MEMBERS PRESENT

Kenneth Cory, Chairperson, State Controller

Susanne Morga1, representing Mary Ann Graves, Director of Finance, Commissioner

David Ackerman, representing Mike Curb, Lieutenant Governor, Commissioner

STAFF PRESENT

William Northrop, Executive Officer

R. S. Golden

James Trout

Robert Hight

Diane Jones, Secretary
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CHAIRPERSON CORY: Call the meeting to order.

Are there any corrections or additions to the minutes of the meeting of May 28th?

Without objection, the minutes will be confirmed as presented.

Executive Officer?

EXECUTIVE OFFICER NORTHROP: Mr. Chairman and members, on June 4th on behalf of the Chairman and the Commission I attended ceremonies dedicating approximately 700 acres of open space wetlands adjacent to Suisun Bay near Martinez known as the Point Edith Wildlife Area.

This area will be used as a wildlife habitat under the management of the Department of Fish and Game and was the culmination of a land bank agreement between the Commission and the trust for public lands. I'd like to extend our special thanks to Tosco's staff, including its president Morton Winston, its Avon refinery plant manager, C.E. Forbes, and its security chief, Mr. Joseph Grindstaff for not only providing us with the use of their facilities, but for the pleasant good neighbor cooperation afforded our staff in its arrangements for the dedication.

This completes our report, Mr. Chairman.

CHAIRPERSON CORY: Do you want to explain that to
the Coastal Commission? Comments on the Coastal Commission?

EXECUTIVE OFFICER NORTHROP: They may be under
or overwhelmed. I don't know which.

MR. GOLDEN: Mr. Chairman, I can only report that
there is a great deal of distress in that particular area
because they're going through a reorganization. There are
six regional commissions and the sixth regional commission
is now being overwhelmed with work. We're continuing to
cooperate with them at a staff level, but I didn't feel there
was anything of this --

CHAIRPERSON CORY: But they are there.

MR. GOLDEN: They are there.

CHAIRPERSON CORY: All right.

MR. GOLDEN: They have about 1500 permits coming
before them.

CHAIRPERSON CORY: The next item on the agenda
is the consent calendar for people in the audience which can
be taken up in one motion. Are there any objections to the
recommendations of the staff, which are reflected by the
letter C-1 through 19 inclusive. Is there anyone in the
audience that has any trouble with this proposed staff
recommendation on those items?

Without objection, the consent calendar will be
approved as presented.

Item 20, approval of a 40-year general lease. This
is the airport club property in Seal Beach?
EXECUTIVE OFFICER NORTHRUP: That's correct, Mr. Chairman.

CHAIRPERSON CORY: Is there anybody in the audience on Item 20? Any questions from the Commissioners?

MR. ACKERMAN: None.

MS. MORGAN: No.

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

Item 21, Great Western Cities, approval of one-year core drilling permit from June 24th, '81 to June 24, 1982. That's actually a year and a day, it seems like to me, rather than a year. But go ahead. This is to ascertain --

EXECUTIVE OFFICER NORTHRUP: This is to ascertain geological information within the first 500 feet --

CHAIRPERSON CORY: Anybody in the audience have any comments?

Any questions from the Commissioners? Without objection, Item 21 will be approved as presented.

Item 22, approval of 30 year commercial lease, Sacramento River, Isleton, Sacramento County. Anybody in the audience on this item?

Questions from the Commissioners?

Without objection, Item 22 is approved as presented.
Item 23, approval of a 30-year replacement general lease, industrial use of tide and submerged land.

Anybody in the audience on this item?

Questions from the Commissioners?

Without objection, Item 23 is approved as presented.

Item 24, I will give Mr. Ackerman the gavel on that one and let him deal with it. I would like to absent myself from consideration on this item.

MR. ACKERMAN: Item 24 is an application for River View Marina for approval of a 30-year lease.

EXECUTIVE OFFICER NORTHROP: Mr. Hight?

MR. HIGHT: Yes, Mr. Ackerman, this is a lease for a commercial marina on the Sacramento River. The consideration will be $3500 a year plus or five percent of the gross. The applicant now has in possession all necessary permits and applications.

MR. ACKERMAN: Is there anyone in the audience on Item 24 on the agenda?

Without objection --

MS. MORGAN: That's fine.

MR. ACKERMAN: -- it will be approved. You can have the gavel back.

CHAIRPERSON CORY: Item 25, Leslie Salt,
termination of existing lease and approval of a 30-year lease for right-of-way located at Ravenswood Slough, San Mateo County.

Anybody in the audience on this item?

Any questions from Commissioners?

Without objection, approved as presented.

Item 26 is an amendment of authorizing approval to issue a lease to Crocker Bank as lender, for Wickland Marine Terminal. Anybody in the audience on this item?

Any questions from the Commissioners?

Without objection, approved as presented.

Item 27, which is an authorization to enter into an agreement selling 416,000 board feet of mature and overmature timber on a school land parcel in Modoc County to Fibreboard Corporation for $134,770. It's my understanding that this is a result of competitive bidding.

EXECUTIVE OFFICER NORTHROP: It's a result of sealed bids, Mr. Chairman.

CHAIRPERSON CORY: Okay. We have a person who'd --

EXECUTIVE OFFICER NORTHROP: In fact, there were six of them.

EXECUTIVE OFFICER NORTHROP: Mr. Hanna.

MR. HANNA: Yes, sir. This sale was advertised in the Modoc County Record of May the 21st of 1981, which left approximately nine working days for people interested in
this sale to view the sale area to work up cruise data and
enter a sealed bid.

"The sealed bids were over a wide range. And
because of the lack of time and the inequitable nature of the
sealed bids, we feel that the State and the people of
California did not receive as much as they could have for this
asset.

CHAIRPERSON CORY: I see.

MR. HANNA: We're prepared to offer by written
cashier's check at least 10 percent in excess of the high
sealed bid and would request that the State, rather than
give the sale to the Fibreboard Corporation, to reject
all the bids in this sale and readvertise and offer for
sale the Horse Springs parcel at an oral auction.

CHAIRPERSON CORY: Did not Calandor Pines receive
a solicitation by mail prior to the advertising?

MR. HANNA: No, sir. It did not.

CHAIRPERSON CORY: Staff? You're telling me it
did?

MR. HIGHT: Yes, Mr. Chairman. My records indicate
that Calandor Pines as well as, I think, ten or twelve other
corporations received on May 5th a communication from the
Commission staff indicating that area would be put out to
bid.

CHAIRPERSON CORY: Go ahead.
MS. MORGAN: With respect to the timing, staff, what is the legal requirement for notice?

You referred to 12 days?

MR. HIGHT: It's adequate notice.

MS. MORGAN: Is 12 days normally what we do?

MR. HIGHT: We try to give as much as possible. Sometimes it's more than 12 days.

EXECUTIVE OFFICER NORTHROP: It was May 5th?

MR. HIGHT: Yes. The original communication was May 5th, which is naturally more than 12 days.

MS. MORGAN: What did you distribute on May 5th?

MR. ACKERMAN: It's here (displaying document).

MS. MORGAN: This is a form letter that went to everybody?

MR. HIGHT: To everybody on the attached mailing list.

MS. MORGAN: I assume this went out in the regular mail. It was not a registered letter or anything like that?

MR. HIGHT: Regular mail.

MS. MORGAN: So, at any rate, your company, as far as you know, didn't receive one of these?

MR. HANNA: That's correct.

MS. MORGAN: But you noticed something two weeks later?

MR. HANNA: In the Modoc County Record, which is the
local paper.

MS. MORGAN: So, you're saying basically that, it would have been different if you hadn had sufficient time?

MR. HANNA: Yes. I also find that sealed bids do not guarantee the person who has submitted the bid on the asset for sale will necessarily receive the same asset.

CHAIRPERSON CORY: You would, to accomplish your purposes, you would like us to go to a public auction as opposed to a sealed bid?

MR. HANNA: You, sir. That is the normal practice of the United States Forest Service in our area. They seem to be quite satisfied with those results.

EXECUTIVE OFFICER NORTHROP: The results are not nearly as good.

CHAIRPERSON CORY: Nobody is leaving any money on the table that way. Basically you are arguing that you could maximize the State's position and the question of equity is whether or not you had adequate notice. And, if you --

MS. MORGAN: I have a question on your second point, the inequitable nature of the sealed bids. I believe that's what you said?

MR. HANNA: That's correct.

MS. MORGAN: Are you referring again to the timing?

MR. HANNA: The timing is part of it. It's very
difficult to get an accurate cruise to figure it out in nine working days, particularly if one relies on the whims of the United States Postal Service in which to get one's bid.

MR. ACKERMAN: What is your correct mailing address? Is it correct on the list?

MR. HANNA: Yes.

Besides more money, we also feel that other bidders would offer the State more money, not just the Calandor Pines Corporation, for that matter, at an oral auction and to the highest bidder.

EXECUTIVE OFFICER NORTHROP: That's another point that should be considered, and that's the timing itself. Given the balance of the year left adequate for harvesting -- excuse me -- because the timber is overripe, it's subject to infestation. We think time is of the essence on harvesting as well.

CHAIRPERSON CORY: What is the shortest time you could be back, if it were to be rejected?

EXECUTIVE OFFICER NORTHROP: I'm told 60 days. So, it would be from 75 to 90 days, depending on how the Commission meeting --

MS. MORGAN: My personal feeling is that unfortunately you feel that there was insufficient time; however, I don't really see any basis for rejecting the
bids. They were legally done and they were accepted.
And the fact that a person who was interested entered a
bid that would have been different had you had more time,
I don't feel is sufficient grounds to throw out the bids
and call for a new bid.

MR. HANNA: I recommend that they carry out
oral auctions.

MS. MORGAN: That's an area we've gone into. The
information that the staff has received is that oral
auctions really don't result in that much additional money
going to the party.

CHAIRPERSON CORY: Could I have a staff report
prepared on comparative price per board foot that the
Forest Department is getting compared to sealed bids?

EXECUTIVE OFFICER NORTHROP: We can do --

MR. HANNA: I was informed by Mr. Northrop of the
State Lands Commission that the State of California not only
does sealed bids but oral bids as well. Perhaps he was
mistaken.

EXECUTIVE OFFICER NORTHROP: I'm Northrop, and I
don't remember ever giving you that information.

CHAIRPERSON CORY: We should find out what it is
for future policy.

MS. MORGAN: Oral bids? You mean auction bids; is
that what you mean?
I know that the State does auction off certain items.

EXECUTIVE OFFICER NORTHROP: We have never done it.

MS. MORGAN: If it looks like you could make more money, you should look into it.

EXECUTIVE OFFICER NORTHROP: We will take a look at it.

MR. HANNA: Thank you for your courtesy.

MS. MORGAN: Thank you.

MR. ACKERMAN: Just one comment. When you advertise or put notices in the paper, whatever, is this the normal time frame that's used, nine or ten days before the bid is to be submitted?

EXECUTIVE OFFICER NORTHROP: Not normally on the property side, but on the timber side -- Jim, what is the normal time?

MR. TROUT: Well, we'd like to give more time, but we wanted to get the bid in, so that there would be ample time to cut. So, the time was a little tight. It would have been preferable to have more.

MR. ACKERMAN: If they had received the letter in the same amount of time, that would have given them a little less than a month in order to do a survey of the property. I assume all the other bidders had equal time. Were there any bidders who were notified prior to May 5th of the intent?
EXECUTIVE OFFICER NORTHRUP: Bob?

MR. HIGHT: I believe there was a letter sent out a month or so prior to this.

EXECUTIVE OFFICER NORTHRUP: To whom?

MR. HIGHT: It was a letter —

CHAIRPERSON CORY: Was the newspaper ad put out at the same time you put out the letter?

MR. SHIMER: I'm Bob Shimer. I am responsible for the timing of the advertising. Last fall, because this area is in high elevation, I was afraid that it wouldn't open up early enough in the spring to allow for advertising and bidding in order to get the timber cut.

Last fall I sent a letter to about six or eight operators in the area. Calandor Pine was not one of them, but this letter said merely that we intended to offer timber for sale in the area. I don't recall it having a map or any legal description. It was just a general letter.

I talked to all the other bidders in this sale and none of them objected to the short time. They all had plenty of time.

CHAIRPERSON CORY: If the staff could do a report on the oral bid versus the sealed bid proposal to see about it. The other thing is, I would feel more comfortable if we sent out a letter on May 5th, somebody should have placed an ad in the newspaper.

MR. SHIMER: The letter went to the newspaper the
same day it went out to the operators.

MR. HIGHT: The newspaper is a weekly.

MR. ACKERMAN: One other question.

EXECUTIVE OFFICER NORTHPROP: It takes a week to compose and a week to publish.

MS. MORGAN: Published on the 21st?

MR. ACKERMAN: Normally, do you maintain a mailing list of all companies who are interested in receiving the circulars?

EXECUTIVE OFFICER NORTHPROP: Yes. We encourage companies that are interested, not only in timber, to submit the name and then we put them on a list. Sometimes the list gets very long and very expensive to mail, but we do it all.

MR. ACKERMAN: Was Calandor on that list?

EXECUTIVE OFFICER NORTHPROP: If they received a letter on May 5th, they had to be on it.

MR. ACKERMAN: Why didn't they receive the previous letter that was mailed?

EXECUTIVE OFFICER NORTHPROP: I really don't know.

MS. MORGAN: Mr. Shimer?

MR. SHIMMER: I can answer that. We have had a number of people inquire over the last three or four years indicating they were interested in timber. And the letter I sent out last fall was to the people that already indicated interest in it. I knew that the --
MR. ACKERMAN: They were the ones that indicated they were interested in that particular parcel, otherwise, they would just receive the mailing along with everyone else on your list?

MR. SHIMER: That's right. I might add that the high bidder at the sale was not listed in the original list for that letter that went out last fall.

CHAIRPERSON CORY: Are we ready?

MS. MORGAN: One more question. Do we have the authority for small business preference, to give a small business preference in a bid situation?

EXECUTIVE OFFICER NORTHROP: I think that's a mandate, isn't it?

MS. MORGAN: You would have to have legal authority in order go give a small business preference.

MR. TROUT: I didn't work on this transaction and I'm not aware of the small business story. It would have to be expressed by statutory authority. I can't think of any right now.

It's an interesting question because of the trust nature of the -- I think Bob and Jan will have to look into it.

MR. HANNA: Calandor Corporation is a small business.

MS. MORGAN: This company is a small business. If
we had authority for small business preference, it would have been stated in the bid, I'm sure, but --

CHAIRPERSON CORY: Calandor is a holding company for Weyerhauser.

(Laughter.)

CHAIRPERSON CORY: No.

MR. HANNA: I wouldn't be here if we were.

MS. MORGAN: As a side issue, I'd like to look into the possibility of having the small business preference in our bids.

MR. ACKERMAN: Is that in the bids for the State Department of Forestry?

MS. MORGAN: I don't think so. I think there are only two agencies that have the authority right now to grant small businesses preference. I think it's a five percent differential. Okay.

I prefer to move the item according to the staff recommendations.

CHAIRPERSON CORY: Is there a second?

MR. ACKERMAN: Second.

CHAIRPERSON CORY: All in favor say aye.

(Ayes.)

CHAIRPERSON CORY: Opposed? Authorization for Item 27, agreement as presented, is approved.

Item 28 is approval of amendment to Title Settlement
Agreement BLA 150, between the State Lands Commission and Novato Center, Incorporated, which is to increase the size of the pond as shown in the final mitigation plan. Anybody in the audience on this item?

Any questions from the Commissioners?

If there's no objection, Item 28 will be approved as presented.

Item 29, royalty oil sales to Beacon Oil at $1.28 over base price, 620 barrels per day. Anybody in the audience on this item?

Any questions from the Commissioners?

No objections, Item 29 will be approved as presented.

Item 30 is Sunland's high bid of $1.126 over posted for 27 degree gravity, 700 barrels per day. Anybody in the audience on this item?

Any questions from the Commissioners?

Without objection, Item 30 will be approved as presented.

Item 31, 18 degree gravity 700 barrels a day; the high bid was USA Petroleum at $1.066 over posted. Anybody in the audience on this item?

Any questions from the Commissioners?

Without objection, Item 31 will be approved as presented.
Item 32, Tidewater Sand and Gravel. This is —

EXECUTIVE OFFICER NORTHROP: They bid on the wrong parcel.

CHAIRPERSON CORY: This is to return their bid money. When they submitted the bid, it wasn't what they thought they were buying.

MS. MORGAN: Ordinarily I wouldn't go along with a bid return, but in this particular instance the staff contributed to the confusion and I would recommend that we return the deposit.

CHAIRPERSON CORY: I never noticed that.

MR. ACKERMAN: I don't believe that.

(Laughter.)

CHAIRPERSON CORY: Anybody in the audience on this item?

Any questions?

Without objection, Item 32 — approval will be granted.

MR. ACKERMAN: Just to show we do have heart?

CHAIRPERSON CORY: We won't grant this humanitarian action ever again.

Item 33, authorize the competitive bid for the geothermal lease program in the Geysers.

EXECUTIVE OFFICER NORTHROP: Item No. 33 is on today's calendar and seeks certification of an environmental
impact report for proposed competitive leasing of
geothermal resources from reserved mineral lands at the
Geysers in Lake, Sonoma, and Mendocino Counties. This is
the first document produced under contract using a $100,000
special appropriation received from the Legislature in the
1980-81 budget.

We proposed to do one EIR with that funding, but
staff has managed to stretch that money so that we were able
to contract for two EIR's.

The document before you today covers approximately
1,484 acres and the second EIR, the draft of which just
started circulating this week, covers approximately 349 acres.

We anticipate we will have that document before you
for certification by August and hope to conduct lease sales
for these tracts in August and October.

The Legislature this year, in 1981-82, gave us an
additional $200,000 for EIR preparation at the Geysers.

Shortly after July 1, staff will be sending out a
request for proposals for preparation of an EIR covering
approximately 2,320 acres in Lake and Mendocino Counties.

Our new leasing program has generated a lot of
interest among potential bidders as well as among consultants
who will be bidding on contracts to prepare these EIR's.

We hope this interest will lead to some sharp competition
among the contractors so that we will be able to secure at
least two EIR's from the present funding.

I might add here that all of the costs for EIR preparation are totally refundable to the State once a lessee has been selected through the competitive bidding process.

CHAIRPERSON CORY: Now, Mr. Northrop, this item has established several things we should make note of. The first one is that you do, in fact, practice reading on the other statements, because this one you obviously read so poorly you hadn't had time to practice. It's been going around the staff for weeks now, months, that you've been practicing reading your statements with the doors closed. I can now assure you that I am now convinced you do practice them.

(Laughter.)

CHAIRPERSON CORY: And the other item I think that has to be commented on is that this was some kind of filler to make sure that --

(Laughter.)

EXECUTIVE OFFICER NORTHROP: Now, if you have a serious question --

MS. MORGAN: I have a serious question. The Legislature gave you $200,000. What's the funding source?

EXECUTIVE OFFICER NORTHROP: Pardon?

MS. MORGAN: What's the funding source?
EXECUTIVE OFFICER NORTHROP: It's put into a pool if it's paid back.

MS. MORGAN: Well --

EXECUTIVE OFFICER NORTHROP: It's a revolving fund.

MS. MORGAN: Working capital?

EXECUTIVE OFFICER NORTHROP: Yes. It's working capital to start with.

MS. MORGAN: When do we get it back?

CHAIRPERSON CORY: As soon as the double zero -- you keep putting the double zero, and it doesn't come up.

EXECUTIVE OFFICER NORTHROP: What we're just doing is just speeding up the process. If we waited to get a bidder and started with an EIR, we lengthen the process out by maybe a year. But if we get the ball rolling, when we get ready, we don't have to put somebody to work on the EIR, we've already done that.

CHAIRPERSON CORY: Why didn't you just say that?

EXECUTIVE OFFICER NORTHROP: I didn't know what the thing was about.

CHAIRPERSON CORY: If you didn't know what it was about, how did it get on the calendar?

EXECUTIVE OFFICER NORTHROP: I have no idea.

CHAIRPERSON CORY: Is there anybody in the audience on Item 33? Without objection, we will authorize
the staff to proceed with the competitive bid leasing
of the parcels. Without objection, such will be the order.

Item 34 is approval of award of a geothermal
lease of reserved mineral interest near Gaysers Steam Field,
Lake County, 120 acres, at 30.6 percent profit plus
12 and a half percent, rather than 125 percent. Right?

I thought they had done well with that one.

Is there anybody in the audience on this item?

Any questions from the Commissioners?

Without objection, Item 34 is approved as
presented.

Item 35, requesting approval of the Commission to
hold a public hearing on pollution and subsidence control
plan on the San Joaquin River at False River and Jersey
Island, Contra Costa and Sacramento Counties. Anybody in
the audience on this item?

Questions from the Commissioners?

Without objection, approval to hold a hearing is
granted.

Item 36 is Subsidence Remedial Project, maintenance
and repair studies. Approve proposed expenditures.

EXECUTIVE OFFICER NORTHROP: This is an expenditure
of $50,000, initial expenditure for the 81-82 fiscal year.

CHAIRPERSON CORY: Anybody in the audience on this
item? Questions from the Commissioners?
MS. MORGAN: Yes. When do we reach the end of this?

CHAIRPERSON CORY: Long Beach hopes never.

EXECUTIVE OFFICER NORTHROP: There will be extensive litigation when we reach the end of this.

MS. MORGAN: Okay.

EXECUTIVE OFFICER NORTHROP: We've got a real problem.

CHAIRPERSON CORY: We're putting up 2 million a year?

EXECUTIVE OFFICER NORTHROP: That's the subsidence. City subsidence. And the issue is whether after the properties are filled, that it go out in the marketplace and buy property, and we're saying, no, you can't do that. That's -- that's not the intent or what the subsidence program is all about.

CHAIRPERSON CORY: They're getting nervous about getting more oil out of the ground; therefore, more subsidence, and they need more money and on, and on, and on.

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

Without objection, we'll approve the 50,000 expenditure.

Item 37 is for approval to close accounts of
Tideland Oil Revenue expended pursuant to Chapter 138/64 and filling West Town Lot with determination the allowable cost -- subsidence cost is $23,995.37.

Anybody in the audience on that item?

Any questions from the Commissioners?

Without objection, Item 37 is approved as presented.

Item 38 is 1840 acres, more or less, in the Counties of Merced and Mariposa. There's a lawsuit going on with the United States. Mr. Hight, do you think we have an interest in it?

MR. HIGHT: No, sir.

CHAIRPERSON CORY: Any questions?

MR. ACKERMAN: No problem.

CHAIRPERSON CORY: Anybody in the audience? Without objection, 38 is approved as presented.

Item 39 is 13.08 acres, more or less, in El Dorado County and Mr. Hight also doesn't think we have an interest in it, correct?

MR. HIGHT: Correct, Mr. Chairman.

CHAIRPERSON CORY: Anybody in the audience on this item? Questions from the Commissioners?

Without objection, Item 39 is approved as presented.

Item 40; this is a rescission of prior boundary approvals and approval of new, correct boundaries for LAFCO.

Anybody in the audience on this item? Questions from the
Commissioners? Without objection, Item 40 is approved as presented.

The administration calendar. The first item is authorization of execution of a contract with Atlas Blueprint Company, which I presume is the low bidder?

EXECUTIVE OFFICER NORTHROP: Yes, it was.

Mr. Chairman.

CHAIRPERSON CORY: See how quick we change to low bidder from high bidder.

$30,625. Are there any questions from anybody in the audience? Without objection, Item 41 is approved as presented.

Item 42, authorize an interagency agreement with the Department of Justice for legal services for Long Beach operations and Los Alamitos Bay litigation for the fiscal year 1981-82 for a quarter of a million dollars. Any questions from the Commissioners? Anybody in the audience on this item?

Without objection, Item 42 is approved as presented.

Item 43 is a contract with the law firm of Lobel, Novins, and Lamont for legal consulting services not to exceed $100,000. Anybody in the audience on this item? Any questions from the Commissioners?

Without objection, Item 43 is approved as presented.

Item 44 is National Helicopter and Engineer Company
to authorize execution of a contract with them for $16,560 maximum for year 81-82. Any questions from the audience on this item? Questions?

Without objection, Item 44 is approved as presented.

All right. Is there anything else?

MS. MORGAN: We have a closed executive session?

EXECUTIVE OFFICER NORTHROP: Yes. We have an executive session.

CHAIRPERSON CORY: We will adjourn and go into the executive session. We will ask you to please leave so we may discuss items pursuant to litigation. Is that correct?

MR. HIGHT: That's correct, Mr. Chairman.

(Thereupon the meeting of the State Lands Commission was concluded at 2:34 p.m.)

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CERTIFICATE OF SHORTHAND REPORTER

I, Nadine J. Parks, 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, Nadine J. Parks, and thereafter transcribed into typewriting.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of July, 1981.

Nadine J. Parks
Shorthand Reporter