MEMBERS PRESENT

Hon. Kenneth Cory, State Controller, Chairman
Mr. David Ackerman, for Lt. Governor Mike Curb
Ms. Susanne Morgan, for Director of Finance, Mary Ann Graves

STAFF PRESENT

William Northrop, Executive Officer
Robert Hight, Legal Counsel
W. M. Thompson
Dianc Jones

ALSO PRESENT

Jan Stevens, Attorney General's Office
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CHAIRPERSON CORY: We will call the meeting to order and try to deal with some of the less controversial items while we wait for our other member to arrive.

Are there any corrections or additions to the minutes of the meeting of the 26th and 28th of August?

Without objection, we will affirm the minutes as present.

The Executive Officer's Report is always controversial and informational, so we will wait for a full -- the Executive Officer doesn't have a report?

Neither does the assisting -- neither does the Coastal.

We could have saved paper then, if you had organized your time correctly.

(Laughter.)

CHAIRPERSON CORY: There is no report then from the Executive Officer or from the State Coastal Commission.

The Consent Calendar items are the items with the prefix C before the number, C-1 through C-13, excluding C-9, which will be taken up on the Regular Calendar.

Is there anybody in the audience who disagrees with the proposed staff recommended disposition of any of those items, C-1 through 13, excluding 9? If you have any objection, please state it now, and we will remove the
item. If not, we will approve all of these items in one motion.

Without objection, the Consent Calendar will be approved as presented.

C-9 has some questions on it, so we will let that ride. We will also let some of the other items ride until everybody gets here.

14 - United States Fish and Wildlife Service.
This is approval to execute a Declaration of Intent between State Lands, the Humboldt Bay Harbor Recreation and Conservation District concerning U.S. Fish and Wildlife Service's management of 117 acres.

Anybody in the audience on this item?

Without objection, 14 will be approved as presented.

Item 15 - Compromise Title Settlement with American Protective Services, Inc.

Does somebody want to tell me about this one?

EXECUTIVE OFFICER NORTHROP: Mr. Hight will give you that one.

MR. HIGHT: Yes, Mr. Chairman, this is a compromise title settlement in which the State will receive 6.6 acres and will relinquish title to an area that is presently filled. The area that the State will receive will be a portion of the land bank parcel that we currently have.
CHAIRPERSON CORY: Anybody in the audience on Item 15?
Questions from Commission?
MR. ACKERMAN: No.
CHAIRPERSON CORY: Without objection, Item 15 is approved as presented.


EXECUTIVE OFFICER NORTHROP: Mr. Chairman,
Scenic Properties had some title problems with the --
CHAIRPERSON CORY: You cannot slow us down, Mr. Northrop. We understand what it is.
(Laughter.)
CHAIRPERSON CORY: Is there anybody in the audience on this item?
Without objection, Item 16 is approved as presented.

Item 17 - This is a request of PG&E to authorize acceptance of $500 worth of land in Land Bank for a title dispute on an item that they had.
Is there anybody in the audience on this item?
Any questions from the Commissioners?
Without objection, Item 17 will be approved as presented.
(Ms. Morgan present.)
CHAIRPERSON CORY: Susanne, we have taken up
Items C-1 through 13 of the Consent Calendar, not counting C-9, which we put on the Regular Calendar and have not taken up yet. We have approved 14, 15, 16 and 17, and we will get back to the controversial items. We do not take up items that do not have unanimity among the various people until we have everybody here so that full objections can be dealt with.

With that in mind, is Mr. Roy Bell here?

Mr. Bell.

(Applause.)

CHAIRPERSON CORY: Come on up here, Roy.

It is honestly with a great deal of sadness, as lovable as I thought you were and as long as I have served with you, we have a token of our esteem at State Lands for all you have done for us in being here.

Do you have a piece of property that you can mount this on?

(Laughter.)

MR. BELL: That's a valuable survey marker.

CHAIRPERSON CORY: We figure you won't be moving much in retirement.

But we appreciate all that you have done for the State and for those of us who have served on the Commission. Thank you.

MR. BELL: I appreciate that very much. I will
say that I never attended a meeting that took this long to start.

(Laughter.)

CHAIRPERSON CORY: That's because we wouldn't wait for you.

(Laughter.)

MR. BELL: That's true.

I think that the Commission likes other Directors of Finance better than I in that they get things like hard hats with their names on them. I get an old beat-up plaque.

(Laughter.)

MR. BELL: No, actually, I really appreciate this. I'm going to consider this a very unique gift and put it in a place of honor with the other 27 plaques that I have received from the other boards and commissions with which I have served. I don't think any of them have gone to this amount of work.

CHAIRPERSON CORY: It's tidelands funds, so it's okay.

(Laughter.)

MR. BELL: Just one last thing. I didn't get a chance when I retired to say the things I would have liked to the last month at the Board meetings. When you retire, you don't miss the work, but you sure miss the people.
And not only the Commissioners whom I have missed and made friends with, but also Bill Northrop and the staff of the Lands Division without which you people couldn't operate, whether you know it or not.

(Laughter.)

MR. BELL: I want to express my deep gratitude, and I will miss you all. Thank you.

CHAIRPERSON CORY: Thank you.

(Applause.)

MR. BELL: That goes for the press, too.

(Laughter.)

EXECUTIVE OFFICER NORTHROP: B-e-l-l. Spell it right, Bob.

(Laughter.)

MR. BELL: I could go now?

(Laughter.)

CHAIRPERSON CORY: Your lease agreement will be forwarded to you, Mr. Bell, on the State property you are taking with you.

(Laughter.)

CHAIRPERSON CORY: Thank you, Roy.

Item 18. This is approval of resumption of drilling operations, Santa Barbara Channel.

I would like to request, if possible, that we not take action on this. We have an item that we are
probably going to have to take action on on October 8th.

EXECUTIVE OFFICER NORTHROP: Right.

Hopefully, Mr. Chairman -- Long Beach is in the audience -- they will have the document to us in proper condition that we can work in that time frame.

CHAIRPERSON CORY: We would like to have the meeting the 8th. I would like to get this approval done, but I think there are some housekeeping things that we are better served -- because of this and some other lease problems with this contract, we are better off not getting into this one at this point and try to get some questions answered rather than try to do it here on Commission time. So if that is agreeable with everyone, we will deal with it on the 8th.

MR. ACKERMAN: Does that recommended action take into account the time consideration?

EXECUTIVE OFFICER NORTHROP: Yes. Within the 19th is the time frame.

CHAIRPERSON CORY: I just wanted to get it done beforehand. There were a series of problems, one of which people had a fog problem and we couldn't get a meeting. I think that would be beneficial to all concerned if we did it this way.

Without objection, 18 will be put over until the meeting on the 8th.
MR. ACKERMAN: I would think that this item should be acted upon whether or not Long Beach gets their information --

EXECUTIVE OFFICER NORTHRUP: Yes. We are committed to a meeting on the 8th.

MR. ACKERMAN: Okay.

CHAIRPERSON CORY: Item 19 - Approval of resumption of drilling operations from onshore. This is slant drilling or whip socking for energy development.

Anybody in the audience on Item 19?

Any questions from the Commissioners?

MS. MORGAN: No.

CHAIRPERSON CORY: Without objection, it will be approved as presented.

Item 20 is M-S-R which is --

EXECUTIVE OFFICER NORTHRUP: Santa Rosa, Redding and Modesto.

CHAIRPERSON CORY: Approval of award of a resource lease, geothermal, The Geysers, 40 acres, Sonoma County.

Is there anybody in the audience on this item? Commissioners?

MR. ACKERMAN: No.

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

Item 21 - Denial of geothermal prospecting permit applications that are listed for Seghesio, Prati, Sink,
Flood, Wall and Glebe.

Is there anybody in the audience on this item? Would you like to come forward. Do you have something you would like to discuss with the Commission?

Yes, Ma'am. Would you identify yourself, please.

MS. GLEBE: I am Ruby Glebe. We would like to be informed as to your procedure when you put these up for lease, and we would be fully informed of everything that is done on our property.

CHAIRPERSON CORY: Mr. Northrop, is that part of our procedure?

EXECUTIVE OFFICER NORTHROP: Yes, that is the procedure. They are the property owners. Yes. We certainly will.

MS. GLEBE: All right. Is this going to be in the very near future?

EXECUTIVE OFFICER NORTHROP: Well, we have an environmental document. You understand the environmental document, the time constraints on that.

MS. GLEBE: Yes, I do.

EXECUTIVE OFFICER NORTHROP: I would hope that we would have it within a year. That is a number. Largely because we have not started on the environmental document yet.

MS. GLEBE: We were denied our permit, and we just
knew that you were going to go ahead and we just wanted to be informed and kept posted.

CHAIRPERSON CORY: You will keep them posted of all of the hearings and also on the EIR and EIS?

EXECUTIVE OFFICER NORTHROP: We will add them as a part of the program.

MS. GLEBE: Thank you.

EXECUTIVE OFFICER NORTHROP: We normally do that with property owners.

MS. MORGAN: Is there a specific problem that you have had?

MS. GLEBE: No. The only problem we have had on our property is to keep our gates up. We finally have just bulldozed out the roads, which they will find when they come up. We would just kind of like to have our property protected as they go along, mostly from outside intruders.

MS. MORGAN: You just want to be aware of what is happening?

MS. GLEBE: Yes. Because we have had a great deal of problem with poachers. Thank you.

MR. ACKERMAN: Mrs. Glebe, one other question. Since we are talking about private property and leasing and geothermal rights and all, does the private property owner have any decisionmaking authority as far as -- if
we lease mineral rights and all to a private company coming in, do we have to put certain conditions on it as to the private property owner --

EXECUTIVE OFFICER NORTHROP: I will defer to counsel on that.

MR. ACKERMAN: What relationship exists here?

MR. EVERITTS: The surface owner has the right to match the highest bid prior to award.

MS. GLEBE: That ten days has not been changed, has it?

MR. HIGHT: No.

MS. GLEBE: We have been asking for 60.

MR. HIGHT: We are in the process of holding new administrative hearings to change that.

MS. GLEBE: Because we were wanting the additional time.

MR. HIGHT: I'm sorry. That is on the notice. Excuse me. The statute states ten days, and we are stuck with that.

MS. GLEBE: Yes, but we were just trying to negotiate for a longer time.

EXECUTIVE OFFICER NORTHROP: We will do everything we can to make that time as fruitful as possible.

MR. ACKERMAN: Do you currently live on that property?
MS. GLEBE: No, we do not.

MR. ACKERMAN: If someone is in residence on the property, does that change the relationship at all?

MR. HIGHT: No.

EXECUTIVE OFFICER NORTHROP: No, I don't think so.

CHAIRPERSON CORY: Thank you.

Anyone else in the audience on Item 21?

Any questions from the Commissioners?

Without objection, Item 22 (sic.) will be approved as presented.

Item 22 is Kaiser Steel Corporation. They are requesting an additional increment in their preferential lease because of a landlocked parcel.

EXECUTIVE OFFICER NORTHROP: Right.

CHAIRPERSON CORY: We get royalties for what they --

EXECUTIVE OFFICER NORTHROP: We get royalties for what they extract; right.

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

FROM THE AUDIENCE: Only in the event there are questions.

CHAIRPERSON CORY: Any questions from the Commissioners?

Without objection, Item 22 is approved as presented.
Item 23 - Martin Trost Association. They want a prospecting permit for two years for Kern County school lands for uranium.

Any questions from anyone in the audience? Commissioners?

Without objection, Item 23 is approved as presented.

Item 24 - Prospecting permit requested by Harold Pierce for feldspathic blow sand.

EXECUTIVE OFFICER NORTHROP: That is correct.

CHAIRPERSON CORY: Amazing.

Anybody in the audience on -- and if I can explain my knowledge, they told me that is something you use to make glass; right?

EXECUTIVE OFFICER NORTHROP: Yes, used in glass production. Yes, sir.

CHAIRPERSON CORY: I was afraid I wasn't going to learn anything today.

Questions from Commissioners?

Without objection, Item 24 will be approved as presented.

Item 25 - Duval Corporation is requesting a prospecting permit for geothermal, oil and gas on school lands in San Bernardino County.

Anybody in the audience on this item?

Questions from Commissioners?
MS. MORGAN: No.

CHAIRPERSON CORY: Without objection, Item 25 is approved as presented.

Item 26 --

EXECUTIVE OFFICER NORTIROP: Mr. Chairman, now you are really going to learn something, because Mr. Thompson is here, and Ms. Morgan has indicated --

MS. MORGAN: Who is Mr. Thompson? Oh, Moose.

EXECUTIVE OFFICER NORTIROP: Mr. Thompson is going to present this item to the Commission.

(Thereupon a discussion was held off the record.)

MR. THOMPSON: Item 26 is merely a closing for the '79-80 planning budget.

I am open to questions.

(Laughter.)

MS. MORGAN: I have no questions.

CHAIRPERSON CORY: Any questions from anybody in the audience?

Seriously, we have got time.

EXECUTIVE OFFICER NORTIROP: Show them what you are carrying out and carrying in.

MR. THOMPSON: This is mostly just a closing.

Probably the biggest item here, some of the projects that we augmented late in the year, we have to carry out $20 million.
This is merely a procedure to keep projects going because we have commitments in one year. We have long-time delivery problems and construction, so we are carrying $20 million out which goes into this year's budget.

CHAIRPERSON CORY: So what you are saying is that the 20 million that you planned on spending last year, you didn't get it all completed, so --

MR. THOMPSON: Right. We have to get authorizations to start with and we get the projects started. And also the field contractor and the unit, of course, have to have commitments to go from year to year. We can't stop at any calendar year and just shut a project down and pay the contractor off and start over again. It has to have continuity through the years. That is the reason for the size of that particular carryout, which is considerable -- $20 million. But that is for cellars and drilling rigs and various projects that take a long time.

MS. MORGAN: My question was how his experiment is going.

CHAIRPERSON CORY: The mycellar?

MS. MORGAN: The one where we are pouring money into the ground.

CHAIRPERSON CORY: We do that in several of the cases.
MR. THOMPSON: Mycellar is not in the Long Beach unit, so it doesn't come under this particular project here.

MS. MORGAN: When do I ask you about it then?

MR. THOMPSON: I think we have a quarterly report coming up in the next one or two meetings.

MS. MORGAN: Okay.

Do we have to approve this or is it a report?

CHAIRPERSON CORY: We have to approve.

Without objection, the report will be approved as presented.

27 - Capital improvement project beach renourishment.

MR. THOMPSON: This again is a project in which the main finding that the Commission has to make is that the city can spend their particular title money for this particular thing. They have a beach erosion problem there. They are trying to stop it by bringing in some extra sand and coarse materials and fines that they are dredging there. The Commission has to make a finding whether this is allowable under Chapter 138, Sections 6(a) through (f).

Specifically, this talks about Section (d) which has to do with the reconstruction, repair and operation, and names lots of things, to include beaches.

So the staff recommends that the Commission make
a finding that this is covered under Sections 6(d) and (f).

CHAIRPERSON CORY: Any questions from Commissioners?

Anybody in the audience?

Without objection, Item 27, the determination is made as staff has recommended.

Item 28 -- legal?

MR. HIGHT: Yes, Mr. Chairman. Item 28 is an authorization to file a Disclaimer for land the Commission has no interest in.

CHAIRPERSON CORY: Any questions from anybody in the audience?

Commissioners?

MS. MORGAN: No.

CHAIRPERSON CORY: Without objection, Item 28, authorization to file a Disclaimer, is approved as requested.

Item 29 - This is a Disclaimer on 47.73 acres of land, Ventura County, federal government, Casitas Reservoir.

MR. HIGHT: Yes, Mr. Chairman. We do not have any interest there.

CHAIRPERSON CORY: Anybody in the audience on this item?

Commissioners?

Without objection, Item 29, authorization is
granted as requested.

Item 30 - Bullard versus United States of America, State of California, City of Los Angeles, a boundary line agreement as a result of litigation or settlement.  

MR. HIGHT: Yes. The settlement is a result of litigation and it will allow the private party to acquire title insurance and do any development that he desires.

CHAIRPERSON CORY: No major issues involved in this case?

MR. HIGHT: No.

CHAIRPERSON CORY: Questions from anybody in the audience?

Without objection, Item 30 will be approved as presented.

Item 31 - The Executive Officer wants to augment and amend the Peat, Marwick, Mitchell contract for the hotel cases.

MR. HIGHT: Right.

EXECUTIVE OFFICER NORTHROP: We had hoped at this time, Mr. Chairman, to have some completed documents from the city, executed documents from the city regarding the hotel contract. To date we have not received the executed documents. We are hopeful -- the city has told us on a daily basis they expect them tomorrow. We sometimes wonder if manana hasn't taken over in Long Beach. We would
like $3,500 to augment the contract with Peat, Marwick and Mitchell to allow us to evaluate that information when it arrives, if it does.

MR. ACKERMAN: This is for the October 8th meeting?

EXECUTIVE OFFICER NORTHROP: Yes. This will be the basis for our recommendation at the October 8th meeting. Without this information, the staff really has serious problems making any recommendation.

CHAIRPERSON CORY: Without objection -- Anybody from the audience?

Item 31 is approved as presented.

I just noticed something on here. I thought this person wanted to speak on C-9, but after C-9, he had Item 27.

John Habel. You wished to address yourself to the Commission on Item 27?

MR. HABEL: No.

CHAIRPERSON CORY: Item 32 - Approval of report to State Controller for '80-'81 on subventions attributable to revenues received from oil and gas leases.

Any questions from the Commissioners?

Anybody in the audience have anything about this one?

If not, we will approve the report. I'm glad you
received it.

Item 32 is approved as presented.

Item 33 - We have an audit contract for the performance audit of the Long Beach unit.

EXECUTIVE OFFICER NORTHROP: Right.

Mr. Chairman, Al Maulorico and Harry Schreiman will make a presentation on that. And Bob Faber from the Staff Counsel's Office.

Al, could you tell them the role you have played and the role the other two have played.

MR. MAULORICO: At the Commission's request, the staff prepared an RFP and sent it out to various C.P.A. firms. Initially, we had made contact with eight of the C.P.A. firms, the so-called Big Eight -- I'm just trying to get this in sequence. From that initial contact, we determined that four were interested in perhaps submitting a proposal. These proposals were submitted on August 15th, and then analyzed by staff. The analysis procedure was effected by an evaluation procedure established within the Commission staff. These were comprised of three separate areas of the division. One is the administrative area, another the legal area and another is the operational area.

Two of the members of that evaluation committee are here -- Harry Schreiman and Bob Faber.
From the deliberations, they selected Haskins and Sells to conduct the proposed audit.

Harry, would you like to fill in, please.

MR. SCHREIMAN: The committee felt that Haskins and Sells had a good team and a good plan. Therefore, we suggested to the Commission that they select Haskins and Sells, even though it was an extremely close point count.

CHAIRPERSON CORY: In terms of your point count, you say they had a good team and a good plan. You had a certain number of points you allocated for various increments -- price, plan, personnel, experience, I guess, in the team.

MR. SCHREIMAN: Yes.

CHAIRPERSON CORY: Can you just give us a brief explanation of how the subjective values got translated to actual numbers, because the two top seemed relatively close. What is the difference between 36 and 40? I mean, that's a perfect 40. Some accountants have been looking for a perfect 40 for years.

(Laughter.)

MR. SCHREIMAN: The 40 points was on the team. The committee decided that the team would have the greatest evaluation. We reviewed the teams on the four C.P.A. firms that submitted their proposals, and the committee determined which was the best team, and the best team got the 40. From that point on, we dropped, I think, in four
point intervals. The second best team got 36 --

CHAIRPERSON CORY: As you went through the evaluation, in each category, the best had to get the highest ranking?

MR. SCHREIMAN: Yes. And if there were two best, we gave the highest ranking to both.

On the 40 point score, we dropped four points for the second and four points more for the third and four points more for the fourth. So the high was 40, and I believe the low was 28. So if we felt two teams were equal, we would probably have given them both the maximum score.

MR. ACKERMAN: In the program side, where was the split? A six point drop?

MR. SCHREIMAN: What do you mean in the program side?

MR. ACKERMAN: The project proposal itself. How were the points dropped there?

MR. SCHREIMAN: I think the plan was 20. On the 20 points that we allowed for the plan, we then dropped the best to 20, the next best to 18 and the next to 16 and the last got 14.

The cost calculation, the lowest price got 25?

MR. FABER: Yes.

MR. SCHREIMAN: Then 25 became the 100 percent
figure and a dollar less then got a fraction less than the 25 percent.

CHAIRPERSON CORY: Was the committee recommendation unanimous?

MR. SCHREIMAN: It was extremely close between the two top firms.

CHAIRPERSON CORY: But was it unanimous that Haskins and Sells was the recommendation for all members of the committee or was it a split vote within the committee?

MR. SCHREIMAN: The committee as a group decided that it would be Haskins and Sells. It was unanimous at the end. The initial vote was not. We split, and then we discussed it further and then came up with a unanimous vote.

MR. ACKERMAN: I guess here when you are dealing with the Big Eight firms and then probably the cream of the crop of the Big Eight, it would be close.

MR. SCHREIMAN: Yes. It was extremely close between two. The third one, which we would also recommend, was not as close as the top two, and the fourth one we would not recommend to the Commission.

CHAIRPERSON CORY: For this project?

MR. SCHREIMAN: For this project; that is correct.

MR. ACKERMAN: I guess my only concern is one we talked about briefly yesterday. Maybe it's ironic, but in
one case here you have got a firm coming in second who seemingly has the best experience and the best staff, but not necessarily the best program. And the team that was selected didn't come out on top with the best staff or the best experience, but they came through with the best plan. I'm assuming that it is a subjective decision, based upon your evaluation team, that it is more important probably to weight the plan, dealing with companies, again, that are the cream of the crop anyway.

MR. SCHREIMAN: No, we actually gave more weight not to the plan, but we gave more weight to the team. We gave twice the weight to the team as we did to the plan, because we felt the team was essential. The plan could be altered by the Commission.

MR. ACKERMAN: You gave more weight to the team, but the one that had the best team didn't get the audit contract.

MR. SCHREIMAN: Right, in the staff's opinion. There was a split vote on that.

CHAIRPERSON CORY: The thing was decided, I would guess, inadvertently when they went to the arithmetic mechanism of a maximum -- you know, a 40 point must, a 20 point must -- either fighting a five to ten point must, you have got a different fight than --

MR. SCHREIMAN: The firm that had the best team
had the lowest score on the plan. That's why they didn't make it.

EXECUTIVE OFFICER NON-ROP: And a slightly higher price.

MR. SCHREIMAN: Slightly, but the price had something like a three-quarter point difference. Actually, as you complete things out, they lost because they were off on the price.

CHAIRPERSON CORY: Anybody in the audience on this item?

Commissioners?

FROM THE AUDIENCE: Only if there are questions.

MR. ACKERMAN: I don't have any further questions.

CHAIRPERSON CORY: Are you prepared to go to a decision?

MS. MORGAN: Yes.

MR. ACKERMAN: I will so move the item.

CHAIRPERSON CORY: Without objection, it will be approval of the staff recommendation, Haskins and Sells.

(Thereupon there was a discussion held off the record.)

CHAIRPERSON CORY: We will acknowledge that I made an error in stating that we had approved Item 22 instead of Item 21. So the record, apparently, to this point would have stated that we approved Item 22 twice.
Item C-9 is a request for the City of Oceanside for a dredging permit for 700,000 cubic yards of sand.

We have some people who wish to speak to it.

EXECUTIVE OFFICER NORTHROP: Mr. Chairman, may I give some background on it, please.

Last evening, I received a call from David Nuckles who alleges to be the registered lobbyist for the Western Surfers' Association. He was in Chicago and claimed that his wife had read the newspaper account in the local paper that we were considering this process this morning. Mr. Nuckles alleges that the City of Oceanside had done two things, among others. First, he claims that he was excluded from the process. Secondly, he claims the sand that is to be dredged and located on the beach is contaminated from various upstream sources. He asked that the agenda item be put over.

At that time, I called the City of Oceanside and indicated that the Commission in the past had looked favorably on such requests where it was not possible for one of the concerned parties to make a statement to the Commission -- that they had in the past put such items over. If it did not create any hardship on the City, that I would recommend at least to the Commission that this happen, that we put it over.

I talked to the attorney for it, Ms. Kathy Stone,
who was attorney for the City of Oceanside.

In addition to that, this morning, Mr. Chairman and members, I have had communications from Mr. Revelett who is the City Attorney, Mayor Bagley from Oceanside, Assemblyman Frazee, Senator Burgenson's office. Also, I have had communication from Mr. Peter Brand of the Coastal Conservancy urging that the matter be considered today. The Coastal Conservancy has pushed through a funding bill as an urgency measure. He states that it is urgent that the project proceed as scheduled in tandem with the Corps of Engineers' projects before the winter storms come.

Mr. Brand also advises that this matter is on the Coastal Commission's Consent Calendar as a non-substantive issue with appeal of the Regional Commission.

So, Mr. Chairman, that is the background I have on this project.

CHAIRPERSON CORY: Any questions from Commissioners?

MR. ACKERMAN: I have one.

Mr. Northrop, has Mr. Nuckles made a formal appeal on the decision of the Regional Coastal Commission?

EXECUTIVE OFFICER NORTHROP: I believe he has. I think Oceanside can address that. I believe that is how it got to the local commission. It was on Mr. Nuckles' motion and then it moved to the State Commission.
CHAIRPERSON CORY: Do legal ethics allow you to represent people before us?

(Laughter.)

MS. STONE: I checked with the Attorney General's Office. I was hesitant to do it, but it turns out that the City Council is meeting today and they couldn't send anyone themselves. So Mr. Nabel from Boating and Waterways and I are here.

I'm Katherine Stone from the law offices of Burke, Williams & Sorensen.

Mr. Nuckles submitted a letter to the Regional Commission at the time of the hearing there. He did not appear at the hearing. He subsequently appealed the matter to the State Commission. The State Commission will be considering that next Wednesday in San Francisco on the question of whether there is a substantial issue, and if there is, they will hear the entire appeal.

The staff recommendation is that there is no substantial issue. The City has offered to fly Mr. Nuckles to San Francisco to that hearing if he wishes to go to it. He has indicated he doesn't want to go.

CHAIRPERSON CORY: What did he say in the letter?

MS. STONE: The issues he raises in the Coastal Commission appeal are widespread -- a shotgun approach. We have addressed them specifically, and we have provided
your staff -- or the City has addressed specifically those issues. The issues that mostly have to do with surfing is that during the time the dredging is occurring, there will be some disturbance in the area, naturally. We believe it will be minimal, but it is inevitable. The City believes, after extensive work with many agencies on the balance, restoring two and a half acres of beach down coast and protecting public roads, parking lots, rest rooms and so forth, it is worth it to disturb the surfing interest for a little while.

MR. ACKERMAN: Just one more question. In order for this project to go ahead, doesn't it have to have the approval of the Coastal Commission and the Lands Commission?

MS. STONE: And the Corps of Engineers and Boating and Waterways and the Coastal Conservancy.

MR. ACKERMAN: So all have to be in line for the project to --

MS. STONE: Yes.

MR. ACKERMAN: So if anyone does not approve it, that nixes the project?

MS. STONE: That is correct.

MR. ACKERMAN: What if we were to go ahead and approve this item today, pending his appeal before the Coastal Commission. If that appeal is successful, then it really doesn't matter what we do today. But I don't want
to be in the position where, if the appeal doesn't go through, we hold up the timing of the project. Winter is beginning to onset us and everything else. What if we went ahead and approved it today, would this cause any problems? If his appeal was successful before the Coastal Commission, that would really negate our action anyway.

EXECUTIVE OFFICER NORTHROP: Subject to the appeal or just --

MR. ACKERMANN: Does it make any difference which way our action went? If we just went ahead and approved it, and the Coastal Commission granted his appeal, wouldn't that negate our action anyway?

MS. STONE: That would kill the project, yes. That is correct.

It's perfectly acceptable to the City. It doesn't really make any difference.

MR. ACKERMANN: Would our approval of this item today have any influence on the Coastal Commission considering the appeal?

EXECUTIVE OFFICER NORTHROP: Certainly it would be in the package. And Mr. Nuckles made that point, it would allow them that much argument.

CHAIRPERSON CORY: To put that in the most neutral position possible, why don't we make it subject to the approval of the Coastal Commission and grant approval.
MS. STONE: That would be fine. That would take care of any concerns --

CHAIRPERSON CORY: Anybody else in the audience on this item?

Further questions of the Commissioners?

Without objection, Item C-9 is approved with that amendment.

Any other business to come before the Commission?

If not, we stand adjourned.

(Thereupon the State Lands Commission Meeting adjourned at 10:55 a.m.)

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CERTIFICATE OF SHORTHAND REPORTER

I, DELORES I. DALTON, a Certified 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, DELORES I. DALTON, 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 23rd day of October, 1980.

DELORES I. DALTON
Certified Shorthand Reporter
License No. 4691