MEETING

STATE OF CALIFORNIA

STATE LANDS COMMISSION

STATE CAPITOL

ROOM 4202

SACRAMENTO, CALIFORNIA

ORIGINAL

TUESDAY, SEPTEMBER 29, 1981

10:00 A.M.

EVELYN J. DUGGAN

Shorthand Reporter
COMMISSIONERS
Kenneth Cory, State Controller, Chairman
David Ackerman, Representing Mike Curb, Lt. Governor
Susanne Morgan, Representing Mary Ann Graves, Director of Finance

STAFF PRESENT
William Northrop, Executive Officer
James Trout
Robert Hight
Don Everitts
Greg Taylor
W. M. Thompson
Diane Jones
Janc Smith
Bud Uzes
Mike Valentine

WITNESSES
Ted A. MacDonell, City Manager, City of Vallejo
E. Clement Shute, Jr., Attorney at Law, Save San Francisco Bay Association
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CHAIRMAN CORY: I call the meeting to order.

Any corrections or revisions in the minutes of August 20th?

Without objection, the minutes will be confirmed as presented.

Report of the Executive Officer.

EXECUTIVE OFFICER NORTHROP: Thank you, Mr. Chairman, Members.

The first item is a Letter of Permission for the City of Pacifica. This Letter of Permission was granted to the City of Pacifica in advance of a routine report to replace riprap along Beach Boulevard in Pacifica. The work is needed to prevent erosion of Beach Boulevard from winter storms.

Normal processing of a permit would not allow the project to be completed in a timely manner. The City has agreed to apply for a permit, and the staff assures me that the City has clearances from other jurisdictions, and there are no environmental concerns over the project.

So, with these items in mind, we are asking your permission to go ahead and issue the permit and bring the permission back in a routine fashion.

CHAIRMAN CORY: Questions of Commissioners?
Go ahead.

EXECUTIVE OFFICER NORTHROP: Thank you.

The second item, Mr. Chairman, Members, is a Letter of Permission from Pacific Telephone and Telegraph Company.

On September 22nd, 1981, Letters of Permission were granted to the Pacific Telephone and Telegraph Company to enter upon submerged lands in the San Joaquin River at Mossdale Bridge in San Joaquin County, and the Mokelumne River at Benson Ferry Bridge in Sacramento and San Joaquin Counties for a period of 60 days to construct, operate, and maintain an optical fiber system.

This is a supplemental system that converts the human voice to an electronic pulse and converts that pulse into light waves which carries messages along glass fibers within the cable.

Time frame for installing the cable across sovereign lands is extremely critical because of the State Reclamation Board --

CHAIRMAN CORY: Why do we need to do that?

EXECUTIVE OFFICER NORTHROP: I don't know why we need to do that.

CHAIRMAN CORY: Go ahead.

EXECUTIVE OFFICER NORTHROP: Anyway, they are asking a permission to install this cable at waterway.
crossings before November 1st. The project is limited to attaching a cable to one side of an existing bridge at each crossing site.

Pacific Telephone has agreed to indemnify the State against any loss. It is anticipated that applications for the two crossing sites will be formally considered by the Commission on the October agenda. The projects are categorically exempt under the California Environmental Quality Act and subsequent amendments thereto.

Staff would like your permission to proceed with these permits.

CHAIRMAN CORY: You have the okay from the Commission, right?

I hesitate to admonish you, but for a right-winger like you to be totally involved in this permissive society, that all you have is a furtherance of the permissive society that's causing us so much difficulty, I think you ought to recheck your philosophical commitments to the structure.

EXECUTIVE OFFICER NORTHROP: Thank you for your kind remarks.

CHAIRMAN CORY: Do we have a report from the Coastal Commission?

EXECUTIVE OFFICER NORTHROP: No Coastal Commission report, Mr. Chairman.
CHAIRMAN CORY: Okay, the next items on the agenda are the Consent Calendar items. They are prefixed, for those people in the audience, with the letter C, and we will take all of them up in a group unless someone in the audience has objections to the proposed staff recommendations.

Is there anybody in the audience that has any problems with any of the Consent Calendar items?

I'd like to delete one item from there, C23, Number 1, which is a recreational pier permit for W. Grafton Worthington, III, in which I would like to not participate in the decision.

COMMISSIONER ACKERMAN: I have a similar request for Number 4.

CHAIRMAN CORY: Okay.

COMMISSIONER ACKERMAN: For Bill Treadway.

CHAIRMAN CORY: We'll take Treadway out, so we're removing from Item C23 -- by the way, staff, it is customary, following the number, to have a sub-relationship to use a letter rather than another number. Just thought I'd point out that small discrepancy.

We're taking out C23(1) and (4), and if the staff had been on its toes, it would be (a) and (d).

Okay, without objection, then, the Consent Calendar, with those exceptions, the revised Consent
Calendar, with those exceptions, will be approved as presented.

Now, for Item C23(4), the Bill Treadway.

COMMISSIONER MORGAN: Move approval of that item.

CHAIRMAN CORY: Susanne moves, I second.

Without objection, the two of us will approve, with the abstention from Mr. Ackerman. Mr. Treadway is approved.

You're in charge. Take care of C23(1) or (a).

COMMISSIONER MORGAN: On Item C23(1) or (a), any questions?

COMMISSIONER ACKERMAN: I move.

COMMISSIONER MORGAN: I'll second. Those in favor, ayes, with the Chairman abstaining.

CHAIRMAN CORY: Mr. Worthington has, on occasion, been a contributor of mine.

Okay, Item 28, concurrence in the approval of an emergency contract between the State and the City of Sacramento for the Riverlines Warehouse, which had a fire needs to be torn down.

Any questions in the audience on this? Any questions from the Commissioners?

COMMISSIONER MORGAN: Yes.

Why shouldn't we put the limit at $26,000
instead of $35,000?

MR. TROUT: Ms. Morgan, the bid that the City of Sacramento got was $26,000, but it also is subject to possible change orders as they run across things they don't expect. We don't expect it to go over $26,000, but if it goes a few dollars over, we would appreciate the flexibility to go up to this amount, or we'd like to go something above $26,000.

If you want to make it $25,000, that would be fine rather than $35,000.

COMMISSIONER MORGAN: Is the City participating in the change order costs?

MR. TROUT: Yes, they're paying about one-third of the cost.

COMMISSIONER MORGAN: Would it hurt if we limited you? I'd like to keep pressure on the City to continue their financial participation in this.

MR. TROUT: If you give us a little leeway, I think would be fine.

COMMISSIONER MORGAN: Okay.

CHAIRMAN CORY: All right.

COMMISSIONER MORGAN: I move approval of $28,000.

CHAIRMAN CORY: Without objection, Item 28 is approved with the revised figure of $28,000. That'll be the order.
Item 29, approval for 30-year commercial lease.
This is the Rodgers Point Marina in San Joaquin River,
Antioch and Contra Costa County.

This is totally volumetric?

EXECUTIVE OFFICER NORTHROP: This is a minimum,
but only minimum volumetrics come into play, and we think
volumetrics will come into play.

CHAIRMAN CORY: Anybody in the audience on this
item? Commissioners?

Item 29 is approved as presented.

Item 30, which is a 15-year lease, Walthall
Slough near Manteca.

Any questions from anybody in the audience?

Questions from Commissioners?

Without objection, Item 30 is approved as
presented.

Item 31, Exxon Pipeline Right-of-Way Assignment
from one company to another company within the same family.
Here we are with a kind of double-cross. It's amazing, you
go all the way through the computers and come up with that,
and they say computers don't think.

Without objection, Item 31 is approved as presented.

Item 32, the City of Hayward Land Bank. We have
an amendment language which should be on the side sheet
which defines an access.
That was corrected with the City of Hayward, is that correct?

EXECUTIVE OFFICER NORTHROP: That's correct, Mr. Chairman.

You have in front of you an amendment to the calendar item. It's Item Number 4, reading:

"Condition approval of the Land Bank Agreement on a grant by the City of Hayward to the State of California a 40-feet wide non-exclusive public access easement to the land bank parcel from Breakwater Avenue across adjacent City-owned property."

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

Without objection, Item 32 is approved as presented.

Item 33, approval of a Compromise Title Settlement Agreement settling a title dispute of 5.16 acres on San Pablo Bay, with 15 percent interest in the Hayward Land Bank. Anyone in the audience on this item?

Questions from the Commissioners?

Without objection, Item 33 is approved as presented.

Item 34, HFS Associates, in partnership for a
Title Settlement Agreement comprising a dispute on 74.871 acres in Mariner's Lagoon, Foster City, San Mateo County.

Anybody in the audience on this item? Questions from Commissioners?

Without objection, Item 34 is approved as presented.

Item 35, staff report on timber bidding processes.

EXECUTIVE OFFICER NORTHROP: Mr. Chairman, this is in response to a request from the Commissioners on the considerations that staff had given to bidding processes, and Mr. Grimes will briefly go over our study on this and the report to the Commission.

MR. GRIMES: Mr. Chairman, Commissioners.

Back in June, the Commission awarded a timber sale of some State saw timber and asked at that time that the staff look into the sealed versus oral bids type of operation, as well as the small business set aside.

Staff has done that, and Calendar Item 35 is the product.

Briefly, we relied on the Government Office of Accounting report regarding sealed versus oral bidding, and they concluded that, generally speaking, sealed bids tend to get a higher return than oral bids, and tend to dilute the ability to collude amongst companies.

The main reason, apparently, for that is that
in an oral bid you know what your competition is. In a
sealed bid, you don't. And you bid to get the timber.

On the small business set aside, the Federal
Government then went to the sealed bid operation, but it
was found that it works a hardship on small timber operators
within a location where all of the timber was owned by
the Federal Government. So, they adopted the small business
set aside, whereby a certain amount, determined amount of
timber is set aside for bids only by small operators, people
with less than 500 employees. This keeps them from having
to bid against such people as Weyerhauser and Louisiana
Pacific, which they can't bid against because their
utilization standards aren't as great, they don't get as
much out of a tree as Weyerhauser does.

In the small business set aside, there tends to be
a less of a return on the timber, mainly because some of it
is left in the woods or burned up in the burner.

So in summary, the sealed bids tend to produce
a greater return on timber, and the small business set aside
tends to reduce the return.

The legal staff has advised us that there's no
law requiring the State to enter into small business set
asides, as the Federal Government has. So, the staff
recommends that, to maximize the revenues from the State
School Lands that go to the support of schools, that you
continue with the sealed bid operation and not go to a
small business set aside operation.

EXECUTIVE OFFICER NORTHROP: Mr. Chairman, Members,
I think it's well to point out that the bulk of parcels we
have to offer are, in themselves, very small and attract
little interest from the larger timber operators because
of the size. So, I think we are already accomplishing the
fact of giving the small timber harvester a chance.

COMMISSIONER ACKERMAN: Has Weyerhauser or
Georgia Pacific ever successfully bid on any of these small
parcels?

MR. GRIMES: Yes, in fact, if I'm not mistaken,
the June thing was Louisiana Pacific who was a successful
bidder, but they used a small logger to do the job.

COMMISSIONER ACKERMAN: Subcontracted?

MR. GRIMES: Yes.

CHAIRMAN CORY: What percentage would you say
are independents as opposed to major timber companies;
50-50 now?

MR. GRIMES: In Washington, Oregon?

CHAIRMAN CORY: No, ourselves.

MR. GRIMES: Ours, here?

CHAIRMAN CORY: Yes.

MR. GRIMES: All of the bids that I've been
involved in, which have not been too many in the last several
years, have gone to small operators.

CHAIRMAN CORY: With the exception of the one in June?

MR. GRIMES: Yes, that was logged by a small operator, however, and just delivered to LP's mill, which they paid the most money for the timber.

CHAIRMAN CORY: Okay.

COMMISSIONER MORGAN: It's a very good report.

Thank you.

MR. GRIMES: Thank you.

CHAIRMAN CORY: Item 36, City of Long Beach requests a least with ARCO.

This was on a terminal location?

EXECUTIVE OFFICER NORTHROP: Right, this is a terminal. This is the former Spruce Goose site.

CHAIRMAN CORY: Okay.

Christine Shams, you wish to appear on this item? Are you happy with the proposed staff recommendation?

MS. SHAMS: We're very happy with the proposed staff recommendation.

CHAIRMAN CORY: What about the Commissioners, any questions?

COMMISSIONER MORGAN: This is construction of a pier; is that correct?

CHAIRMAN CORY: No.
EXECUTIVE OFFICER NORTHROP: It's the construction of an oil tanker terminal in the Long Beach Harbor. And the City of Long Beach -- the Long Beach Harbor Department, because it's on grant lands, must come to us to make sure it's in conformance of the granting standards, statutes, and the proceeds are to be used on a statewide -- in trust areas.

COMMISSIONER MORGAN: And the EIR is in order?

EXECUTIVE OFFICER NORTHROP: The EIR is in process right; that is correct.

MR. TAYLOR: ARCO wants the assurance that it will not have its lease revoked if the State were to revoke the grant to the City. That's the reason for this action.

COMMISSIONER ACKERMAN: One question, is there a subsidence issue?

EXECUTIVE OFFICER NORTHROP: In relation to the terminal, the terminal will not be contributory, if you're referring to a subsidence problem.

CHAIRMAN CORY: We are depending that there is no subsidence, right?

EXECUTIVE OFFICER NORTHROP: We're certainly of the opinion that the production of oil does not cause subsidence.

CHAIRMAN CORY: This is the same item that will take oil out of the ground and place it on top, or keep it
under the ground.

EXECUTIVE OFFICER NORTHROP: We're pouring money down there.

I don't have any problem.

CHAIRMAN CORY: Without objection, Item 36 is approved as presented.

Item 37.

EXECUTIVE OFFICER NORTHROP: Item 37 is off calendar.

CHAIRMAN CORY: Okay. Item 38, authorization to contract an MIR in Ventura County, Santa Barbara Channel. Anybody in the audience? Any questions from the Commissioners?

Without objection, Item 38 is approved as presented.

Item 39, final report.

EXECUTIVE OFFICER NORTHROP: Mr. Thompson and his assistant are going to go over that for us.

MR. THOMPSON: This is the final closing. This is the final closing of the 1980-81 Planning Project, and the second modification of the '81-82 budget.

During the 1980-81 fiscal year, we produced 22.8 million barrels from the Long Beach unit. And the average oil production rate is shown by that thin red line there. The solid red line's the actual production. The thin red line through the '80-81 year is the actual for the
year. I'll probably want to point up that upper left curve, what's happening to our oil price. The oil price during that particular year was $25.94. It increased a little bit at the start of the year, but since then, it's gone down. And even the last month, we've had a drop of about 11 cents a barrel, which translates to reduced revenue for the balance of the fiscal year we're now in of $2 million. We've had the same situation statewide, price cuts there.

What you see in the upper left curve is the actual cost of oil price in dollars per barrel, and the broken red line you see there is one that we've planned and budgeted for in the coming fiscal year.

But, the revenue projections we're using are the broken green lines. If, as we've submitted, oil prices would be constant through the balance of the fiscal year we're in now, and actually they are dropping slightly. If we continue to get price cuts, we may have to revise our revenue estimates within the present time within our realm of accuracy.

CHAIRMAN CORY: There was a report recently, yesterday I think in the papers, and he's saying that there's going to be a 7 cents per gallon price increase in gasoline in the next two to three months.
Given the softening of crude oil prices, has anybody ascertained why refined prices are going to go up?

EXECUTIVE OFFICER NORTHROP: I couldn't imagine why refining prices, if they reflect the price of raw material, would go up.

CHAIRMAN CORY: Since they don't, they may.

EXECUTIVE OFFICER NORTHROP: That's right.

MR. THOMPSON: Unless they're using up inventory bought at lower prices, and now their inventories are down and they have to start buying crude at higher prices.

CHAIRMAN CORY: Somebody might want to pursue that discrepancy. It seems odd to me, but go ahead with your report.

The green line is the projection before the ARCO decrease, or does it reflect the ARCO decrease?

MR. THOMPSON: That's what we use for our revenue, for revenue for the year. We're showing that to show you what is happening.

The broken red line is what is in the planned budget for the present year. To show you when that was made, back in, say, February of 1980, for this year, that our knowledge, we thought it would go up.

COMMISSIONER ACKERMAN: What's the difference in dollars represented by the break between those two lines?

MR. THOMPSON: In the neighborhood of 20-25
COMMISSIONER ACKERMAN: That's income to the state?

MR. THOMPSON: Right, we've already done that in our revised revenue estimates.

EXECUTIVE OFFICER NORTHROP: The reason our revenue estimate was revised downward, we anticipated hanging on the broken red line. And now, we've revised it with the green, and we may have to revise it again. It was just pointed out to me that our, self Elwood Posting, (ph.) went down $2 a barrel on ARCO's new posting, which would mean a reduction in Elwood alone of 3.7 million.

CHAIRMAN CORY: What was hanging on the broken red line?

EXECUTIVE OFFICER NORTHROP: We were.

CHAIRMAN CORY: Was that your phrase?

EXECUTIVE OFFICER NORTHROP: We hung our projection on the broken red line.

CHAIRMAN CORY: Is that anything like the Yellow Brick Road?

(Laughter.)

EXECUTIVE OFFICER NORTHROP: Something like that. Probably we've got a Tin Man, or something, in the way.

MR. THOMPSON: Something a little more on the positive side, we actually drilled 51 wells, and redrilled...
You'll see the right-hand curve there, you see in the two curves, that's the revenue curve. The left-hand curve is the expenditure curve for the drilling costs. See, that curve goes up, and at the end of the fiscal year went flat after we spent $37 million in the fiscal year. We paid out that particular drilling cost after we were two months into the fiscal year. So, our drilling program is paying out.

The upper right-hand curve is the oil production curve. The reason it went down about three percent in the oil rate curve is because we had some bad months there at the start of the year. We've now come up, and hopefully we'll get this all coming up, and that trend should be flat.

CHAIRMAN CORY: We should get that up in time to get to the height of the glut, right?

MR. THOMPSON: I think we're in the glut. But, since the contract says they must take the oil, why, the glut doesn't mean that much to us.

COMMISSIONER MORGAN: That says that at the end of the fiscal year our expenditures -- I mean our revenues have to equal our expenditures?

MR. THOMPSON: Two months afterwards. In other words, this is a fiscal year basis, and we're merely showing
that we spent $37 million for the drilling activity within
the year. That's why the line goes flat.

And then our revenue curve from the oil produced
from those wells, the right-hand curve, showing the cost over
that and the payoff.

COMMISSIONER MORGAN: These are new wells that
we drilled, right?

MR. THOMPSON: Yes. These wells will generate
additional revenue coming in.

Then, we have a second modification of the 1981-82
planning budget. We're going to dismantle three drilling
structures out there, and that'll take $300,000 in one
transfer. Those moneys from new well drilling down to
abandonment costs. And the overall picture will really be
a wash, because we're going to salvage one sub-base out of
the drilling structures to put on Highland Point. Otherwise,
we'd have to buy new structures for about $300,000.

CHAIRMAN CORY: Have you budgeted for this new
one?

MR. THOMPSON: Yes.

COMMISSIONER MORGAN: When is your next official
revenue estimate?

EXECUTIVE OFFICER NORTHROP: We plan on doing one,
probably November is when we're looking at now, when we get
some kind of idea where we're going. With ARCO's drop, we're
going to wait and see whether anyone follows. We're looking for another revenue estimate in November, or at least an updated one.

CHAIRMAN CORY: Approval of the final report without objection is granted.

Item 40, this is a request to settle the Vallejo litigation. This is a parcel in Guadalcanal Village north in exchange for the golf course property; is that correct?

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

CHAIRMAN CORY: All right, we have Mr. Shute and Ted MacDonell who are appearing.

Are you happy with where we are, everybody?

MR. SHUTE: Yes, Mr. Chairman. I'm Clement Shute, representing the Save the San Francisco Bay Association, which filed the suit, and we endorse and recommend this settlement to you for two main reasons.

It totally eliminates the Inland Municipal Golf Course, where the trust was transferred before. We objected to that as being improper delegation under the Constitutional Trust Doctrine. And secondly, the parcel where it'll be transferred, Guadalcanal North, is used for trust purposes, abuts a slough, abuts a marsh and a resolution recognizing the usefulness of trust purposes, we feel that's a far better precedent for the Commission.

Finally, I'd like to thank your staff for its
professional work in being able to resolve this. You'll notice the suit was filed in June, and we were able to resolve it in four months.

MR. HIGHT: That's probably a record.

COMMISSIONER MORGAN: Who is your client?

MR. SHUTE: Save the San Francisco Bay Association is an organization of some 20 years duration with several thousand members. It's probably the private organization most responsible for the creation of the Bay Conservation Development Commission. They are constantly monitoring its activities in and along San Francisco Bay.

COMMISSIONER MORGAN: Thank you.

COMMISSIONER ACKERMAN: Just one question.

When this was originally proposed way back when, the original land settlement, the possibility of a suit was mentioned at that time.

Maybe my question should be directed to the City: Why wasn't this alternative parcel raised as a possible exchange at that time, which would have eliminated any suit?

If I recall right, we were told that this was the only parcel available in Vallejo, after Senator Nielsen went through with his legislation and everything.

EXECUTIVE OFFICER NORTHROP: That's what the City of Vallejo told me, sir. We originally looked at this parcel when we started.
COMMISSIONER ACKERMAN: The City didn't want to give it up?

EXECUTIVE OFFICER NORTHRUP: I really don't know their motive.

MR. MacDONELL: I'll speak to that.

CHAIRMAN CORY: The question is still unresolved as to who won the battle of Guadalcanal.

MR. MacDONELL: Mr. Chairman, Members of the Commission, for the record my name is Ted MacDonell. I'm the City Manager in Vallejo.

To answer the specific question, the City was involved in negotiations for the development of that parcel. At the time we didn't feel it was available, and putting trust conditions on it at that time would foul up the negotiations that were in process.

They have subsequently fallen through, and we immediately proposed the parcel as an alternative site.

COMMISSIONER MORGAN: Do you have any more that might be better?

MR. MacDONELL: We have had several other parcels, all of which were rejected by the staff at that time.

CHAIRMAN CORY: Do you have a solution everybody seems to be happy with?

MR. MacDONELL: The City Council approved the agreement last night. I, too, want to thank your staff for
the help in resolving this.

COMMISSIONER MORGAN: What about Senator Nielsen? Does he know about this?

MR. MacDONELL: Yes, he does and he's very happy with it.

CHAIRMAN CORY: I think he has the option on the property.

(Laughter.)

CHAIRMAN CORY: That's a joke.

Without objection, the authorization to settle is granted.

Item 41.

EXECUTIVE OFFICER NORTHROP: Mr. Chairman, there's some revised language on Item 41 which we have. Counsel may want to handle that.

MR. HIGHT: Rather than read it, I think we'll just -- it's rather technical, and I think we'll just submit it to the record. It's nonsubstantive.

CHAIRMAN CORY: Will we get to see it?

COMMISSIONER MORGAN: The sheet says, "Unavailable at the time of printing."

It's a legal description of the settlement?

MR. HIGHT: Yes, it's a legal description.

CHAIRMAN CORY: It was unavailable for printing now, too?
COMMISSIONER MORGAN: I assume that whoever was settling agrees to these handwritten changes?

MR. HIGHT: Yes.

CHAIRMAN CORY: Somebody doesn't have to initial any portions, no? Okay.

Without objection, Item 41 is approved as presented, and this is the official initialed copy.

Item 42 is off calendar?

EXECUTIVE OFFICER NORTHROP: Item 42 is off calendar.

CHAIRMAN CORY: Item 43, authorization of staff counsel and/or AG to institute litigation against Roy Gustavson, covering half an acre, more or less, in Seven Mile Slough, south of Isleton, Sacramento County.

Anybody in the audience on this item?

Any questions from Commissioners?

Without objection, Item 43, authorization, is granted.

Item 44, this is to authorize reporting to the State Controller subventions attributable to tide submerged lands to the various communities who get the beach fronts; is that correct?

COMMISSIONER MORGAN: Why do we do this?

EXECUTIVE OFFICER NORTHROP: Statute requires it.
CHAIRMAN CORY: It's the Bob Burke statute, as I recall.

EXECUTIVE OFFICER NORTHROP: All properties within a given distance to state oil production share in the revenue. I believe it's within a mile.

COMMISSIONER MORGAN: When did it start?

CHAIRMAN CORY: It started in Huntington Beach. The Burke legislation, probably around '72, '73, maybe as late as '74.

EXECUTIVE OFFICER NORTHROP: It was a beach problem.

COMMISSIONER MORGAN: Is it time to review the need for this because there are various changes in local financing?

EXECUTIVE OFFICER NORTHROP: It approaches -- it's $392,000. The City of Huntington Beach is the single largest recipient.

CHAIRMAN CORY: It's money that's well worth looking at.

COMMISSIONER MORGAN: Could we ask the staff to look at this?

EXECUTIVE OFFICER NORTHROP: Yes, the staff will certainly look at this and discuss it.

CHAIRMAN CORY: Staff ought to get the data if you want to take a stab at it.

Without objection, Item 44 is granted.
Item 45, we're going to go into Executive Session.

EXECUTIVE OFFICER NORTHROP: Yes, we've got a couple of items.

(Thereupon this hearing before the State Lands Commission was adjourned at approximately 10:45 a.m.)
CERTIFICATE OF SHORTHAND REPORTER

I, EVELYN J. DUGGAN, 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, Evelyn J. Duggan, a Shorthand Reporter of the State of California, 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 28th day of October, 1981.

EVELYN J. DUGGAN
Shorthand Reporter