MEETING
STATE LANDS COMMISSION

STATE CAPITOL
ROOM 2170
SACRAMENTO, CALIFORNIA

WEDNESDAY, DECEMBER 20, 1978
10:00 A.M.

Wendy E. Stewart

PETE S SHORTHAND REPORTING CORPORATION
7700 COLLEGE TOWN DRIVE SUITE 213
SACRAMENTO, CALIFORNIA 95820
TELEPHONE (916) 563-2001
MEMBERS PRESENT

Hon. Kenneth Cory, Chairman
Ms. Betty Jo Smith, for Lt. Gov. Mervyn M. Dymally
Mr. Roy Bell, for Richard Silberman, Director of Finance

STAFF PRESENT

William Northrop, Executive Officer
R. S. Golden, Assistant Executive Officer
James Trout
Robert Hight
W. M. Thompson
Dianne Jones

ALSO PRESENT

Jan Stevens, Attorney General's Office
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CHAIRPERSON CORY: Call the meeting to order.

Confirmation of the minutes of the previous meeting. Any corrections or additions?

COMMISSIONER BELL: No, none.

CHAIRPERSON CORY: Without objection, approved as presented.

Report of the Executive Officer, and may I say to the staff as we get close to the holidays we probably all have items we need to go to clean off our desk so we can get our Christmas shopping done. So, move with alacrity.

EXECUTIVE OFFICER NORTHROP: This Calendar Item 34 is being pulled and negotiations are continuing.

The Commission on October 11, 1978, approved the assignment by Atlantic Richfield of its contractors' interest in Tracts 1 and 2 to Producing Properties Company of Denver, Colorado. As part of that assignment, Century Resources Development, Inc. in the October 11 meeting agreed to provide guarantees in the amount of $625,000 for Tract 1 and $375,000 for Tract 2 to secure the City of Long Beach and the State of California against failure by Producing Properties Company or Century Resources Development to fulfill all obligations under the contracts.
Three alternative ways of providing these guarantees are satisfactory to the State. These are letters of credit, blocked cash accounts or trust accounts utilizing certificates of deposit. This third method, certificates of deposits in the same principal amounts held in a trust account, will be used by CRD with the trust agency being Security Pacific Bank. The final documents for the Consent and Assumption Agreements, Consent and Release Agreements and Trust Agreements are being executed at the present time. Pursuant to the delegation by the Commission in your approval of this assignment, and conditioned on finalization of the Trust Agreement, I will probably execute prior to December 28.

Mr. Chairman, before I conclude my report, we understand that this is perhaps the last day the Miss Betty Jo Smith will be sitting on the Commission, and at this the staff would like to say thanks and on the record for the help and guidance and sometimes tough questions that you proposed. We appreciate it. Thank you very kindly.

That concludes my report with the thanks to Miss Smith.

COMMISSIONER SMITH: I'd like to respond.

CHAIRPERSON CORY: Okay. Point of personal privilege.

COMMISSIONER SMITH: I'd like to thank the entire
staff for all the assistance they've given me, taking time
to take me on tours and giving me the extra things that
I needed since I was new to the Commission, and thank you
for understanding when I had to be a little bit tough
or ask tough questions. Thank you very much.

CHAIRPERSON CORY: We also would like the record
to reflect that a proclamation of the State Lands Commission
and staff proclaiming their appreciation to Lieutenant
Governor Mervyn Dymally for service rendered as a member
of the State Lands Commission in the discharge of his
duties for the people of the State of California. We ask
that it be further known that the State Lands Commission
staff extend their warmest appreciation for unselfish
personal contributions, and if this could be adopted I
guess on a two to one vote --

(Laughter.)

CHAIRPERSON CORY: We'll let the record reflect
that it was unanimous, and we'll have the appropriate --

COMMISSIONER BELL: The appropriate question is
moved.

CHAIRPERSON CORY: Move the unanimous vote,
and the record will so reflect. We wish both you two
well in the future.

COMMISSIONER SMITH: Thank you.

CHAIRPERSON CORY: We have the report of the
Assistant Executive Officer, Mr. Golden.

MR. GOLDEN: Thank you, Mr. Chairman, members.

There are two items of interest for your information. Pickleweed Associates is the first one.

At last month's meeting, I reported that we expected to bring the proposed residential project of Pickleweed Associates in Mill Valley, Marin County, before you this month for consideration. This project has been stalled at the local level for several years before coming to our attention through an application to the San Francisco Bay Conservation and Development Commission. Title problems were presented by the application. This is to report that this item was not calendared for today's meeting because the city failed to file the required Notice of Determination with the Resources Secretary in a timely matter. The Notice was filed last week and the project should be on this Commission's agenda for the January meeting.

Second item; item is City of Berkeley live-aboards policy. Recently, the City of Berkeley initiated a proposal to allow live-aboards in 40 out of nearly 1,000 berths at the Berkeley City Marine located on granted lands. To implement this proposal, the city has adopted a new local ordinance. Staff has reviewed the ordinance for its regulatory provisions and for consistency with the public trust.
The purpose in permitting live-aboards is to provide needed security-surveillance services. Furthermore, cruising-type vessels are designated in the ordinance as opposed to houseboats or arks.

CHAIRPERSON CORY: Wait a minute. We're opposed to arks?

MR. GOLDEN: Yes. We have a number of these in Corte Madera Creek.

COMMISSIONER BELL: Those that are on our trust territory that we won't let them rebuild?

MR. GOLDEN: That's right.

CHAIRPERSON CORY: What's the definition of an ark?

MR. GOLDEN: It's not a bellweather of things to come, I don't think, necessarily. It's just a rundown sort of houseboat.

CHAIRPERSON CORY: When does it become an ark?

COMMISSIONER BELL: When does a houseboat become an ark?

CHAIRPERSON CORY: When they've got animals on it or what.

(Laughter.)

MR. GOLDEN: It would pretty well fit under the term "houseboat". One is kind of a degenerate-type houseboat.
CHAIRPERSON CORY: That's what bothers me. If somebody doesn't like the marine architect that happened to put this one together, then that's an ark?

MR. GOLDEN: Just that they've been there for quite a long time and they probably are not seaworthy any longer, whereas a houseboat is generally seaworthy, I think, and can move about.

CHAIRPERSON CORY: What I'm trying to get at is if a man has a boat and it's a standard 100-foot destroyer parked there and it's there for a long time, does it become an ark because it's been there a long time?

MR. GOLDEN: I doubt it.

CHAIRPERSON CORY: Unless you don't like him. Nobody is worried about this?

Okay.

COMMISSIONER BELL: If this is not a word of art, perhaps it should not be used. I have seen it used quite often.

MR. GOLDEN: It has been adopted as kind of a term of use specifically in the Carte Madera area and Sausalito, down in that part of the Bay Area.

CHAIRPERSON CORY: Okay. Keep proceeding and hopefully we'll get to the New Testament where we don't have to worry about this.

(Laughter.)
MR. GOLDEN: These vessels must be kept seaworthy and must in fact be moved out of the marina every 90 days for at least six hours to assure their seaworthiness. Those granted live-aboard privileges are taken on a first come-first served basis, specific conditions being inserted to assure non-discriminatory treatment. Based on a careful review of the proposal by both our staff and the Attorney General's staff, it has been determined that this ordinance would not be in violation of the public trust and the general policy of prohibiting residences on public trust lands.

That concludes my report, Mr. Chairman.

CHAIRPERSON CORY: Questions from Commissioners?

COMMISSIONER SMITH: No.

CHAIRPERSON CORY: We'll leave it at that. The next items are the Consent Calendar. They're on the public agenda preceded by the letter "C", and they are items Cl through 17. Unless there's objection from anyone of the audience, we will take all of these items up together and approve the staff recommendation.

Is there anybody in the audience who has any problems with the proposed staff recommendations?

Without objection, Consent Calendar Items Cl through 17 inclusive will be approved as presented.

Item 18. This is Mr. Seiglitz.
EXECUTIVE OFFICER NORTHROP. Mr. Chairman, this
is a recommendation by staff of denial of a general use
permit for the recreational lease for Mr. Robert Sieglitz.
The staff is unable to find places where Mr. Sieglitz can
get insurance, and because of the deep pocket liability
concept, counsel informs us that we have some serious
problems in allowing the lease.

Mr. Sieglitz is here. I have a request from
him to address the Commission at this time.

CHAIRPERSON CORY: Okay.

MR. SIEGLITZ: I'm Robert Sieglitz. I'm not
sure if it's an ark or a boat, but it's a 136-foot converted
mine sweeper. As stated during last month's meeting, owing
to the financial and emotional costs involved, I am willing
to sign the lease as proposed by the Commission as is
with the exception of the requirement for the liability
and the right of agents to go upon lands owned by me for
the purposes of inspection.

I have attempted to obtain the insurance required
at a reasonable cost and have been unable to do so, and
I cannot arbitrarily sign over my constitutional rights
against unwarranted searches. Public Resources Code
Section 6 does not in any way that I can see in reading
it authorize the Commission to control or provide permits
to boats when not used for navigational purposes as letters
from the State Lands staff counsel provides. It does specifically limit jurisdiction to the beds of the water courses and not the water itself, which is in the domain of the federal government.

As of January 1978 revisions, no citation of any decision has given this jurisdiction to the State Lands Commission. It appears that the staff counsel is using the deep pocket of the state to intimidate and harass one single citizen for the purposes of setting a precedent for the control of waterways.

There are hundreds of boats along the Sacramento River being used for other purposes than navigation. Here are some photographs of two boats which are identical size to mine. The one on the left and the one on the bottom as not mine. These are identical size to mine and fastened to the shoreland in an identical manner to mine within the Sacramento region. Neither of these property owners or these boat owners have been contacted by the State Lands counsel for requiring a lease permit.

I respectfully request that if elected officials wish to control all boaters on the waterways when not navigating, that the Public Resources Code be amended, and further request that the request for lease and the multitudinous suits filed against me by the counsel be dropped until this Public Resources Code is amended. I'm
not occupying the bed of the river and have not kept anyone
from the use of that bed as stated in the suit.

CHAIRPERSON CORY: If that's where we are, I'm
prepared to approve the recommendation of the staff. I
thought we were trying to work out a problem last month.
We seem to have a change in attitude of Mr. Sieglitz. I
think he cited his position. I understand his position.
I appreciate it, but I'm prepared to move.

MR. SIEGLITZ: May I state that at the first
of my position I stated I'm still willing to siy, he
agreement with the exception of those two documents.

CHAIRPERSON CORY: I understand that.

COMMISSIONER SMITH: I move that we approve
the staff recommendation.

COMMISSIONER BELL: Second.

CHAIRPERSON CORY: Moved and seconded. All those
in favor signify by saying aye.

(Ayes.)

CHAIRPERSON CORY: The motion is carried.

Item 19.

MR. SIEGLITZ: I'd like to say one thing. Even
though I've been turned down, I think your meeting has
been conducted very well the last two times I have been
here. I appreciate what you've done on other things,
not particularly on mine.
CHAIRPERSON CORY: I understand that. There's a way for that difficulty to be resolved, and I guess we should proceed in those directions. Thank you.

Item 19.

CHAIRPERSON CORY: Mr. Chairman, 19 is Bolinas Lagoon Plan, Marin County is substantially complying with the grant requirements.

CHAIRPERSON CORY: Is there anybody in the audience on Item 19?

Need authorization?

COMMISSIONER SMITH: Move.

CHAIRPERSON CORY: Without objection, such will be the order.

Item 20.

CHAIRPERSON CORY: Mr. Chairman, Mr. Trout, Chief of the Land Management Section, has done some investigation on the compliance with the tideland grant to the City of Avalon.

MR. TROUT: I think the Commission found that the City of Avalon had substantially complied with the terms of the grant, but one of the provisions was that any unused areas would revert to State ownership. We've asked the city and we've reviewed aerial photographs of the area used during the busiest holiday seasons, such as Fourth of July and Labor Day, and have determined that
approximately 1,000 feet from the present shoreline and enclosing along across the mouth of the bay would give them all they needed.

I understand the City of Avalon feels that they can live with that, although we have not received formal agreement to it; but as I understand it -- they are not here -- we just recommend approval of the calendar item which would reduce the grant to the Bay of Avalon and to a strip 1,000 feet out from the shoreline.

CHAIRPERSON CORY: Is there anybody in the audience on this item?

COMMISSIONER BELL: Mr. Chairman, I just wanted to check again. The 1,000 feet does give them adequate control of the harbor itself.

MR. TROUT: Yes. Actually, of course, the city limits extend out three miles. So, they don't need the actual ownership and jurisdiction to enforce their ordinances.

COMMISSIONER BELL: I see.

MR. TROUT: This 1,000 feet would take in all of the area that we could see as being used by boaters who are anchoring on weekends and things like that.

COMMISSIONER SMITH: Move approval of the staff recommendation.

CHAIRPERSON CORY: Without objection, Item 20 is
approved as presented.

Item 21.

CHAIRPERSON CORY: Mr. Chairman, Item 21 is rescission of prior lease authority given to the Nature Conservancy and assignment of that lease to the United States Fish and Wildlife Service for the development of San Pablo Bay Wildlife Refuge.

CHAIRPERSON CORY: Is there anybody in the audience on this item?

COMMISSIONER BELL: Just a question. You are reading the statement from the back to the front.

EXECUTIVE OFFICER NORTHROP: Back to front.

CHAIRPERSON CORY: Without objection.

Item 22.

CHAIRPERSON CORY: Mr. Chairman, Item 22 does the same thing, giving lands to transfer of control to the same wildlife refuge.

CHAIRPERSON CORY: Without objection, such will be the order.

23, quitclaim deed from the City of Vallejo.

EXECUTIVE OFFICER NORTHROP: To add to the wildlife refuge.

CHAIRPERSON CORY: Anybody in the audience on this item?

Without objection, 23 will be approved.
Item 24. We're going to have a hearing.

EXECUTIVE OFFICER NORTHROP: Mr. Chairman, the lawyer is going to handle this one.

CHAIRPERSON CORY: Anyone in the audience on 24? Without objection, Item 24 will be approved as presented.

Item 25.

MR. HIGHT: 25, Mr. Chairman, is the lease to Atchison, Topeka and Santa Fe for a dock that they have in San Francisco Bay. The Commission is obtaining $60,000 in back rent and an annual rental of $4,000.

CHAIRPERSON CORY: Anybody in the audience on this item?

COMMISSIONER BELL: This in no way affects the dock?

MR. HIGHT: It brings the dock under lease.

CHAIRPERSON CORY: Okay. Item 25 will be approved as presented.

Disclaimer in Item 26 on .65 acres, more or less, in Calaveras County. Anybody in the audience on this? We have no interest. Without objection, it will be approved.

Item 27, disclaimer on 261.43 acres in Ventura County. Anybody in the audience on this one?

Without objection.
COMMISSIONER SMITH: No objection.

CHAIRPERSON CORY: 27 will be approved as presented.

Item 28, 9.68 acres, more or less, in Ventura again. Anybody in the audience on this one?

Without objection, it will be approved as presented.

Item 29.

EXECUTIVE OFFICER NORTHROP: Mr. Chairman, Item 29 is an award of a bid for sell-off oil, and there were seven bidders. A company by the name of Basin Petroleum Company won the lottery. It's been indicated by Aminoil that they don't want the oil, so we're going to proceed with the sale.

COMMISSIONER SMITH: No objection.

CHAIRPERSON CORY: Anybody in the audience?

Without objection, it will be approved as drawn by lot.

Item 30.

EXECUTIVE OFFICER NORTHROP: Mr. Chairman, Item 30 is a settlement of a dispute on some crude oil pricing involving DOE regulations.

CHAIRPERSON CORY: Anybody in the audience on this item?

COMMISSIONER BELL: Everybody happy on this one?

CHAIRPERSON CORY: Okay. Without objection, the
agreement is approved as presented.

Item 31. Mineral extractions, San Diego County on the filling basin. Is that what that one says?

EXECUTIVE OFFICER NORTHROP: It's going to dredge out the intake basin.

CHAIRPERSON CORY: Anybody in the audience on this item?

Without objection.

COMMISSIONER SMITH: No objection.

CHAIRPERSON CORY: Item 31 will be approved as presented.

Item 32, we're going to go after molybdenum.

EXECUTIVE OFFICER NORTHROP: I'm glad you said it.

(Laughter.)

CHAIRPERSON CORY: Anybody in the audience on this item?

Without objection, Item 32 is approved.

Item 33, caustic waterflooding.

EXECUTIVE OFFICER NORTHROP: Mr. Chairman, we are moving on that. It's running a little more expensive, but the feds are in it 40/60. We've got five more decision points we're watching very closely.

COMMISSIONER BELL: What's the timing on this, roughly?
EXECUTIVE OFFICER NORTHROP: Mr. Thompson,
what is the timing on this?

MR. THOMPSON: Overall project for this flood
should be about five years. One of the things that is
holding it up now is getting the computer runs to find
what would be the rate we would estimate it to happen
without the caustic.

COMMISSIONER BELL: I guess my question is,
when are we going to reach the point of our cost-effective
study where we make a decision whether we proceed or not?

MR. THOMPSON: There are three more checkpoints
along the way, and one of course would be to get this
computer run made and establish on a property definition
what the federal government would approve so we would have
a base to go from before we start the cost.

CHAIRPERSON CORY: I understand that, but when?

COMMISSIONER BELL: Will this be a year from
now, five years from now?

MR. THOMPSON: We want to start caustic injection
January 1st. If the feds will agree to the particular
extrapolation and everything like that, we will start
then. We won't inject caustic before we get the approval
because then there has been a case or two in which they
have said you have started a tertiary recovery project
before you have got it approved by us as a tertiary recovery
project.

COMMISSIONER BELL: Thank you. Forty percent?

MR. THOMPSON: It still goes on the same spending level. It's strictly a classification of whether it's a tertiary project and a declining rate above which you would then get new or tertiary oil.

CHAIRPERSON CORY: The point that we are wondering about is there are these checkpoints. When do those checkpoints occur? There's a calendar, a time line. When on those will we be making a hard decision whether or not we are going to continue?

MR. THOMPSON: In the first quarter of next year because that's the time we will start injecting caustic. After that then it's a question of if you have early breakthrough, then you would maybe stop the project.

COMMISSIONER BELL: Thank you.

COMMISSIONER SMITH: No objection.

CHAIRPERSON CORY: Thank you. Item 34.

EXECUTIVE OFFICER NORTHROP: 34 is off calendar, Mr. Chairman.

CHAIRPERSON CORY: 35. Amendments to cooperative agreements for water injection operations. This is Chevron.

EXECUTIVE OFFICER NORTHROP: Mr. Thompson would care to address that. If you have a question I could not
answer it this morning.

CHAIRPERSON CORY: What I was wondering, on the costs that we're charging them, are we using governmental cost or private industry cost?

MR. THOMPSON: Actual cost. In other words, we take the water that's injected in the existing wells, that amount of water that goes into quad intervals in the vertical section. Then the cost of that is split 50-50 between the unit and Chevron and Parcel A and Chevron.

CHAIRPERSON CORY: Does that cost include depreciation, replacement, wear and tear on the pumps?

MR. THOMPSON: No. It would be on an accrual cash basis. If we had to do any replacement of facilities, redrill a well or anything like that, they would share in those particular costs.

CHAIRPERSON CORY: What I'm wondering about is that if you use that approach, if they decide they don't want any more done and they're going to go back to using their own two days before your pump breaks, then we're sucking air.

MR. THOMPSON: As far as the standard Long Beach Unit deal, this is not the case because they're going to physically abandon their wells and their facilities. So, those wells will be the only wells to be continued in the future. Therefore, they will share the cost of all injection
that goes into that, the maintenance of the service
facilities on that. They repair the wells.

CHAIRPERSON CORY: Are we recovering our sunk
costs that are already there?

MR. THOMPSON: No, in the same way that they are
not recovering the sunk costs in their wells on their
side of the line that they had to abandon. Both of us
went in with the same thing. We each furnished two wells
on each side of the line. We put our money into those
wells. Their wells are damaged, cannot go on; therefore,
we're going to put the injection load over on the two
existing wells, and the maintenance of those existing
wells in the future will be split between both parties
just as if there had been four wells before. We took
care of our two wells, and they took care of their two
wells. Now we're going to depend on those two wells and
share the cost.

Neither one of us is going to recover our past
costs of the two wells we put in. We're both going to
start even and proceed in keel.

On the Parcel A co-op deal now, they will share
the cost until they get two other wells converted on their
side of the line.

CHAIRPERSON CORY: All right. Item 35 is
approved as presented.
Item 36. Second modification.

EXECUTIVE OFFICER NORTHROP: Mr. Chairman, this is Mr. Thompson's method of changing every quarter so no one knows what he's projected at the beginning of the year at the end of the year. So, you may want to discuss it.

(Laughter.)

EXECUTIVE OFFICER NORTHROP: It was raised by your predecessor, Mr. McCausland, as to how we kept track of that.

MR. THOMPSON: At least we do our shuffling out in the open.

(Laughter.)

CHAIRPERSON CORY: What you're telling us is that we're getting less oil but more money.

MR. THOMPSON: No. Our problem here is that we have to make these estimates in April. At that time we don't know the amount of carryout of one year's budget in the next year's budget. We're merely reporting back now what that carryout amount was. In other words, we actually carried almost $8 million out of last year's budget into this year's budget.

To give you a feel for what the cash basis may be this year, we have to talk about the carryout. The other remark was strictly facetious. Plus the fact we didn't know the taxes at the time. Because of Proposition
 didn't know the tax liability. Now, again, we've had to hold the oil price constant for three quarters because we didn't know what was going to happen. OPEC price increases now will add about a $1.84 to crude oil by October 1st. If you take away what possibly the domestic prices will go up in the meantime, the entitlement's value burden on lower tier crude in California will probably increase a dollar and a half by October 1st, which means that possibly, since we're about 20 cents below ceiling right now, if they played the game straight against no increase in stripper price, we could be faced with a dollar and a half cut in crude oil prices in California.

We hope this won't happen, but again this is going to require action by the DOE to go in again and review the entitlements adjustment. I know you're sick and tired of hearing this, but we're back in the same game.

CHAIRPERSON CORY: We have got to go back and start lobbying again.

MR. THOMPSON: We had six months' relief from it. Now, because OPEC prices increase, the entitlement value increases again. So, we have to go back and get additional adjustments to get it back.

EXECUTIVE OFFICER NORTHRUP: Whenever they make a move to move it up, they give more money to those people who refine foreign crude and less money --
COMMISSIONER BELL: And take it away from us.

EXECUTIVE OFFICER NORTHROP: It comes back.

MR. THOMPSON: We have an increase in entitlements value to again subsidize imported oil. I realize you're getting sick and tired of this after three or four years.

EXECUTIVE OFFICER NORTHROP: Every time OPEC raises they take it away from us.

CHAIRPERSON CORY: Anybody got any good news? Thank you for Item 36.

Moving right along, City of Long Beach on a subsidence account. We have a $350 dispute.

EXECUTIVE OFFICER NORTHROP: Mr. Chairman, you have in front of you a letter from Long Beach dated December 4th describing an opinion of settlement of the subsidence cost. The city has requested that this be included in your consideration this morning. We are out of synch by $352. Is that correct, Mr. Thompson?

MR. THOMPSON: And 93 cents. I would also like to have you read another letter, December 19th, 1978, which you have a copy of in front of you. You have that. It might kind of catch you.

If you look at the last page on that, I might point out one thing. If you look underneath the signature you'll see the capital letter CTJ, EP, LAW, and in small letters gjp. For each one of those individuals in there
we're paying between $25 and $60 an hour. This letter probably cost the State of California a good part of the $352 we're talking about here.

If I had been smart on staff level, I would agree to their particular concern so they wouldn't write this letter so we wouldn't have to pay this amount of money. It gets to be a principal after a while.

What happened is that all these particular things they do in subsidence gets charged directly against the State. We pay 100 percent. For $352.93 let's make a decision on it so we can stop charging the State more and more money.

COMMISSIONER BELL: If you put the two letters together, you're almost there.

MR. THOMPSON: Right. As I say, it's kind of a miscalculation of staff efforts because maybe we shouldn't disagree with these things.

CHAIRPERSON CORY: I would think you should go ahead and do that. What I'm sort of inclined to do is say we approve paying Long Beach and send them a letter that in view of the amount of money we're paying them to fight us, we acknowledge that we won't get mad. We'll get even.

MR. THOMPSON: And even and even.

CHAIRPERSON CORY: Approve the 350, stop the letters;
but either in the letter or verbally somebody should tell
them it seems like our mutual good will should not be
jeopardized by 350 bucks. Is that agreeable?

COMMISIONER BELL: Very agreeable.

COMMISIONER SMITH: Agreeable.

CHAIRPERSON CORY: Go ahead and pay the 350 and
make sure they know they owe us one.

MR. THOMPSON: You'll approve the staff recommenda-
tion as presented.

CHAIRPERSON CORY: We'll buy the 350. We want
you to continue what you're doing. We want the city to be
informed we did it when we looked at what we were paying
to fight it.

38. Authorize the Attorney General to take whatever
steps necessary in the matter of San Luis Rey River in
Oceanside where they want to build a housing tract in
the middle of a river bed. Have they seen film clips of
Phoenix, Arizona before they build that?

COMMISIONER BELL: I was going to say, don't
they have zoning ordinances?

CHAIRPERSON CORY: They filled the river bed or
what?

MR. TROUT: Rob Collins from the Attorney General's
Office is here and he has some photographs. What has
happened is they have filled a portion of the river bed.
Last January there was a significant amount of water going through; and if you look at the filled area and you look at the amount of water, it looks a lot like Phoenix. The Attorney General has been carrying on an implied dedication action. There are evidences that the land in fact may have been titled and that the State has an interest in it. It seems that it's appropriate for the State to get involved.

CHAIRPERSON CORY: Okay. Without objection, Item 38 is approved as presented.

Any other items to come before us?

EXECUTIVE OFFICER NORTHROP: Do you have anything to say about the litigation?

MR. STEVENS: Just that the matter of the high water boundary was submitted before the Court of Appeals here in Sacramento yesterday. It was argued at that time, and the Court showed some interest in reaching the merits, although the counsel for the opponents in this measure urged that it be sent back on procedural grounds.

CHAIRPERSON CORY: Any other items?

If not, we are prepared to adjourn the meeting and wish the staff a happy holiday.

(Thereupon the meeting of the State Lands Commission was adjourned at 10:35 a.m.)

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CERTIFICATE OF SHORTHAND REPORTER

I, WENDY E. STEWART, a Shorthand Reporter of the State of California, do hereby certify:

That I am a disinterested person herein; that the foregoing State Lands Commission Meeting was reported in shorthand by me, Wendy E. Stewart, and thereafter transcribed into typewriting.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 4th day of January, 1979.

WENDY E. STEWART