: No. We have a right. We have a right

1 to be in peace. We pioneered all of that kind of business
2 and I don't think now it belongs to the State of California.
3 No, I believe there should be some control on what you
4 build on it.

5 LIEUTENANT GOVERNOR DYMALLY: To whom does it
6 belong?

7 MRS. PERRY: Well, I think we have riparian
8 rights.

9 LIEUTENANT GOVERNOR DYMALLY: When you say "we"
10 who are you talking about?

11 MRS. PERRY: The people that own the property
12 have riparian rights to use it for what they had it for.

13 LIEUTENANT GOVERNOR DYMALLY: To come all the
14 way down to the river?

15 MRS. PERRY: To build a dock out in the water,
16 a little innocent dock out in the water. There's a little
17 lady up there who can hardly walk and the State's been
18 interviewing her and getting her all excited. She's
19 got a little dock out there, a little fishing dock. I
20 think this is too much. I don't think that our government
21 is meant for.

22 LIEUTENANT GOVERNOR DYMALLY: I'm with you.
23 I just want to get the logic. You are saying if you have
24 a piece of property on the riverbed, then you have a right
25 to build --

1 MRS. PERRY: Use if for a certain amount. I
2 don't think you have a right to go way out in the river,
3 no. But a reasonable thing --

4 LIEUTENANT GOVERNOR DYMALLY: Even if that
5 property doesn't belong to you?

6 MRS. PERRY: Well, you can go out in the street
7 and that doesn't belong to me. I'm paying for taxes
8 on a levee that doesn't belong to me. Everybody else
9 in the world has a right.

10 LIEUTENANT GOVERNOR DYMALLY: But everybody
11 has use of the street, though.

12 MRS. PERRY: That's right.

13 LIEUTENANT GOVERNOR DYMALLY: But we can't
14 build in the street.

15 MRS. PERRY: Well, I don't know. There are a
16 lot of things on the street. People sit down there and
17 sell pictures and whatnot. There is a reasonable right.
18 I hate to say it, but I think the State Land has just
19 gone overboard.

20 LIEUTENANT GOVERNOR DYMALLY: Okay, fine.

21 MRS. PERRY: And I'm 70 years old, and I better
22 say it right now.

23 LIEUTENANT GOVERNOR DYMALLY: Well, we will
24 probably never settle this matter, but just one more
25 point. You are saying that those who build and who have

1 pioneered that area have a right to build to the riverbed,
2 right?

3 MRS. PERRY: Right.

4 LIEUTENANT GOVERNOR DYMALLY: What about someone
5 who didn't build but felt that they have a right to build
6 next to you without State permission. Do you think they
7 have that same right?

8 MRS. PERRY: Well, if they are building on
9 the property --

10 LIEUTENANT GOVERNOR DYMALLY: No, no. They have
11 no property. If you took a little piece of State riverbed
12 and I have the same right as a citizen to build whatever,
13 do you think they have a right to?

14 MRS. PERRY: No, not if they don't own anything.
15 I think my taxes entitle me some right for me to use my
16 land what it was meant for.

17 LIEUTENANT GOVERNOR DYMALLY: But you are
18 assuming that the riverbed belongs to you?

19 MRS. PERRY: I'm not on the bed, I'm just on
20 the edge of it. If you go out far, you should have to
21 pay, you should be under control.

22 LIEUTENANT GOVERNOR DYMALLY: I just want to
23 let you know that a number of my colleagues agree with
24 you; I disagree with you. I just want you to know that
25 you are ahead of me because the bill failed, so you are

1 probably right and I'm wrong. But I believe that people
2 shouldn't be permitted to do something, use State land
3 without paying at some measure.

4 MRS. PERRY: There's just too many departments
5 in this thing -- 44 agencies to go through to get a permit
6 is rather ridiculous.

7 LIEUTENANT GOVERNOR DYMALLY: I'm introducing
8 legislation to cut that down.

9 MRS. PERRY: And also a threat as the one such
10 as the Land Commission threatening to go to court, when
11 it takes 44 departments --

12 LIEUTENANT GOVERNOR DYMALLY: Of course, all
13 of that bureaucracy, but I have a feeling that some people
14 have abused their privilege by using State land and
15 others don't have the right to do so. If everybody had
16 a right to build on a riverbed, it would be all right
17 with me; but I just don't believe that some people can
18 and others shouldn't.

19 As I said, you are ahead of me because the
20 Legislature killed a bill both in the Assembly and the
21 Senate and you'll probably win again next year.

22 CHAIRMAN CORY: Thank you, Mrs. Perry. We have
23 this before you. I'm prepared to vote for the lease
24 subject to those conditions, but if you find those
25 conditions intolerable or unacceptable, then we probably

1 should not go ahead with an idle act. I don't see how
2 we could legally issue the lease unless the State is
3 adequately protected in terms of liability. I don't
4 know what your insurance agent is saying what that's going
5 to cost you. It would seem to me --

6 MRS. PERRY: He said he wouldn't write it. He
7 said it was something he never heard of. And that is
8 Travelers, and when Travelers says that, that's malpractice.

9 CHAIRMAN CORY: The Travelers, they've got some
10 serious financial difficulties of their own which may
11 be predicating that statement.

12 MRS. PERRY: I just get insurance like any
13 individual would get, and when they say they won't write
14 it, I can't help that.

15 CHAIRMAN CORY: I do not want you to leave here
16 if we approve this with you having any thoughts that it's
17 been approved without the requirement. Because as I
18 understand the law and our responsibility, you are going
19 to have to have the insurance if you are going to have
20 a valid lease. Now, is that where we are, Mr. Taylor,
21 in terms of --

22 MR. TAYLOR: It's the policy of the Commission
23 and also the position of the Department.

24 MRS. PERRY: I agree with you. You are going
25 to be on my lease, but I still don't think it's right.

1 That's the way I'm leaving.

2 MR. HIGHT: Mr. Chairman, at the October 24th '75
3 Commission meeting, the Commission approved liability
4 insurance for Mrs. Dunbar (sic) in the amounts of 300,000
5 and 6,000,000. She found that amount unable to obtain
6 and part of this calendar item authorizes reduction of
7 that to 100,000 for property damage and 300,000 for a
8 single injury. These limits are in conformance with
9 General Services.

10 LIEUTENANT GOVERNOR DYMALLY: This \$345 per
11 annum does not include the insurance premium?

12 MR. HIGHT: No.

13 LIEUTENANT GOVERNOR DYMALLY: She has to go
14 get that on her own?

15 MR. HIGHT: Yes.

16 LIEUTENANT GOVERNOR DYMALLY: Is she disputing
17 the \$345?

18 MR. HIGHT: I don't believe so.

19 LIEUTENANT GOVERNOR DYMALLY: Do you find the
20 \$345 reasonable or unreasonable?

21 MRS. PERRY: I prefer to not go into that because
22 that's a matter of a ten year's lawsuit and settlement
23 with the Lands Commission. I feel that they should leave
24 me alone. They have ruined my life long enough. I've
25 told that many times. First time I've got to tell the

1 heads of it, though.

2 Anyone that's gone ten years and ten months
3 through the court, the Supreme Court, has suffered plenty.
4 And our settlement was with this lease for 45 years,
5 before it's up, 20 years, it's now changing it and they
6 are making it entirely different. And it isn't a lease;
7 anything that can be changed every two seconds is not
8 a lease, that's just a convenience for your Commission.

9 CHAIRMAN CORY: Mrs. Perry, you are telling
10 us some things that people are confused about.

11 MR. HIGHT: I'm unaware of the Lands Commission
12 having a suit against you. Can you tell me something
13 about that?

14 MRS. PERRY: For ten years and ten months, I
15 went through the courts proving title to my land. In
16 the settlement, I was to have my land. I gave up part
17 of my slough, my waterway; I gave you \$1,000 more or less
18 to leave me alone. You gave me a lease, and I hoped I
19 would live the rest of my life without ever seeing any
20 of you again.

21 MR. HIGHT: Was the Lands Commission party to
22 that suit?

23 MRS. PERRY: A very strong party. I was the
24 first test case in this grabbing business.

25 MR. TROUT: I think it's probably the State

1 Reclamation Board.

2 MRS. PERRY: No. The State Land Commission --
3 Mr. Joseph was the attorney. I'm of record in all the
4 books.

5 CHAIRMAN CORY: But the lawsuit has been settled.

6 MRS. PERRY: And I settled. And one of the
7 conditions --

8 MR. HIGHT: How long ago was this lawsuit settled?

9 MRS. PERRY: Eighteen years.

10 MR. HIGHT: No. How long ago?

11 MRS. PERRY: Eighteen years.

12 MR. HIGHT: Ago? The lawsuit was settled?

13 MRS. PERRY: Well, now you've got me confused.

14 CHAIRMAN CORY: But, the thing that's worrying
15 me is that she said she settled a lawsuit, and one of
16 the conditions of the settlement was a lease.

17 MRS. PERRY: Right.

18 CHAIRMAN CORY: And we're changing the terms
19 and conditions of that lease.

20 MRS. PERRY: First they told me it would be
21 90 years, and then they said they could only write it
22 for 45 years.

23 LIEUTENANT GOVERNOR DYMALLY: Mr. Chairman,
24 may I make a suggestion? Mrs. Perry, is it inconvenient
25 for you to come up here for another meeting?

1 MRS. PERRY: No.

2 LIEUTENANT GOVERNOR DYMALLY: You and I have
3 a slight disagreement philosophically, but personally,
4 I am sympathetic. And I don't want to be a party of any
5 harassment of any person who expects to spend the rest
6 of the year with the State harassing them.

7 I'd like, if you don't mind, to move to put
8 this matter over for another month, so I can get your
9 side of the story.

10 MRS. PERRY: Well, you'll have me worried for
11 another month.

12 LIEUTENANT GOVERNOR DYMALLY: We're not going
13 to bite you, I promise you.

14 CHAIRMAN CORY: The other thing is, as far as
15 I understand the facts at this point, unless there is a
16 radical change in those, you got at least approval of
17 this calendar item. I think maybe that if you have an
18 18 year old court order that we might be violating by
19 the terms of this; I don't want to be a party to that.
20 And your statement seems to imply that there was some
21 litigation that the staff is apparently unaware of that
22 we want to look at. Because if you settle and there are
23 written terms and conditions of that settlement that you
24 were supposed to have something at a given rate, then
25 I would be very reluctant to overturn the deal, and we'd

1 go back to what you thought your deal was if it was
2 supported by the fact that you were parties to this suit.

3 LIEUTENANT GOVERNOR DYMALLY: Why don't we
4 have the staff brief us.

5 MRS. PERRY: I don't know. If you are saying
6 there is not a suit, I can't imagine why they'd say that
7 for.

8 CHAIRMAN CORY: Well, 18 years ago, Bob Hight
9 was in diapers.

10 (Laughter.)

11 CHAIRMAN CORY: Okay. We'll put Item 6(E) over
12 for the next meeting, and the staff will be in touch with
13 Mrs. Perry as to whether or not she needs to be at the
14 next meeting, because it's likely to just go through the
15 former or make you better in terms of your conditions.

16 LIEUTENANT GOVERNOR DYMALLY: Mrs. Perry, this
17 is a friendly staff.

18 MR. NORTHROP: Mr. Chairman, Senator Nejedly is
19 here.

20 CHAIRMAN CORY: Yes. Senator Nejedly?

21 We'll go back to the last item on the Executive
22 Officer's Report, which I think the question of Bethel
23 Island Senator Nejedly would like to speak to.

24 SENATOR NEJEDLY: If I could just take a moment
25 of your time, I don't expect any response to the suggestion.

1 We're dealing with the problems in the Delta
2 in the State Lands Commission on a case-by-case basis,
3 and we don't have any general statement of intention by
4 the Commission as to the lands that they feel are within
5 their jurisdiction; what their policies are with reference
6 to them, and what in general the landowners can expect
7 as those policies are applied to each particular situation.
8 I think it would be extremely helpful for us if the
9 Commission could take the time to outline in general the
10 lands that are felt to be within the jurisdiction of the
11 Commission itself, and what the general procedures and
12 policies are with reference to the utilization of those
13 lands particularly by the landowners. And if in the
14 development of the policy, we could arrange a meeting
15 in the Delta somewhere at your convenience both timewise
16 and insofar as location is concerned, for all of the
17 people who might be potentially affected by the decisions
18 to be present, and at least have their views heard.
19 It would be extremely helpful to me, because otherwise,
20 we are just repeating ourselves case by case, instance
21 by instance. And we are taking more time with your staff
22 and certainly the time of the Commission ultimately, in
23 this kind of a broad relationship with the landowners in
24 particular.

25 So if that suggestion has any merit, I would --

1 CHAIRMAN CORY: The Commission meeting after
2 first an identification of the policies potential landowners
3 is that specifically feasible?

4 MR. NORTHROP: Mr. Chairman, we had a bill SB 469
5 by Senator Dills last year, that gave us the legislative
6 mandate to do this by 1981, and we're in the process now,
7 as the Senator mentioned, of putting this together. The
8 first thing we'll do will be to handle the Delta and to
9 set those boundary lines. Because again, where is the
10 boundary line?

11 CHAIRMAN CORY: But the question the Senator
12 is bringing up, rather than having him deal with the
13 individual landowner who is apprised of his difficulties
14 on an individual basis, is it possible for us to outline
15 the principles by which we are proceeding to define those
16 boundaries? And can we, in fact, get a list of where
17 those areas of trespass are, so that we could in essence
18 allow all of them to have their shot, rather than the
19 Senator spending, I would imagine, a significant portion
20 of his staff's time responding to each individual landowner
21 as they get notice.

22 Is that a fair summary?

23 SENATOR NEJEDLY: That's pretty generally -- I'm
24 aware it's going to take some time to implement it. I
25 am only pointing out that this is an area of immediate

1 concern of many of the property owners throughout there
2 who are being affected differently in what they consider
3 to be similar circumstances by differing staff interpreta-
4 tions and particularly, the lands in which the Commission
5 feels that they have an interest. These lands are shifting
6 currently by new staff or Commission determinations, if
7 that is in fact the case, and people who have previously
8 had decisions rendered in their case are finding that
9 they are now being affected by new decisions and new
10 policies and new rules. It's a very confused situation.
11 I would hope that in some fashion we could implement the
12 Act or the intentions of the Commission by delineating
13 the areas in which the Commission feels the State has an
14 interest, and what are the general rules applicable to
15 those areas. And if we could have at least that, then
16 I think we would be in a position to request a specific
17 meeting on this with some more intelligence than what
18 we're dealing with at this level today.

19 I can only suggest that it's very confusing
20 even to me, who has at least contact with a number of cases
21 in which the decisions aren't reconcilable.

22 MR. TAYLOR: Mr. Chairman, it has certainly
23 been customary to have meetings with groups of people
24 to explain the legal principles involved in determining
25 the boundaries. I think the only change that Senator Nejedly

1 could be referring to is the high water situation where
2 a court has indicated and the title industry has indicated
3 and this Commission has asked us to reexamine the question
4 where the boundary runs, whether it's the high or low
5 water. That may be creating some confusion that could be
6 explained easily, in a meeting.

7 The basic problem, though, is that in areas such
8 as the Delta where there's been extensive man-made works,
9 where there have been changes, where the precise boundary
10 is may be the subject of considerable difficulty and
11 actually go to litigation before you can say "This is
12 the boundary."

13 The effect of changes is subject to expert
14 interpretation. We can explain how that's done. And
15 as for areas, it may be better to take areas and determine
16 the boundary within an area. In other words, take six
17 or seven lots that have a common problem and take those
18 at one time or a slough that seems to have a common
19 problem. But sometimes, these can radically change.
20 For instance, a person may have been in an inlet or a
21 little cup and they filled that and their position may
22 be completely different than the neighbor on either side
23 who have always been next to a very stable line.

24 So, it is a very complicated problem. We can
25 explain it, and I think in the past in other areas, the

1 degree of understanding could be worked out between the
2 parties. This is the ballgame. But it still may take
3 either an agreement after everyone contributes their
4 input as to what they have for boundary lines and locations.
5 Maybe it will be possible to reach an agreement; if it's
6 not possible to reach an agreement, all that information
7 will have to be submitted to a judge for ruling on which
8 line is controlling.

9 CHAIRMAN CORY: I have found in the past that
10 the Senator has asked for these kinds of meetings and
11 they have been very beneficial to me.

12 Now, are we currently in the position where
13 we can relatively quickly establish a meeting to discuss
14 the general principles and find out through some of the
15 people particularly what it is we are trying to accomplish?

16 MR. NORTHROP: Yes, we can do that without
17 any wait at all.

18 MR. TAYLOR: We can also indicate to them the
19 kind of information that we're searching for and seek
20 their assistance, and also ask them to have our technical
21 people -- our technical people that work to see if a
22 common understanding can be reached as to some controlling
23 principles. The biggest problem is the facts, and the
24 facts can go back to such a long period of time.

25 CHAIRMAN CORY: Senator Nejedly, would that be

1 a sufficient first step?

2 SENATOR NEJEDLY: I would certainly -- if that
3 is a direction to staff to arrange a meeting, that
4 certainly would be helpful to us if at that meeting we
5 could also have some more precise statements by the staff
6 in the areas in which they feel the Commission has an
7 interest; if in some point in time it seems to me that
8 the State has a responsibility to determine what it thinks
9 it owns in the line where that ownership is determined.
10 And I would like to be more specific if we can be rather
11 than just develop the rules which will be helpful, as to
12 where these areas are that they are going to be applied.

13 CHAIRMAN CORY: It is my understanding that
14 we are starting in the Delta some of the areas of Donner
15 Lake, and we will in essence move throughout the State
16 to clear up the title and ascertain the inventory of all
17 State property. Unfortunately, there is not an inventory
18 of State property. We've been unable to convince the
19 Department of Finance under any Governor to sufficiently
20 fund the project in establishing an inventory.

21 So, Senator, I'm not sure of giving a list,
22 you know, these are the items, it's something we're going
23 to have to do a little bit each year.

24 MR. NORTHROP: We can certainly give the areas.
25 We cannot show a line of demarcation.

1 MR. TAYLOR: It is possible to show the areas
2 where problems exist. And in that context, we work with
3 a group of people or with the specific landowner involved.
4 What is impossible to do is give a precise line as to
5 what is the actual controlling boundary. I don't think
6 that the research has been completed to that degree to
7 satisfy anyone on that. But we can tell an owner if he's
8 got a problem or not, and we can set out a program to
9 work out the problem, and hopefully we will resolve it
10 by negotiations. Pending that, we can expedite a trial
11 if the parties will cooperate with the development of
12 a common understanding of facts; and in some areas that's
13 worked very well.

14 SENATOR NEJEDLY: In the budget, I certainly
15 want to espouse the cause if that's the issue as to the
16 appropriation of sufficient monies to at least advise
17 the public what the line is that the State feels it has
18 an interest in. I think ultimately, it would be a lot
19 cheaper to do it in that fashion than to do it in either
20 the litigation route or the expense and time consuming
21 route that we are undergoing now administratively in this
22 case by case bit.

23 That's where we are.

24 LIEUTENANT GOVERNOR DYMALLY: When we go to
25 Senate Finance and Assembly Ways and Means, I'd like to

1 get a copy of this transcript so I can use your testimony
2 here.

3 (Laughter.)

4 SENATOR NEJEDLY: You tell me when it's going
5 to be and we'll have the people there. I think we can
6 make a very clear case.

7 CHAIRMAN CORY: We've always gotten the Legislature
8 to appropriate the money, we've never been able to get
9 the Governor to leave it in the budget.

10 SENATOR NEJEDLY: Maybe we ought to invite him
11 for a little trip down the Delta.

12 CHAIRMAN CORY: We will proceed and also renew
13 our efforts to try to get the money allocated to delineating
14 these things so we can be more precise with the people.

15 But we can start with the staff meetings and
16 get those under way, and somebody from our shop will be
17 in touch with you as to how we can get those set up.

18 SENATOR NEJEDLY: I don't want to impose on your
19 time, you've been generous to this point. I'd like to
20 if I may, though, because this issue involves our county,
21 the Dowrelia Boat Works for the Commission has made a
22 determination with reference to the amount to be paid.
23 I would appreciate it if you would set that for some
24 hearing at your convenience. If we could put the case
25 to you a little more illusively, I don't think the

1 Commission is aware of the circumstances.

2 What we have here, very briefly, is a case in
3 which a boat owner is an operator and attempting to operate
4 privately the very small facility. He now has an annual
5 fee of \$2,000 to the State. In order to pay that \$2,000,
6 he's trying to dredge the harbor to accommodate the small
7 drab boats, and the State is now saying to him that he
8 has to pay a royalty for the removal of the dredges,
9 which is presenting a financial situation to him which
10 may mean closing of the harbor entirely because he simply
11 isn't making it. I've gone over his books. I spent two
12 days with his people down there and I can tell you very
13 quickly that he's not making it. The only way he survives
14 at all is by contributing his own time at no expense to
15 the business. And that what the State is going to do if
16 they impose this charge is to lose the \$2,000, the public
17 lose the convenience, and we have nothing and the county
18 loses the assessed valuation of the facility because it's
19 going to rapidly deteriorate if he goes out of business.

20 So, I think we got to a point where the
21 Commission really doesn't understand what is the fact
22 of the situation.

23 CHAIRMAN CORY: So it's a question of a request
24 from the Senator on a hearing on this matter.

25 LIEUTENANT GOVERNOR DYMALLY: So move.

1 John, I wasn't here last month; I don't know
2 what the facts are.

3 CHAIRMAN CORY: Okay. Thank you, Senator.

4 Item 6(F) on our calendar, Commercial Lease of
5 June Greening for nine tenths of an acre of tide and
6 submerged land in Sacramento; \$250 per annum with the
7 State reserving the right to fix a different rental on
8 April 28th and on each fifth anniversary of the lease
9 thereafter.

10 Is there any controversy on this item?

11 Anyone here wish to speak on this item?

12 LIEUTENANT GOVERNOR DYMALLY: So move.

13 CHAIRMAN CORY: Without objection, this will
14 be the order.

15 Item 6(G), Assignment from John H. Pietz of
16 a Commercial Lease to Western Water Ways, Inc.; normal
17 insurance requirements; consideration 857.50 per annum,
18 reserving the right to alter or determine the lease by
19 April 27, '76.

20 Is there anyone here who wishes to address
21 themselves to this item?

22 Any controversy on this item?

23 LIEUTENANT GOVERNOR DYMALLY: So move.

24 CHAIRMAN CORY: Without objection, Item 6(G)
25 is approved as presented.

1 6(H); Assignment and Amendment of Commercial
2 Lease of Lawrence H. Kerns, Sacramento River near Oak Hall
3 Bend, Yolo County; consideration of \$3,120 per annum.

4 Anyone wishes to address the Commission on this
5 item?

6 LIEUTENANT GOVERNOR DYMALLY: So move.

7 CHAIRMAN CORY: Item 6(H) is approved as presented.

8 6(I), Huntington Harbour, Assignment of Noncommer-
9 cial Lease from the Huntington Harbour Corporation, the
10 developer, to the Sea Harbour State Channel Slip Owners
11 Association.

12 MR. NORTHROP: A homeowner group in the harbor.

13 CHAIRMAN CORY: Consideration \$4,875.67 per
14 annum.

15 Is there anyone who wishes to address themselves?

16 LIEUTENANT GOVERNOR DYMALLY: So move.

17 CHAIRMAN CORY: No objection, Item 6(I) will be
18 approved as presented.

19 Item 6(J), Recreational Pier Permits in Contra
20 Costa, Placer and Sacramento Counties.

21 Is there anyone here who wishes to address
22 themselves?

23 I think that Calvin L. Schmidt is a judge from
24 Orange County who is a friend of mine.

25 LIEUTENANT GOVERNOR DYMALLY: Move to postpone.

1 CHAIRMAN CORY: I mean, I know the guy, but I've
2 never talked about this with him.

3 Okay. I'm making a disclosure of the awareness.
4 But if it is the same Cal Schmidt, he's never mentioned
5 this to me, and it's standard procedure --

6 LIEUTENANT GOVERNOR DYMALLY: So moved.

7 CHAIRMAN CORY: Without objection, Item 6(J)
8 will be approved as presented.

9 7(A), Burmah Oil and Gas. These are for six
10 wells --

11 MR. NORTHROP: Mr. Chairman, these are for four
12 wells.

13 CHAIRMAN CORY: Four new wells, and two injection?

14 MR. NORTHROP: Two injection, right.

15 CHAIRMAN CORY: Without objection.

16 LIEUTENANT GOVERNOR DYMALLY: So move.

17 CHAIRMAN CORY: 7(A) is --

18 MR. FINK: Mr. Chairman, what is the procedure
19 for a member of the public -- I regret that I was late
20 on arriving here -- to be heard on an item such as 7(A)?

21 CHAIRMAN CORY: Come forward and identify
22 yourself and tell us what you want to tell us. It's very
23 easy.

24 MR. FINK: My name is Jim Fink, F-i-n-k.
25 My mailing address is Post Office Box 28759, Sacramento,

1 California 95828.

2 With regard to the oil situation, Mr. Chairman,
3 I wish to let it be known that I feel that it is important
4 that these applications be approved, particularly in view
5 of the situation which I realize the State of California
6 has no direct control over, mainly the nationwide energy
7 crunch.

8 I feel that we have a situation here that
9 warrants the interests of all Californians inasmuch as
10 we're all paying high prices at the gas pumps to keep our
11 cars in operation, and until such time as RT has state-
12 wide services, I think we are still going to need our
13 cars.

14 One of the situations developed unfortunately,
15 was the 1969 Santa Barbara oil spill. However, I have
16 information in front of me that indicates that this was
17 blown way out of proportion by the mass media. I am
18 quoting now from the report conducted by the University
19 of Southern California marine biologists under the
20 chairmanship of Dr. Dale T. Straughan. And to spell that
21 for the record it is S-t-r-a-u-g-h-a-n.

22 And his report states, quote: "That no ill
23 effects on animal and vegetable plankton were observed.
24 No damage from the oil spill could be found on sandy
25 beaches. The channel fish catch was actually found to have

1 been greater for the six month period following the oil
2 spill than in a comparable period before. Nor has the
3 spill defamated the bird population. Of the 12,000 birds
4 in the channel at the time of the spill, 3,500 died from
5 all causes. Yet by May, the bird population has risen
6 to 85,000 because of seasonal migrations."

7 The conclusions of Dr. Straughan and his team
8 unfortunately became one of the best kept secrets since
9 the disappearance of June Crater.

10 Now, one other point that was made in this same
11 \$250,000 study which by the way ran some 900 pages.

12 CHAIRMAN CORY: Who paid the \$250,000?

13 MR. FINK: The University of Southern California,
14 as I have it.

15 CHAIRMAN CORY: What is their source of money?

16 MR. TAYLOR: The industry paid for the report
17 as a result of the litigation that was arising or in
18 connection with it. Whether it was directly a part of
19 the litigation or not, it was used in the litigation by
20 the industry.

21 CHAIRMAN CORY: Okay.

22 MR. FINK: This same report also states quote,
23 "Not only had overall damage by the spill been greatly
24 overestimated, but where damage had been done, nature had
25 returned it to normal."

1 Now, the fact of the matter is that for centuries,
2 there have been crude oil influxes even before man ever
3 thought of drilling.

4 You have a situation here where there is natural
5 seats of a place known as Coal Oil Point, down there on
6 the Santa Barbara Coast.

7 CHAIRMAN CORY: The item we have before us relates
8 to Orange County, Huntington Beach.

9 MR. FINK: I realize this.

10 CHAIRMAN CORY: And we're willing to give you
11 substantial latitude, but if you could focus in on whether
12 or not we should put in these wells. We're probably going
13 to approve them, but if there is some specific information
14 to help us in that area, we'll be glad to take it.

15 But, go ahead and proceed.

16 MR. FINK: Let me explain my reasoning for
17 bringing up the Santa Barbara issue. It was the result
18 of the Santa Barbara issue that offshore oil drilling
19 was indefinitely banned in the State of California, and
20 so that is the tie-in.

21 LIEUTENANT GOVERNOR DYMALLY: Mr. Fink, there
22 might be a more appropriate time for you to focus on
23 that particular issue, when the question of new applications
24 comes up. I think it probably will next year. Standard
25 will probably reapply to drill in the channel, and there

1 will be some public hearings. At that time, it seems to
2 be more appropriate for you to focus on that issue and
3 your testimony will be more relevant. Right now, we are
4 probably about to approve what is a routine application.
5 But, I think next year that you might be a very valuable
6 witness for the oil companies and other people who believe
7 that we should continue to drill in the Santa Barbara
8 channel.

9 MR. FINK: Thank you very much.

10 LIEUTENANT GOVERNOR DYMALLY: I would instruct
11 the staff to so inform the industry, so that you could
12 testify in their behalf.

13 MR. NORTHROP: That's correct.

14 LIEUTENANT GOVERNOR DYMALLY: And Standard is
15 going to renew the application next year, as I understand it?

16 MR. NORTHROP: Yes, they will.

17 MR. FINK: I would appreciate notification of
18 when the hearings are occurring.

19 MR. NORTHROP: As you leave, we will be sure
20 to get your name and address.

21 CHAIRMAN CORY: Okay. Item 7(A), any further
22 discussion?

23 Without objection, 7(A) will be approved as
24 presented.

25 7(B), a royalty adjustment from Atlantic Richfield.

1 MR. NORTHROP: According to the lease, they
2 are allowed to deduct.

3 LIEUTENANT GOVERNOR DYMALLY: Mr. Chairman, we
4 have no other choices on this matter but to vote for it.

5 MR. NORTHROP: It's according to the lease,
6 they have the right to it.

7 CHAIRMAN CORY: Without objection Item 7(B)
8 will be approved pursuant to the terms of the lease.

9 7(C), Marin County wants to do some dredging.

10 MR. NORTHROP: Yes. The dredging has already
11 been done.

12 CHAIRMAN CORY: We're adjusting the price because
13 they didn't put them where they said they were going to
14 put them.

15 LIEUTENANT GOVERNOR DYMALLY: So moved.

16 CHAIRMAN CORY: Without objection, Item 7(C)
17 approved as presented.

18 8(A).

19 MR. NORTHROP: Mr. Chairman, this is the First
20 Amendment to the Stretford Process which is part of the
21 budget program.

22 CHAIRMAN CORY: This is just to handle the
23 details of the accounting procedure for the cost of
24 operating the Stretford plan?

25 MR. NORTHROP: Right.

1 CHAIRMAN CORY: Without objection?

2 LIEUTENANT GOVERNOR DYMALLY: So moved.

3 CHAIRMAN CORY: 8(A) will be approved as presented.

4 8(B) is a review of the tideland project in
5 Long Beach, and this is the final --

6 MR. NORTHROP: This is the final closing on that.

7 CHAIRMAN CORY: \$6,086.86 Long Beach wants, and
8 that is bound to be owing due to the Subsidence costs.

9 Without objection, it will be approved as
10 presented.

11 Item 9(A).

12 MR. NORTHROP: Mr. Chairman, this is a delegation
13 of authority to attorneys to enforce the nonpayment of
14 rent through unlawful detainer actions.

15 CHAIRMAN CORY: These are the people who stopped
16 paying rent, to allow us to go ahead and get money back?

17 MR. HIGHT: That's correct.

18 LIEUTENANT GOVERNOR DYMALLY: So moved.

19 CHAIRMAN CORY: Item 9(A) will be approved.

20 9(B).

21 MR. NORTHROP: Mr. Chairman, 9(B) is a report
22 that was asked for by the Legislature and prepared by
23 Mr. Trout's unit, and I'd like to have Mr. Trout discuss
24 it with you.

25 MR. TROUT: I think the Commission is fully aware

1 that their jurisdiction extends over something like 4 1/2
2 million acres of land. In effect, the Legislature said
3 that the Commission should inventory this entire round
4 of land and determine originally which portions of the
5 land were environmentally unique.

6 For a year, there was a very difficult problem
7 between your staff, the Office of Planning and Research
8 and the Resources Agency about what was unique. The
9 following year, the Legislature changed the word "unique"
10 to "significant," so we were then asked on your behalf
11 to inventory State owned lands under the jurisdiction
12 of the Commission which were environmentally significant.

13 So this calendar item is the final step in a
14 significant project. And it seems appropriate to kind
15 of summarize the steps that were taken.

16 The Commission was required to inventory and
17 identify the lands under its jurisdiction. This task
18 was completed last December, and a draft report was
19 circulated state-wide. Comments were received and will
20 be incorporated into a final inventory.

21 Each of the Commissioners has been furnished
22 the mock-up of the final report which has a yellow cover
23 on it. It is the successor to a draft report which had
24 a similar cover that was bright orange.

25 As can be expected, the staff was unable to

1 investigate each individual parcel of land under the
2 Commission's jurisdiction. Therefore, nominations were
3 solicited from other governmental agencies as well as
4 organizations out of the more than 100 organizations and
5 agencies contacted, over 50 responded. In addition, some
6 100 reports were reviewed with 19 determined by the staff
7 to have direct value on the inventory.

8 As a result, we feel the inventory is comprehensive
9 as well as an exhaustive report.

10 A substantial percentage of the lands were
11 determined to possess --

12 CHAIRMAN CORY: Pardon me. How does that follow?
13 Pardon me, maybe this isn't the place to do this. You
14 just stated that we weren't able to do an actual physical
15 inventory ourselves, so we have asked other governmental
16 agencies to do it by invitation. Half of those that
17 you requested to responded, and then another value
18 determination was made with 19 that you thought significant.

19 If that is the premise of the work, how can
20 you come to the conclusion that that's comprehensive?

21 MR. TROUT: 19 were in addition to the 50. There
22 were 19 additional reports out of 100 reports that were
23 reviewed.

24 We feel that it's comprehensive because the
25 agencies that responded, such as the Department of Fish and

1 Game and other agencies that have broad based field
2 personnel, the Sierra Club, the Nature Conservancy, and
3 other people who have the ability and interest to cover
4 the state state-wide were the agencies that responded.

5 CHAIRMAN CORY: The question in my mind is
6 that we're doing this the best job we can given the resources
7 we have available, but I personally don't believe that
8 that is a comprehensive way to inventory property. It seems
9 to me that we are stating our limitations, and we should
10 make that explicit and not get too wound up with where
11 we are. I don't know what the Governor's views are.
12 I'm hesitant because I can see where a significant parcel
13 has very probably been left out just due to the financial
14 limitations on the study. And if we discovered that and
15 started to say defend title on another piece someplace
16 else, somebody else can come back and say well your own
17 records, your own comprehensive study of such and such
18 show that it wasn't there.

19 MR. TROUT: I accept the change in language.
20 The report itself does not --

21 CHAIRMAN CORY: Okay. I just --

22 MR. TROUT: The word "comprehensive" is the staff
23 feeling. It is not indicated in the report. We've
24 indicated the limitations and as you will see later in
25 our presentation here, we feel that it is extremely

1 important to keep the doors open so that additional parcels
2 may be added as it becomes apparent that they were over-
3 locked.

4 CHAIRMAN CORY: Fine. I think it's important
5 that we keep restating that, so that the report not be
6 taken out of context.

7 Pardon me for jumping to it, but it just seems
8 to be fraught with peril, but we have to start somewhere.
9 And I appreciate what the staff has done. It's a good,
10 excellent job given the limitations. But, let's not
11 get wound up by thinking we've really solved the problem.
12 We've got a lot of unanswered questions starting from --
13 it seemed to me that there would be a better way to
14 inventory this if someone would come up with the bread
15 for us.

16 MR. TROUT: The Chairman is entirely correct.
17 But even with these limitations, a substantial percentage
18 of the lands were determined to possess significant
19 value. Approximately 70 percent of the sovereign lands
20 or the tide and submerged lands, 38 percent of the school
21 lands are so listed in the report.

22 To show the magnitude of this, over 2 1/2 million
23 of the 4.3 million acres under the Commission's jurisdiction
24 has been identified as possessing some significant
25 environmental values.

1 Today, two requirements remain for the Commission:
2 The adoption of regulations to protect the identified
3 lands; and recommendations for additional action.

4 At the July meeting, the Commission authorized
5 the Division to hold hearings on the regulations. The
6 proposed regulations were circulated and public hearings
7 were held in September. These regulations which require
8 your approval today established several procedures for
9 the protection of the lands.

10 First, the Division may augment information in
11 the inventory whenever additional information is received.

12 Two, the Division will classify all environmentally
13 significant lands into one of three use classifications.

14 Three, the staff shall continually review
15 environmental documents to determine if additional lands
16 should be classified as having significant environmental
17 value.

18 And four, the Commission would determine that
19 it shall not allow the sale, lease or other use of
20 significant lands without finding that adequate provisions
21 have been made to assure the permanent protection of the
22 prescribed values or that granting of the application
23 will have no significant effect upon the values.

24 The only additional requirement for the final
25 report is to recommend additional action. We have proposed

1 in the report several areas.

2 First, that you direct the staff to investigate
3 the establishment of funds to be used to preserve the
4 significant values when in danger.

5 Second, that an advisory committee be established
6 to recommend solutions when significant values are in
7 danger.

8 And third, the proposals be developed through
9 the budgetary process to finance periodic inspections
10 of the significant lands and identification of potential
11 threat.

12 The findings of all these investigations if
13 approved, would be reported back to you. With the
14 adoption of the calendar item, the Commission is certifying
15 that all requirements have been met.

16 We feel that this is the beginning of our
17 planning process and will be a valuable tool for future
18 use.

19 We therefore recommend that you approve this
20 item, given the limitations recognized by the Chairman.

21 MR. TAYLOR: Mr. Chairman, during one of your
22 comments to Mr. Trout, you indicated that this might
23 have an effect on boundaries or State title claims. It's
24 specifically provided in the statute that this does not
25 effect title problems. It stated in the report and in the

1 regulations that are before you for adoption, it also
2 states that this is only an environmental inventory, and
3 it does not determine boundaries nor are boundaries really
4 defined in this report. There is, as Mr. Trout pointed
5 out, a flexibility of the Commission, if we've overlooked
6 an area which turns out in the process of considering
7 an item for action by the Commission which should be
8 listed as environmentally unique; someone applies for
9 a parcel of property to lease it or do something else
10 to it, under these regulations that you are adopting
11 today, they are given a copy of our criteria. And also
12 we checked the inventories that tend to exist, and if it
13 is on the inventory, he must meet the two requirements.
14 If it is not on the inventory, the party must provide
15 a statement description of the area so that the staff can
16 review whether that should be given some environmental
17 classification.

18 So, this process will continue to go on, and
19 this is the beginning of that work.

20 CHAIRMAN CORY: In terms of a basic definition
21 that was used in terms of significant, are all waterways
22 and access to waterways dealt with as environmentally
23 significant or not?

24 MR. TROUT: Not necessarily.

25 The legislation as amended gave to the Office of

1 Planning and Research the duty to establish the criteria,
2 the definition of what is environmentally significant.
3 In general, as you can tell from the 70 percent of tide
4 and submerged lands, most fell within this category.
5 Another consideration was that the Delta Master Recreation
6 Plan and the Wild and Scenic Rivers Plan or proposal
7 was to have been considered and was in the development
8 of this area.

9 So that basically, it's the deep ocean that
10 probably has the 30 percent, although it is possible for
11 some waterways to not be environmentally significant.

12 Our Fish and Game found significance in nearly
13 all of them, as an example.

14 CHAIRMAN CORY: The dispute that we have going
15 is someplace in the Delta with a duck club, you know,
16 is that waterway inventory in here, for example, as
17 environmentally significant?

18 MR. TROUT: I'm not certain whether that
19 particular one is or not.

20 The limitation, of course, has been that if
21 someone did not nominate it or was not identified in any
22 report, it is not included in this first version that
23 we're turning out.

24 CHAIRMAN CORY: That's the question. It seems
25 to me with the pressure on waterways generally, I would be

1 hard pressed not to find all waterways owned by the State
2 to be environmentally significant. There may be one
3 you can show me that isn't, but I would not leave an
4 implication in this draft or by the adoption of that that
5 something else is going to turn around and bite us in the
6 back of the head on one of those other situations where
7 they say it's obviously not environmentally significant.
8 That's the kind of deletion that I'm worried about.
9 Something that could be relatively small in terms of an
10 overall thing, but very significant in terms of the
11 pressures that we have upon us.

12 There was a time when upper Newport Bay was
13 not considered very significant to the people of Orange
14 County, and then it became very significant.

15 MR. NORTHROP: Your example happens to be in
16 here, but your point is well taken.

17 CHAIRMAN CORY: So, if in the draft we are
18 nebulous enough to include some of those smaller places --
19 that's all I'm worried about.

20 MR. TAYLOR: There could be a statement included
21 amended to your approval today of this report, that there
22 be a paragraph added that the failure to include an item,
23 a particular area, does not necessarily mean that it
24 does not have environmental significance. Would that
25 satisfy?

1 CHAIRMAN CORY: I would prefer to have that
2 explicit statement.

3 MR. TROUT: Certainly, that is the reason we
4 brought it before you; it can be added or amended, and
5 in following your wishes today would then be --

6 CHAIRMAN CORY: To be placed fairly early so
7 that anybody starting to skim would pick that up; this
8 is the first step and this is the first inventory, and
9 we expect there to be revisions.

10 Can we proceed with that amendment being added
11 to the document?

12 Without objection, 9(B) approved as amended.

13 9(C), authorization to conduct public information
14 sessions on various areas including the Truckee area,
15 concerning the findings of the Earth Satellite Corporation
16 into submerged areas of Donner.

17 Any questions or debate on this item?

18 Any questions from anybody in the audience?

19 Without objection, 9(C) will be approved as
20 presented.

21 9(D).

22 MR. NORTHROP: Mr. Chairman, 9(D), (E) and
23 (F) deal with the same subject matter, and Bob Hight from
24 our counsel is going to address the Commission on this.

25 LIEUTENANT GOVERNOR DYMALLY: Mr. Chairman, may

1 I suggest that we separate Item (F) from (D) and (E).

2 CHAIRMAN CORY: Okay.

3 MR. HIGHT: If we could take Item (D) and (E)
4 as together.

5 CHAIRMAN CORY: Is there anyone in the audience
6 who wishes to address the Items (D) or (E)?

7 MR. HIGHT: The Government Code provided that
8 the State Lands Commission has to approve any boundaries
9 of any area of which it is going to incorporate, and the
10 incorporated area will include tide and submerged lands.
11 The Commission staff has reviewed the boundaries and
12 found that Items (D) and (E) are in conformance.

13 Is there any opposition?

14 CHAIRMAN CORY: No objection, Item 9(D) and (E)
15 will be approved as presented.

16 Without objection, that's the order.

17 9(F).

18 MR. HIGHT: 9(F) is the incorporation of the
19 City of Truckee. It includes Donner Lake.

20 It is the recommendation of the staff that
21 based upon the problems with the boundary of Donner Lake,
22 that it would not be in the best interests of the State
23 for the Commission to approve this incorporation as
24 described.

25 CHAIRMAN CORY: This relates back to Item 9(C) on

1 the agenda?

2 MR. NORTHROP: Yes.

3 MR. HIGHT: Yes.

4 CHAIRMAN CORY: Is there anyone who wishes to
5 address themselves to Item 9(F)?

6 MR. PORTER: My name is Jim Porter, P-o-r-t-e-r.

7 And I would just like to question the staff's
8 recommendation on this matter. We have begun proceedings
9 for the incorporation of Truckee, and they -- the first
10 step is to make application to LAFCO, the Local Agency
11 Formation Commission, and then you go on from there on
12 to an election. They cannot accept our application until
13 the State Lands Commission approves our boundaries. So
14 therefore, we are on a very tight calendar schedule trying
15 to have our election next November, and we won't make it.
16 I feel that it's almost impossible if we're put off at
17 this point.

18 CHAIRMAN CORY: I think what is being suggested
19 here is not that you be put off but that you be turned
20 down.

21 MR. PORTER: I've read the ordinance. I have
22 it here, and it states you shall approve or disapprove
23 all portions of the boundaries of the proposed city.
24 Well, the boundaries of the proposed city go around Donner
25 Lake, not close to the center. None of the boundaries go

1 through Donner Lake. From my reading this ordinance, this
2 Government Code Section, the considerations that the Board,
3 the staff is to review, talk about right angles and how
4 the city lines goes through the State Lands; and this
5 doesn't affect us at all. I don't know what the intent
6 is here.

7 LIEUTENANT GOVERNOR DYMALLY: What county is
8 Truckee?

9 MR. PORTER: This is Nevada County.

10 LIEUTENANT GOVERNOR DYMALLY: You haven't been
11 to LAFCO, yet?

12 MR. PORTER: We have been to LAFCO, but they
13 will not accept our application. They say under this
14 Government Code Section 34302.3, this is the section
15 that gives you the power to review our boundaries. It
16 says "We cannot make any application for incorporation
17 until we have received approval of the State Lands Commission."

18 What I'm asking is you are saying let's wait
19 until we determine the boundary problems of Donner Lake.
20 Well, in my opinion, this is going to be several years
21 down the line. There are some people who are very hot
22 about what's happening at Donner Lake, and I won't make
23 a decision on that. So, we are going to be waiting three
24 or four years while you decide whether or not we should
25 incorporate Truckee or not. I don't think that was the

1 intent of this ordinance.

2 CHAIRMAN CORY: The alternative, though, is
3 for the incorporation not to include the disputed lands.

4 MR. PORTER: We could do that, but I would like
5 to know -- we are not taking title to this property, of
6 course. We aren't making any statement as to whether
7 your moves or the new survey -- what effect that's going
8 to have on the land. What is that going to have to do
9 with you? This will just unnecessarily complicate things.

10 For example, under the ordinance, if we do
11 have to exclude it, we will have to have a legal description
12 excluding the boundary of Donner Lake. We'll have the
13 incorporation boundaries and then the specific exclusion
14 of Donner Lake. Well, I'm not even sure that there is
15 a legal description, yet. Conceivably, we would have
16 to wait three or four years to even get a description.

17 MR. HIGHT: We can describe the bed of Donner
18 Lake with sufficient adequacy.

19 MR. PORTER: It has to be in the best interest
20 of the State Lands Commission. What is the best interest
21 of the State Lands Commission to refuse it --

22 CHAIRMAN CORY: To maximize our claims.

23 MR. PORTER: Well, how are your claims going
24 to be affected adversely by having the City of Truckee
25 incorporated?

1 LIEUTENANT GOVERNOR DYMALLY: Can we then have
2 an amendment in the application before LAFCO which would
3 separate Donner Lake pending the resolve of the problems,
4 because there are some obviously legal squatters.

5 MR. PORTER: There obviously are, but I don't
6 see how --

7 LIEUTENANT GOVERNOR DYMALLY: If you take away
8 the lake from the State, it is conceivable that we may
9 never solve this problem.

10 MR. PORTER: No, we are not taking the lake
11 away. We are taking it from the County, the State owns
12 it.

13 CHAIRMAN CORY: Let me back up, trying to get
14 you on track. If your goal and objective is to expedite
15 the process of LAFCO and all, for Truckee, I for one
16 Commissioner, unprepared to vote for an incorporation
17 boundary which includes the bed of Donner Lake.

18 It is my judgment that that interferes with
19 our claims, vis a vis, the ownership of that property.
20 Now, I may be incorrect in that. Unfortunately, I am
21 sitting here where I'm not going to defend that position,
22 because I think it might tend to jeopardize the State's
23 position in terms of its various legal battles.

24 Now, to the extent that you want to proceed,
25 if you're willing to delete the thing from Donner, the

1 Donner Lake Bed, I'm willing to vote for it, because
2 that leaves the thing neutral. But, I am not prepared
3 to get into a defense of my judgmental factors on something
4 that may later be litigated. I'm willing to state my
5 position. If that helps you, we can proceed; if not,
6 I'm afraid that there really isn't a quorum at which we
7 can -- at least as far as my vote is concerned -- that
8 we can help you.

9 LIEUTENANT GOVERNOR DYMALLY: Let me ask both
10 counsels a question. Is it possible to proceed with the
11 application before LAFCO, deleting the lake bed out of
12 the area of incorporation?

13 MR. PORTER: And proceed and at some later time
14 make a determination that it may be included.

15 Well, it certainly would be -- well, no, it
16 probably would not. We go to LAFCO, have a public hearing,
17 then we pass a petition of Notice of Intention to Pass a
18 Petition and pass a petition, then all the time stating
19 what the boundaries are in all of them. So, we have to
20 pass a petition to do it, with duplicate copies, this
21 will take us up to the election which will be next
22 November. I see no way that these people here, that the
23 State Lands is going to have any resolution on this matter
24 for '76.

25 LIEUTENANT GOVERNOR DYMALLY: Could you not

1 exclude the land to your application?

2 MR. PORTER: Yes, we could exclude the land in
3 the application.

4 LIEUTENANT GOVERNOR DYMALLY: I mean the bed
5 of the lake.

6 MR. PORTER: Right.

7 LIEUTENANT GOVERNOR DYMALLY: And you could
8 proceed on your incorporation, and then when we resolve
9 this with the parties and with the Attorney General's
10 Office or whomever, then the city can come back, assuming
11 that you will incorporate, come back and negotiate with
12 us.

13 MR. PORTER: Then, if we had a city, I suppose
14 that would leave us an exit. Then, we would have to
15 have another election and on and on, and cost the taxpayers
16 more money.

17 LIEUTENANT GOVERNOR DYMALLY: You can negotiate
18 with the Lands Commission.

19 MR. PORTER: The Lands Commission changed --
20 well, they haven't made a decision. Well, later on
21 they make the decision that they would not be opposed to
22 the city taking in the bed of Donner Lake, then I suppose
23 we can have another petition and another election and
24 annex the bed of Donner Lake.

25 CHAIRMAN CORY: I don't think you have to have an

1 election, it would be an uninhabited territory.

2 LIEUTENANT GOVERNOR DYMALLY: Well, let's assume
3 you do.

4 CHAIRMAN CORY: It would be pretty hard for
5 annexation of uninhabited territory without an election.
6 I don't think we've got anybody living on it.

7 LIEUTENANT GOVERNOR DYMALLY: My point is --

8 CHAIRMAN CORY: But if you do have people living
9 on it --

10 LIEUTENANT GOVERNOR DYMALLY: That's the issue,
11 here. If you do then, at some subsequent election, you
12 could tie in with the School Board election or general
13 election and put it on the ballot.

14 MR. PORTER: I appreciate your decision, but
15 I still question the logic behind it. I see no logic
16 behind it. We are not making a land grab, we are just
17 changing the background government from the county to
18 the city.

19 LIEUTENANT GOVERNOR DYMALLY: The problem is
20 not with you and the petitioners. The problem is with
21 some other people who don't even live in Donner Lake;
22 they live in New York, for that matter. That's the
23 problem we have here. We are not opposing your application.
24 As a matter of fact, I am supportive of what you're doing.

25 MR. PORTER: That's the problem we have, is

1 people who live in New York and Chicago, right.

2 LIEUTENANT GOVERNOR DYMALLY: So, if you want
3 to expedite this application, I would be prepared to vote
4 for it if you would exclude that portion.

5 MR. PORTER: Are any of you not prepared at this
6 time to state why you prefer to have it?

7 LIEUTENANT GOVERNOR DYMALLY: Oh, because of
8 the problems we have with the squatters. It's an unresolved
9 legal problem.

10 MR. PORTER: Perhaps you do not understand
11 incorporation, that the problems you have with squatters
12 and the water going out Donner Lake and all of this, the
13 staff has recommended -- suggested to me that those are
14 the problems. And they don't want to have a growth inducing
15 impact, and maybe Dart Industries or Tahoe-Donner may
16 be taking more water out. Those districts will probably
17 not be taken over by the city. So I can assure you that
18 there will be no affect of the corporation on the people
19 of Donner Lake.

20 If that's your position, I would accept the
21 acceptance of our application.

22 CHAIRMAN CORY: Can we approve it?

23 MR. HIGHT: Subject to the exclusion of Donner
24 Lake, yes.

25 MR. PORTER: Then you don't approve it, then?

1 CHAIRMAN CORY: We'll approve it.

2 LIEUTENANT GOVERNOR DYMALLY: Without amendment,
3 you don't get it.

4 MR. PORTER: You are saying that you are denying
5 our request to include State Lands within proposed
6 boundaries of the city, then there are no state lands and
7 we don't have to apply to you.

8 So, you denied it, and there's no way --

9 MR. TAYLOR: Are there any other State Lands
10 in the Donner thing?

11 MR. TROUT: No fee lands as far as we know within
12 the city boundary.

13 MR. PORTER: So you deny it.

14 CHAIRMAN CORY: Failure to act positively could
15 be taken as a denial.

16 MR. PORTER: One question I have, does the staff
17 have the date as to when we made application for the
18 approval of the State Lands Commission?

19 LIEUTENANT GOVERNOR DYMALLY: I'm going to offer
20 a motion so we can resolve it.

21 I move that the application be approved with
22 the exception of Donner Lake, and the staff would put
23 the appropriate language to describe the exclusion.

24 CHAIRMAN CORY: I would second that motion with
25 the understanding that that means we will approve it if

1 Donner Lake bed is not included in the city limits.

2 LIEUTENANT GOVERNOR DYMALLY: And the staff
3 will put into legal language all of the observations.

4 MR. PORTER: Then, what are you approving?

5 MR. HIGHT: We are approving the boundaries of
6 the incorporation but excluding from the area the area
7 bed of Donner Lake.

8 CHAIRMAN CORY: If your position is correct,
9 our act has no force and effect, you can proceed without
10 it. But, in case there is something else, you've got
11 approval of it.

12 So without objection --

13 MR. PORTER: Could the staff answer this one
14 question, when we made application, because failure to
15 make a denial or approval within 45 days is automatically
16 an approval. And there are some questions in my mind as
17 to whether our application -- when it came in.

18 LIEUTENANT GOVERNOR DYMALLY: This is a legal
19 question, that if the application was made longer than
20 45 days, that in effect, we have approved it.

21 MR. HIGHT: The application -- we are within
22 the 45 days. We have the authority to approve or disapprove.

23 CHAIRMAN CORY: Okay. We have taken action
24 and the staff clearly understands that the approval is
25 only a conditional approval, if the lake bed of Donner Lake

1 is excluded from the application.

2 MR. PORTER: And if there is no other State
3 lands within the proposed city, you've just denied our --

4 MR. NORTHROP: Disapproved.

5 MR. FINK: Mr. Chairman?

6 CHAIRMAN CORY: Yes.

7 MR. FINK: I respectfully request permission
8 to make a point of information in case further controversies
9 of this nature develop.

10 The question came up annexing unincorporated
11 lands into a city if they were uninhabited.

12 A precedent for this kind of situation was
13 established in the city of Napa in 1974, along a ranch
14 hassle. I don't know if you are aware of that. This
15 involved several thousand acres of land to the rest of
16 the Silverado Country Club where the famous Kaiser Golf
17 Tournament is played each year.

18 The proposal was to put in a tennis club and
19 condominium unit and incorporate it into the city of
20 Napa. The citizens of Napa formed an organization known
21 as Citizens Against Urban Sprawl and demanded, and took
22 it to court, elections as to whether or not this could
23 be annexed. The city had annexed it under the uninhabited
24 lands provision, because in fact there were no residences
25 whatsoever on the property. It was pretty vacant land,

1 the only residences thereon having been burned to the
2 ground.

3 The court ruled that an election had to be held,
4 and in the subsequent election, the entire city of Napa
5 voted on it and overwhelmingly nixed the annexation.

6 CHAIRMAN CORY: Okay. The staff is aware of
7 that?

8 MR. NORTHROP: We made notes on that.

9 LIEUTENANT GOVERNOR DYMALLY: Thank you very much.
10 Item 10(A).

11 MR. NORTHROP: Mr. Chairman, 10(A) is a piece
12 of property known as the Hazard Unit which the State
13 Lands has under lease to Imperial Thermal.

14 Fish and Game own the surface rights of the
15 property and was administering it, and it contracted
16 the work out for the Federal Government, the Department
17 of Interior. The Department of Interior asked for a longer
18 lease time; rather than give them a longer lease time,
19 the Department of Fish and Game through General Services
20 gave them the property.

21 Now, we have a problem with this property in
22 the fact that we have a Lessee on the property which
23 had been given away.

24 So, we asked for authorization to file declaratory
25 relief and instruct the Attorney General --

1 CHAIRMAN CORY: Looks like the Attorney General
2 has a problem.

3 MR. NORTHROP: In effect, the Fish and Game
4 had given away lands which we had a lease.

5 MR. TAYLOR: We don't feel that all of the
6 requirements for such a conveyance had been met and there
7 may be some defects in that; and that's what our problem
8 is.

9 CHAIRMAN CORY: Okay. They're saying they've
10 got it all.

11 MR. NORTHROP: They've got it all and they've
12 got a quitclaim deed on it.

13 CHAIRMAN CORY: Without objection, 10(A) will
14 be authorized as presented.

15 10(B)?

16 MR. HIGHT: 10(B), Mr. Chairman, is the authoriza-
17 tion for the staff and the office of the Attorney General
18 to perfect title at Oak Hall Bend. This relates to Calendar
19 item 6(H). The Lessee there is apparently leasing the
20 upland from a private party, and it is the contention
21 of the staff that the land is in fact State owned.

22 CHAIRMAN CORY: Without objection.

23 LIEUTENANT GOVERNOR DYMALLY: So moved.

24 CHAIRMAN CORY: 10(B) authorized as presented.

25 10(C). Do you want to do this?

1 MR. NORTHROP: 10(C). We'd like to go into
2 Executive Session on part of that.

3 CHAIRMAN CORY: We will pass 10(C).

4 10(D)?

5 MR. HIGHT: 10(D), Mr. Chairman, is the
6 authorization to prevent a party in San Mateo County from
7 filling any further land. We have received a letter
8 from them this morning indicating that they will so stop
9 filling the land. However, we feel that in the event
10 that they default on their letter, we would like this
11 authorization anyway.

12 LIEUTENANT GOVERNOR DYMALLY: So moved.

13 CHAIRMAN CORY: Without objection, 10(D) will
14 be authorized as presented.

15 (E)?

16 MR. NORTHROP: Mr. Chairman, this is the
17 authorization of counsel to proceed against the Department
18 of Interior on the acreage under question in the Executive
19 Officer's Report.

20 CHAIRMAN CORY: This is the disputed lands which
21 they say they are taking out, but we don't know for sure.

22 MR. TAYLOR: Mr. Chairman, we have the pleadings
23 in galley form. Anything to the Supreme Court has to
24 be filed in printed form. We have held the final printings.
25 If you like us to go ahead, we will have them printed in

1 final form. But I don't think we can file it until they
2 go through with their actions.

3 CHAIRMAN CORY: Hold it, if for some reason
4 that's not printed in the Registry when it's supposed to
5 be, I suggest that you have to go ahead and have it
6 printed and proceed, so we don't end up losing anything.

7 So 10(E) will be approved as presented; authoriza-
8 tion is granted on those items.

9 Without objection, such will be the order.

10 The confirmation of date, time and place of
11 next meeting of the Commission, we had January 14th in
12 Sacramento.

13 Is there any other item to come before --

14 LIEUTENANT GOVERNOR DYMALLY: 10:00 a.m.?

15 CHAIRMAN CORY: 10:00 a.m.

16 Is there any further item to come before us?

17 Is there anyone in the audience that has anything?

18 If not, we will adjourn the public session to
19 go into Executive Session to discuss litigation with
20 counsel.

21 (Thereupon the meeting of the State Lands
22 Commission held on December 1, 1975 was
23 adjourned at 11:30 a.m.)

24 --oOo--

25

1 I, DIANE WALTON, a Shorthand Reporter for the
2 State of California, do hereby certify:

3 That I am a disinterested person herein; that the
4 foregoing State Lands Commission Meeting was reported in
5 shorthand by me, Diane Walton, a Shorthand Reporter of
6 the State of California, and thereafter transcribed into
7 typewriting.

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

11 Dated this 7th day of January, 1975.

12

13

Diane Walton
DIANE WALTON
Shorthand Reporter

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