MEETING
STATE LANDS COMMISSION
STATE OF CALIFORNIA

STATE CAPITOL
ROOM 447
SACRAMENTO, CALIFORNIA

THURSDAY, APRIL 23, 1987
10:00 A.M.

Nadine J. Parks
Shorthand Reporter
APPEARANCES

Nancy Ordway, representing the Director of Finance,
   Jesse R. Huff, Commissioner
   Acting Chairwoman

Jim Tucker, representing Gray Davis, State Controller,
   Commissioner

Susan Wallace, representing Leo T. McCarthy, Lieutenant
   Governor, Chairman

Staff Present:
   Claire Dedrick, Executive Officer
   James F. Trout, Assistant Executive Officer
   R. C. Hight, Chief Counsel
   Jan Stevens, Department of Justice,
      Deputy Attorney General
   Wilbur M. Thompson
   Lance Kiley
   Jane Smith
   Lorna Burks
   Lisa Lynn
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Lee Roy Pierce, Jr., appearing on behalf of International Mineral Services

John McAmis, J.E. McAmis, Inc.

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PETERS SHORTHAND REPORTING CORPORATION
3336 BRADSHAW ROAD SUITE 240
SACRAMENTO CALIFORNIA 95827
TELEPHONE (916) 362 2345
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PROCEEDINGS

ACTING CHAIRWOMAN ORDWAY: A quorum being present, we'll start the meeting of the State Lands Commission.

Confirmation of the minutes of the meeting of March 10th, 1987, March 26th, 1987; without objection, they will be confirmed.

For the record, it should be noted that Susan Wallace is sitting in a voting capacity today and Jim Tucker is sitting in a nonvoting capacity.

The consent calendar, Items 1 through --

EXECUTIVE OFFICER DEDRICK: Excuse me, Madam Chair, Item C-1-F has been pulled from the consent calendar.

ACTING CHAIRWOMAN ORDWAY: Consent calendar Items C-1 through 17, with the exception of C-1-F. Anyone who would like to speak on those items?

Without objection, the consent calendar is adopted.

Item 18.

EXECUTIVE OFFICER DEDRICK: 18 and 19 are the Texaco items. We apparently do not have the Texaco people here at the moment. Could we put those over to the end of the meeting?
ACTING CHAIRWOMAN ORDWAY: Fine.

EXECUTIVE OFFICER DEDRICK: Okay. Would you like to announce the items that have been pulled?

ACTING CHAIRWOMAN ORDWAY: The items that have been pulled are Item 26, Item 40, Item 42, 43, 44.

EXECUTIVE OFFICER DEDRICK: Thank you.

ACTING CHAIRWOMAN ORDWAY: Item 20.

EXECUTIVE OFFICER DEDRICK: Item 20 is the staff requesting authorization for denial of an application and authorization to take necessary steps, including litigation to close down a recreational facility in San Joaquin County. This is a trespass. The applicant, Mr. Collins, has since withdrawn his application to correct the trespass, so that portion of the calendar item no longer applies.

However, staff would request that you still give us the authorization to go ahead with litigation if necessary.

ACTING CHAIRWOMAN ORDWAY: Lance, do you want to --

MR. KILEY: That is a correct statement. We'd like to have the authority to litigate and reserve if we need it.

ACTING CHAIRPERSON ORDWAY: Any questions from the Commissioners? Comments from members of the audience?
Without objection, Item 20 is approved.

Item 21.

EXECUTIVE OFFICER DEDRICK: Item 21 is the approval for a 30-year general lease right-of-way use for California and Hawaiian Sugar Company in the Carquinez Strait for existing water pipeline and electrical line.

ACTING CHAIRWOMAN ORDWAY: Questions from the Commissioners? Comments from members of the audience?
Without objection, Item 21 is approved.

Item 22.

EXECUTIVE OFFICER DEDRICK: Item 22 is an approval of an amendment to a master lease to Southern Pacific Pipe Lines Company for a petroleum pipeline in, gosh, several counties -- Yolo County and Sacramento County.

ACTING CHAIRWOMAN ORDWAY: Questions from the Commissioners? Members of the audience?

EXECUTIVE OFFICER DEDRICK: Item 3 --

ACTING CHAIRWOMAN ORDWAY: Item 22 is approved.

EXECUTIVE OFFICER DEDRICK: I'm sorry.

ACTING CHAIRWOMAN ORDWAY: If I'm not moving fast enough, just let me know.

'(Laughter.)

ACTING CHAIRWOMAN ORDWAY: It's Thursday. I'm a little slow toward the end of the week.

EXECUTIVE OFFICER DEDRICK: I think I have one of
those space lags, you know, that you have on the
telephone (speaking of 7-second delay).

(Laughter.)

EXECUTIVE OFFICER DEDRICK: Item 23 is a 30-
year general lease to the Smiths for a parcel of tide
and submerged land in San Joaquin County -- in Sacramento
County on the San Joaquin River.

ACTING CHAIRWOMAN ORDWAY: Questions from the
Commissioners? From the audience?

Without objection, Item 23 is approved.

Item 24.

EXECUTIVE OFFICER DEDRICK: Item 24 is an
application for Dennis Sheridan for a lease for cattle
grazing on a portion of Goose Lake in Modoc County. For
technical reasons, we request that the Commission deny
the application at this time. Would you like to hear from
counsel on the subject when he's availa

ACTING CHAIRWOMAN ORDWAY: Questions from the
Commissioners? Would Commissioners like to hear from
counsel on the subject? Questions from the audience?

Without objection, Item 24 is approved.

Item 25.

EXECUTIVE OFFICER DEDRICK: Item 25 is a
staff recommendation for a new recreational lease to the
Golden Gate Water Ski Club; in this instance, the Middle
River in San Joaquin County. There are several people in
support of the application I believe that are here.

ACTING CHAIRWOMAN ORDWAY: Are there some people
who are here who would like to speak?

EXECUTIVE OFFICER DEDRICK: So, other than to
say that the staff feels that it's a justified use and
that the applicant is a reliable applicant who we think
would be a good lessee, we'd be happy to respond to
anything else you'd like to hear from us.

ACTING CHAIRWOMAN ORDWAY: Any additional questions
from the Commissioners?

All right. There's no guarantees how I will
handle some of these names. Bob Abbadie? Would you like
to step forward? President of the Golden Gate Water Ski
Club.

EXECUTIVE OFFICER DEDRICK: (Addressing the
witness about the microphone) You have to bellow.

MR. ABBADIE: You have to bellow?

Good morning, Commissioners. I'm not too
accustomed to public speaking, but I do have some
pictures here that show my sons water skiing. This is what
our club is all about. It's a family organization and the
area that we're seeking a permit for is for a slalom course,
which teaches children like this -- the smallest one is 29
and the oldest is 34 now. And this is a slalom course.
And it's the only way you can learn slalom skiing. And this particular spot is off the beaten path. It's out of boat traffic. And it's a very necessary thing. I know the government gives permits for snow skiers to practice their sport, and water skiing is the same thing. Our club does a lot of community service work.

We have a "Learn to Ski" week in Berkeley at Aquatic Park for underprivileged children. We take our boats down there and free of charge teach them how to water ski. We actually put on a show for the City of Oakland for the 4th of July. This picture here is a bunch of our -- this is all under ten. For the finale, we have all the children that are under ten ski around the lake. This is actually a 30-year-old picture. And my boys are there.

We have -- our club has two National, State, and World Champions as honorary members. They actually learned to ski on this course and another course that we had previous to this. Chris and Bobby LaPoint. Bob LaPoint right now holds the world's record for number of goals achieved. And we have some others that probably would like to make a few other points.

We've been using -- I just don't know how long this course has been there. It's been in our possession I believe for 11 years. And we're now attempting to legalize,
getting a permit in our own name. We have insurance and all the requirements that the State Lands requires.

ACTING CHAIRWOMAN ORDWAY: Are you supporting the staff recommendation?

MR. ABBATIE: Yes, definitely. Thank you.

ACTING CHAIRWOMAN ORDWAY: Thank you. Lou Pope, Board of Directors, Golden Gate Water Ski Club?

MR. POPE: Well, I'm also along with this.

ACTING CHAIRWOMAN ORDWAY: Get a little closer to the microphone.

MR. POPE: Okay. I'm also recommending that you approve this if you can. I have a son that's a tournament water skier, along with myself. And without it, we would be without a course and unable to practice it.

And my son and a lot of little kids are looking forward to the fact that possibly tournament water skiing will become part of the Olympics and one of their goals would be to possibly make it to the Olympics.

And they also look forward to, you know, going to the Nationals, which is a tournament held between all the best skiers in the United States. And that's kind of their goal. And without it, we have got no place to practice. It does keep the kids busy, especially from the months of May all up through October. Every week we're out there skiing. It keeps them out of trouble. And it's
another little leverage. You say, "Hey, if you're not good, you're not going to do it." But, I mean, it keeps the kids -- we have no problems being mischievous or anything like that. And that's kind of what it's all about, I think, really to hopefully keep the kids busy and help them become good citizens.

And we've told you that we have people from our club who've made, you know, contributions to, you know, the world in the way of water skiing. And without it, we can't. Thank you.


MR. NELSON: Thank you. I really don't know what remains to be said, other than we are very intense people as far as water skiing and slalom course are concerned.

I think that the State Lands pointed out that our facilities are well-maintained. They're in a very safe area. And all the years that we have been in this location we have not had one accident of any kind. We do not pester or impede the general boating public in any way. The location is very, very ideal. One thing I would like to point out in addition to what has been already said in relation to our children, I also have raised five children within the Golden Gate Water Ski Club.
And they're very -- of course, I'm prejudiced. They're very outstanding children, all of them, as are all of our children, because we have provided for the last 30 years an environment that is conducive to fair play, sports, and a good, clean environment.

ACTING CHAIRWOMAN ORDWAY: You're allowed to be biased.

MR. NELSON: We do also provide for our children a water ski scholarship every year. We award to one of our children who's most improved as an incentive, two weeks, one week at an authorized water ski school. This has proven to be a very tremendous thing.

It's essential that we -- to us and our way of life that we continue with this course. I hope there are no objections from anywhere.

We have, as was previously pointed out, competed in BATA, Bay Area Tournament Association, and cosponsoring world championships in the Berkeley Park Department's slalom and jump and trick skiing, which is all part of our curriculum.

I certainly recommend and hope for approval of this permit. Thank you very much.

ACTING CHAIRWOMAN ORDWAY: Thank you.

Dan Wathor, Golden Gate Water Ski Club.

MR. WATHOR: I'm a new member of the club, about
one year now. And I'm a young family man with two
daughters, three and a half and one-year old. I didn't
start water skiing till I was 24 years of age, which is
kind of late. I still enjoy it and I'm a tournament skier
now. I ski through the course.

The thing I'd like to stress is it is a family
activity. The girls go out with us in the boat. Our
three-and-a-half-year-old does some knee board in the
course. She knows how to hold the flag for a fallen
skier. She works the stop watch around our watch. It's
all imitation, but she enjoys being out there. And it is
a family sport.

Unfortunately, growing up, my parents were unable
to afford a boat or going to too many outdoor activities,
so as a family, we get out there from May through October.

Also, now that water skiing is being more and
more popular, we have new members coming into the club all
the time. Tournaments are being televised on TV. It's
become more popular. And Lou's talked a little bit about
the Olympics.

There are also State colleges and universities
that are offering water ski scholarships. So, naturally,
as a parent wanting to give your kids more than what you
had, it would be ideal for our kids to ski the course and
get good enough and possibly attend a college under a
I would like the thing to be approved, and I support it.

ACTING CHAIRWOMAN ORDWAY: Thank you.

MR. WATHOR: Thank you.

ACTING CHAIRWOMAN ORDWAY: Dean Wilson, Golden Gate Water Ski Club.

MR. WILSON: I'd like to speak on behalf of my wife and myself.

ACTING CHAIRWOMAN ORDWAY: That would mean Lisa is not going to be speaking?

MR. WILSON: Yes. We both grew up in Michigan, grew up on a lake in Michigan, and we've skied all our life.

When we moved to California, we learned of the Delta and we right away -- we wanted to look for a place to live on the Delta. Now, we also discovered Golden Gate Water Ski Club. And we joined Golden Gate Water Ski Club with the intensions of participating in their tournaments. And as we raise a family, we could bring our kids into it and raise our children in a water-orientated area themselves.

And we just really enjoy the tournaments that we ski in each year. And we have moved to the Delta to enjoy the water sports and the tournaments and everything.
I just wanted to say that I really would like to see this permit approved also.

Thank you.

ACTING CHAIRWOMAN ORDWAY: Thank you. Lisa Wilson?

MR. WILSON: I spoke for her.

ACTING CHAIRWOMAN ORDWAY: Oh, okay. Excuse me.

Jim Ingoglia; even close?

MR. INGOGLIA: Pretty close.

Yes. I'd like to just say that I'm here to show my support for the club and that I really hope this gets passed. And I'm just here to put in my two cents to say I'm here and wishing us a lot of luck and this measure passes.

ACTING CHAIRWOMAN ORDWAY: Thank you.

Duffy Schneider.

MR. SCHNEIDER: I'd just like to say I support all the speakers prior to myself. The only thing I believe I could add to it is the fact that our club is committed to safe boating on the Delta. I think that's a very important point out in the Delta these days. It can be a very dangerous area.

We have a committee within our club that is dedicated to nothing but boat safety and reporting boat safety to our members and all the things that relate to
that.

I think the continuance of our club on the Delta is a positive influence, and I think that's one other aspect of it.

Thank you.

ACTING CHAIRWOMAN ORDWAY: Thank you.

Questions from Commissioners? Any other comments from the audience?

Without objection -- Yes?

MS. NICHOLS: Yes. My name is Carolyn Nichols.

ACTING CHAIRWOMAN ORDWAY: Would you use the microphone, please?

MS. NICHOLS: My name is Caroline Nichols. I'm here on behalf of the landowners, the people who own the landdock -- the land which the dock is attached.

EXECUTIVE OFFICER DEDRICK: Excuse me. Could you pull that microphone closer to you?

MS. NICHOLS: Can you hear me now?

I have some pictures of the dock. And it's on a berm owned by Nichols. And there is currently no lease between the Golden Gate Water Ski Club and Victoria Island, which is part of Victoria Island.

And we had a lease with the predecessor in interest to the Golden Gate Water Ski Club, a Roland Smith. It expired in 1977. And by the terms of the lease,
the dock reverted to the landowners at that time. And
there's never been any new lease.

And the dock right now is attached to the berm
above the high tide line. It was high tide when those
pictures were taken.

And in order for them to use this dock, they
have to attach it to this berm. And we have no desire to
lease the property to the Golden Gate Water Ski Club at
this time.

ACTING CHAIRWOMAN ORDWAY: Any comments from
staff?

MR. KILEY: Yes. I spoke with Miss Nichols and
Mr. Nelson yesterday at some length about this. The
water ski club is willing to move its facilities away from
that berm and put in some kind of piling structure or
something that would be off the edge of the berm. So,
my staff feels and I feel that the thing should be
allowed in the waterway area, which the State does have
control over, and that it won't necessarily have an adverse
impact on the berm area itself.

And if there's a real serious trespass problem
on the berm, that that's not something that should be
in front of the Commission anyway. It's something for a
different forum.

MS. NICHOLS: The application shows that they're
applying for a permit also for a dock and for toilet facilities and a covered dock that is on the berm right now. And that's in the application itself.

MR. KILEY: The Commission is basically being asked to approve only those facilities that would exist on the Commission land. We're not asking the Commission to approve the facilities that are off the Commission land; obviously, the Commission doesn't have any authority to approve those facilities at this time anyway.

ACTING CHAIRWOMAN ORDWAY: Would you identify exactly which facilities we are approving and make that very clear?

MR. KILEY: Those facilities that are water related or the ordinary high water mark.

EXECUTIVE OFFICER DEDRICK: Those are the only facilities which the Commission has the authority to lease.

MS. NICHOLS: But the permit application does show that dock that is the part of the dock that is on the berm itself in the permit application.

MR. KILEY: It may. And if it does, we will modify the permit before it is signed to cover only those facilities that are actually water related. Our description of land use would ordinarily cover that anyway, the land description specifically describes only that area that's water related, ordinary high water mark.
ACTING CHAIRWOMAN ORDWAY: Mr. Tucker, do you have a question?

MR. TUCKER: Yes. Do you know how the users, the water skiers get access to the river?

MR. KILEY: The access is entirely by water. This is on a berm that is entirely out in the middle of the river. The verm is a very low-lying area that is at or very close to the actual mean high tide line, just a little bit above. So, it would go under water at very high waters and is only visible during the drier months of the year.

And this particular berm is only accessible by water. It can't be gotten to any other way. So they come in routinely by water.

MR. TUCKER: Does that -- does his representation regarding amending the application take care of your concern?

MS. NICHOLS: Well, I believe so.

MR. TUCKER: Okay.

MS. NICHOLS: We would like the dock removed because it's -- but --

MR. KILEY: The club has exhibited a willingness to lease the berm from the --

MS. NICHOLS: We're not interested in doing that.

MR. KILEY: The club has also exhibited their
willingness to do whatever they have to with their facility to make sure they only occupy the State-owned property.

MS. NICHOLS: Yeah. We've asked them to remove it several times and they have not done so.

ACTING CHAIRWOMAN ORDWAY: Further questions from Commissioners?

Comments from the audience? I think we have another.

You'll have to come up and use the microphone.

MR. SCHNEIDER: I could have raised my hand too early. I was going to make some comments concerning the dock itself as far as it being on the land, but as this gentleman pointed out, that is probably something not to be covered here. So, maybe that doesn't make any sense at this point.

What I was going to say is that at high tide our dock is completely under water. I mean, the stakes that it sits on -- even the top of the dock is under water at high tide. Even at low tides -- it takes the very lowest of tides to get our dock to even show the mud under the dock.

MR. KILEY: My staff has not done any kind of extensive boundary determination to determine the boundary in this area, so we really don't know exactly
where the mean high tide is. We would have to send land
surveyors down there to do a fairly extensive survey to
determine exactly where that is.

But, in any event, the Commission is only being
asked to lease that area the Commission has jurisdiction
over, nothing more.

ACTING CHAIRWOMAN ORWAY: Come forward, please.

MR. ABBADIE: Yes. As a representative of the
Golden Gate Water Ski --

ACTING CHAIRWOMAN ORWAY: Please speak into
the microphone, sir, for the record.

MR. ABBADIE: All right. Our main concern is
the slalom course and the dock that's floating in the
water. And the slalom course is what we need to practice
our slalom skiing. We will work out or attempt to work
out some arrangement with the landowners. If we can't
work something out and they could show us where we are on
their land, and I would be willing -- the club would be
willing to remove anything that they find objectionable.

The slalom course and the dock that is in the
water is what this permit is mainly shooting for.

ACTING CHAIRWOMAN ORWAY: We would ask that
in the event that this gets approved, that the permit be
clarified.

EXECUTIVE OFFICER DEDRICK: Yes.
MR. KILEY: Yes.

ACTING CHAIRWOMAN ORDWAY: Any further comments?

MS. NICHOLS: The only other comment I have was that the dock, according to the lease that we had, is not owned by the water ski club. And that's a further reason for it not to be included in the permit.

EXECUTIVE OFFICER DEDRICK: All of those -- we can assure you, Commissioners, that we will clarify all of those ownerships, including the State's versus the upland -- where the mean high tide line is and where the State for certain owns the property.

ACTING CHAIRWOMAN ORDWAY: All right. Miss Wallace, do you have a question?

MS. WALLACE: The gentleman started to say something in the back.

MR. NELSON: I just wanted to comment --

ACTING CHAIRWOMAN ORDWAY: You have to use the microphone.

MR. NELSON: Carl Nelson. I just wanted to point out that we're discussing docks and decks here. The deck is the objection. That is on land. The dock is floating. So, there is a distinguishing factor there between the two.

The deck is one thing; the dock is another.

Thank you.

ACTING CHAIRWOMAN ORDWAY: Final comments?
Without objection, I have a motion. Item 25 is approved.

Item 26 is off calendar. Item 27.

MR. TROUT: Item 27 is the approval of a nonexclusive geological survey permit for three companies on the offshore. This is not geophysical activity. This is for them to use grab sampling techniques.

ACTING CHAIRWOMAN ORDWAY: Comments from the Commissioners? From the public? Without objection, Item 27 is approved.

Item 28.

EXECUTIVE OFFICER DEDRICK: Item 28 is the eleventh modification of the 86-87 Plan and Budget, City of Long Beach.

ACTING CHAIRWOMAN ORDWAY: Questions from Commissioners? From the audience? Without objection, Item 28 is approved.

Item 29.

EXECUTIVE OFFICER DEDRICK: Item 29 is the 87-88 Plan of Development and Operations and Budget of the Long Beach Unit. Mr. Thompson is here. Moose, did you want to speak to this at all?

MR. THOMPSON: Not particularly.

EXECUTIVE OFFICER DEDRICK: Unless you have questions.

ACTING CHAIRWOMAN ORDWAY: Questions from the
Commissioners? Comments from the audience? Without objection, Item 29 is approved.

Item 30.

EXECUTIVE OFFICER DEDRICK: Item 30, again, the City of Long Beach, monitoring, their usual report on monitoring of possible subsidence and seismic hazards.

Mr. Thompson has his maps on the wall back there in the corner.

MR. THOMPSON: The City of Long Beach twice a year conducts elevation surveys on a series of benchmarks in this area. All this is reporting to show and make a record that there has been no subsidence occurring in the area of the Long Beach Unit, this area right here.

The contour maps actually show that this ground is now higher by anywhere from three-tenths to six-tenths of a foot than it was in May of 1965 before production.

So, this shows there has been no subsidence in this area since the time Long Beach has been in production.

ACTING CHAIRWOMAN ORDWAY: Questions from the Commissioners? Comments from the audience?

Item 30 is accepted.

Item 31.

EXECUTIVE OFFICER DEDRICK: Item 31 is again the City of Long Beach. This is a notification to the City to
direct the field contractor for a royalty oil sale of oil from Tract 1.

ACTING CHAIRWOMAN ORDWAY: Questions from Commissioners?

Comments from the audience? Without objection, Item 31 is approved. Item --

Excuse me. Yes?

MR. SCHNEIDER: We're not familiar with the procedures here. Is it ok for --

ACTING CHAIRWOMAN ORDWAY: Oh. You're passed. Have a nice day. And I think I can speak for the three Commissioners here. We'd rather be skiing, too.

(Laughter.)

MR. SCHNEIDER: Thank you.

ACTING CHAIRWOMAN ORDWAY: Item 32.

EXECUTIVE OFFICER DEDRICK: Item 32 is the annual report covering the first six months of 86-87 and revenue estimates from State Lands Commission.

Mr. Thompson is available to answer your questions.

ACTING CHAIRWOMAN ORDWAY: Do you have any?

MR. THOMPSON: I think the clue to the whole thing right here is the oil price, the dollars per barrel (indicating). I think this would be the crude oil price starting back here in December through April. This would be
the oil price level, twelve and a half dollars. And we're now running about $14.

ACTING CHAIRWOMAN ORDWAY: Questions from the Commissioners? Comments from the audience?

Item 32 is accepted.

Item 33.

EXECUTIVE OFFICER DEDRICK: Item 33 is a staff request for a re-offer of a royalty oil sales contract in the Belmont field in Orange County at the time that we think the market looks good enough to make a re-offer.

ACTING CHAIRWOMAN ORDWAY: Questions from the Commissioners? From the audience?

Without objection, Item 33 is approved.

Item 34.

EXECUTIVE OFFICER DEDRICK: Item 34 is an award of a royalty oil sales contract to Caljet, Inc., Huntington Beach Field, Orange County.

ACTING CHAIRWOMAN ORDWAY: Questions from Commissioners?

From the audience? Without objection, Item 34 is approved. Item 35.

EXECUTIVE OFFICER DEDRICK: Item 35 is another royalty oil sales award, this time to the Alton Corporation.

ACTING CHAIRWOMAN ORDWAY: Questions from
Commissioners?

Comments from the audience? Without objection, Item 35 is approved.

Item 36.

EXECUTIVE OFFICER DEDRICK: Item 36 is a staff request for authorization to put out a royalty oil sale in Los Angeles and another in Santa Barbara County.

ACTING CHAIRWOMAN ORDWAY: Questions from Commissioners?

From the audience? Without objection, Item 36 is approved.

Item 37.

EXECUTIVE OFFICER DEDRICK: Item 37 is acceptance of a quitclaim deed from the Ocean Front Oil Company in Huntington Beach.

ACTING CHAIRWOMAN ORDWAY: Questions from Commissioners? From the audience? Without objection, Item 37 is approved. Item 38.

EXECUTIVE OFFICER DEDRICK: Item 38 is an authorization to release a bond for a former geothermal operator at Sonoma State Hospital. Indemnity Company of California is the applicant.

ACTING CHAIRWOMAN ORDWAY: Questions from Commissioners? From the audience? Without objection, Item 38 is approved.
Item 39.

EXECUTIVE OFFICER DEDRICK: Item 39 is a proposed award of a mineral extraction lease by competitive bid to Aggregate Transport. This is a lease on the Sacramento River.

ACTING CHAIRWOMAN ORDWAY: Questions from the Commissioners? We have Lee Roy Pierce, Jr. who would like to speak or make a statement.

MR. PIERCE: Yes. Good morning, Commissioners.
I'm here on --

ACTING CHAIRWOMAN ORDWAY: You have to get very close to that microphone.

MR. PIERCE: I'm here on behalf of International Mineral Services. I've prepared a written submittal on this matter and I'm wondering if the Commissioners have had a chance to review that.

EXECUTIVE OFFICER DEDRICK: The reporter cannot pick up what you're saying. Could you speak more closely into the mike, please?

MR. PIERCE: I've prepared a written submittal on this matter. I'm wondering if the Commissioners have had a chance to review that.

ACTING CHAIRWOMAN ORDWAY: I think we're receiving it now.

MR. PIERCE: Is there a formal procedure to have
this entered into the record?

EXECUTIVE OFFICER DEDRICK: Enter into the record?

It's in the record.

MR. PIERCE: Thank you.

ACTING CHAIRWOMAN ORDWAY: Would you like to give
us a few summary comments from it?

MR. PIERCE: Well, it’s -- what we have here
is a fairly tough situation.

Back in August of 1986, staff for State Lands
had recommended approval of essentially the same permit
to International Mineral Services that is now being
recommended for approval to Aggregate.

What happened was prior to the August 28
meeting, Bell Marine filed a letter with Claire Dedrick
protesting the award of this permit to International
Mineral Services, and stating that the permit procedure
should be put out to competitive bid.

We have several problems with that, not the least
of which is that I’m not sure that the Commission was
aware of their authority under Public Resources Code
Section 6303 to award such a lease without putting it out
to competitive bid.

And essentially what 6303 says is that where it’s
in the best interest of the State, that the State Lands
Commission has the discretion to award a mineral extraction
lease, including commercial disposal of spoils where you're
dredging in navigable -- navigable waters without
putting it out to competitive bid. It's a very specific
statute and it covers this area.

Now, the clear intent of 6303 is to avoid the
exact problem that we've run into here; that being that
International Mineral Services, in preparation for
acquiring a permit for State Lands -- from State Lands,
expended over a year and over $100,000 in time and effort
in putting together the maps, doing research, and generally
putting their ideas into practice.

And notwithstanding, the staff took this off
calendar and indeed the bid process was instituted.

Now, International Mineral Services did not engage in the
bid process, but we did object. And all of that record is
contained in the submittal.

ACTING CHAIRWOMAN ORDWAY: Mr. Tucker?

MR. TUCKER: Mr. Pierce, what's the reason that
this company didn't engage in the competitive bidding
process?

MR. PIERCE: Well, essentially, where Exhibit
G points out, which is one of the protest letters, it's our
view that the intent of 6303 is to prevent our competitors
in this situation -- or competitors in some other
situation, maybe someone else's competitors from using our
maps, our research, our ideas essentially free of charge, and then coming in and underbidding us, which it has.

There's just no way around that. It just takes as you all know, it takes a tremendous amount of effort and time and a lot of paper work and a lot of staff work in order to put together the required maps and submittals in a negative declaration.

The Army Corps of Engineers' permit, which is Exhibit H, nicely demonstrates the kinds of maps and requirements that International Mineral Services went through. I think it's very obvious the amount of work required there. Those, of course, are all public record. And the competitors just come in and take them. And then they underbid you.

MR. TUCKER: I'm not quite sure I understand that. I don't think the bidding process works that way. You know, put your bid in and then the Commission doesn't hand it to the other person and say, "What do you think of this bid? Can you come up with something that's better than that?" That's not --

MR. PIERCE: Of course, I understand that, Commissioner. But the cost of doing business, the cost of determining what bid you can make and how low you can bid in order to break even or make a profit certainly is going to be determined to a large extent by the cost of
acquiring the permits necessary to do the research necessary, drawing the maps, that sort of thing. And if they can simply take the work that we've done, it costs them less. And they can, therefore, underbid us.

Furthermore, Linda Martinez, in a letter -- September 5 letter to International Mineral Services -- if I can have a moment, I'll give you the exhibit number.

MS. WALLACE: What did you mean by take the work?

MR. PIERCE. Well, for example, if you look at Exhibit H, the Army Corps of Engineers' permit, you can see a map that was drawn by International Mineral Services on the river. It's a fairly detailed map, and it's, in fact, several results of quite a bit of research involved there. Now, these are public documents. The public can simply come in, get a copy of it, and they don't have to do those kinds of things. It's free. And this is a lot of work. It's putting ideas into practice. And it takes a lot of research, you know, it took a lot of staff time of International Mineral Services to do this.

Essentially, it's clear to me that 6303 was intended to give the Commission the discretion where it's in the best interest of the State -- and in this case, Linda Martinez has recognized that there is a navigable hazard on the river and that this dredging will eliminate that hazard. And where permits have been acquired, as has
been covered here, then the Commission may award this kind of a lease or a permit without bringing it out for competitive bid.

And it's clear to me that that's statute, which is designed to avoid this result --

ACTING CHAIRWOMAN ORDWAY: Mr. Hight, would you comment on this?

MR. HIghT: The Commission has the authority under Section 6303 of the Public Resources Code --

ACTING CHAIRWOMAN ORDWAY: Into the microphone, please.

MR. HIghT: Under 6303 of the Public Resources Code, the issue, a negotiated permit for dredging specifically for the purposes of improving navigation. We had an application from International Mineral Services to do that under the Code section.

When we received the protest from K. Bell and Associates, the Commission -- we went to the Commission and the Commission said based upon those facts, that we should go to competitive bid. And that's the situation that the Commission is in currently, with Aggregate Transportation being the high bidder.

ACTING CHAIRWOMAN ORDWAY: Mr. Tucker?

MR. TUCKER: If we were to award this as it's recommended by the staff and the Commission would be finding
that -- or the Commission would, in effect, be
determining that it's not going to exercise its discretion
in this case; is that correct?

MR. HIGHT: That's correct.

ACTING CHAIRWOMAN ORDWAY: Miss Wallace?

MS. WALLACE: The timing. When you were discuss-
ing when the conflict, when -- what time in regards to when
the bid came in?

MR. HIGHT: We received an application from
International Minerals. And before that application came
to the Commission, we received a protest letter. And it
was calendared. And because of the protest letter, it was
taken off the calendar. The Commission then authorized,
based upon the protest, the item going to competitive
bid.

And it is this competitive bid result that is
before you today.

MS. WALLACE: Was the bid that he's referring
to prior to -- the bid was in before the order for
competitive bid?

MR. PIERCE: No, it wasn't.

MR. HIGHT: No. We had -- we were negotiating
with International Minerals and had an item prepared
to come to the Commission at the time we received the
protest.
MR. PIERCE: Okay. If I could expound on that.

In fact, on August 14, 1986, Linda Martinez sent International Mineral Services a copy of the permit, and that's Exhibit C, for their signature.

It was prepared to go on the agenda and it was put on the consent agenda for August 28, which is Exhibit B.

On August 22nd, the Bell protest letter came in. That's Exhibit D.

But the whole process, I don't think the bidding process began until several months later. I'm not sure exactly when.

Yes, it is a matter of discretion under 6303. But I would emphasize that it's clear to me from the statute, the whole intent of 6303 is to avoid exactly the result we have here, where someone's competitors come in and use your research and use your efforts and your maps, and then are able to underbid you.

It's just in reality, it's unjust and it's unfair.

Now, I have requested that the staff take this off calendar for further study. And my request was refused.

And at a minimum from the Commission, I would ask that -- that it be taken off calendar and that staff be instructed to brief this up fully. And more than that, I would like an opportunity to work with State Lands staff to see if we can't resolve this.
As a final point, it is true that this has been put out to bid. And there has been made and there has been a high bid, but it has not yet been awarded. State Lands may, pursuant to Public Resources Code 6811 and 6993, at this late date, completely suspend the process and take it off calendar and, in fact, change its mind and pursue a result at that time.

My clients hope that you will. Thank you.

ACTING CHAIRWOMAN ORDWAY: Thank you. Would the Attorney General like to make a comment?

MR. STEVENS: Well, basically, I think we would concur, having reviewed the bid in this case, that the statute confers discretion. I think that Section 6303, which is referred to, is also read as having another purpose, and that's where there is a hazard to navigation, it does permit the Commission to act expeditiously to remove that hazard without going through the bidding process and the necessary delays related thereto.

I think that there is obviously a concern which was expressed here and the fact that an application was submitted, a lot of work was done in connection with it, and then the bidding process was chosen by the Commission as the alternative. I think that the Commission is within its discretion to employ the bidding process and to decide this is something that should be let
out to bid and awarded to the highest responsible bidder.

If the Commission desires to review the submissions that were made here and there is no time problem with respect to award of the bid, this could certainly be done and taken up at the next meeting. That's the only caveat that I would have.

ACTING CHAIRWOMAN ORDWAY: Is there a timing problem, Mr. Hight?

MR. HIGHT: How long is the bid good for?

EXECUTIVE OFFICER DEDRICK: Linda?

MR. TUCKER: 90 days from the date of the bid.

EXECUTIVE OFFICER DEDRICK: From the date of the bid, which was --

MR. PIERCE: Mr. Tucker, I'd like to comment on what the Attorney General said, if I may interrupt. One point he made is, in fact, there is a navigable hazard in place now. And I would point out that International Mineral Services is in possession of substantially all the permits they need to proceed forthwith, which is contained in the submittal, and many of these permits are attached to the submittal.

Any new -- Aggregate is going to have to go through the whole process, which is -- depending on how good you are at it and your ability to work with many agencies, it can take anywhere from six months to
infinity.

MR. TUCKER: Madam Chairman, it seems to me that it would be appropriate to award the lease today. I think Mr. Pierce or his client made a strategic decision not to apply through the bidding process. That's the choice that they have. And it seems to me that that's a decision that they should appropriately live with. I think it's unfortunate they didn't apply through the competitive bidding process. I think they misunderstand that process in terms of how the information would be used.

I don't think it would be available to other persons who would be submitting bids at the same time. And I think that this is simply a situation in which, for whatever reason, the impact of their decision is to attempt to delay the process through some strategic consideration of their own which we really don't have any knowledge or any way of determining.

They've made a decision and I think that the Commission now has gone the appropriate route, which is the competitive bidding route. And we have the appropriate bid in, according to the staff, in terms of their recommendation. It seems to me that what we should do now is award that.

MR. PIERCE: May I respond?
ACTING CHAIRWOMAN ORDWAY: Yes, and there's a gentleman standing. You choose to --

MR. McAMIS: I'd like to speak on the matter, yes.

ACTING CHAIRWOMAN ORDWAY: Would you come forward, please.

You can make your final comments.

MR. PIERCE: Commissioner Tucker, in terms of the reason that we did not participate in the bidding process, it was a strategic decision. And the decision was that we cannot -- it was a waiver problem. By participating in the process, it was fairly to clear to us that we were going to waive our rights under 6303. Moreover, the information that our competitors could have used -- the research, the time and effort, all of those costs -- were detailed in the negative declaration that preceded our August 28th application, were detailed in numerous of the public permits available. And, in fact, the information was available to our competitors. At least that's my understanding. That's what I'm told from International Mineral Services.

One other thing. Really, I'm not trying to delay for any ulterior motive to attempt to work with staff and see if they can resolve this in favor of my client. I'm not really that sophisticated an individual
that I would have any other kind of motive. I don't have any other kind of motives.

ACTING CHAIRWOMAN ORDWAY: Sir, would you identify yourself for the record?

MR. MC AMIS: Yes. My name is John McAmis. We were the second low bidder on --

ACTING CHAIRWOMAN ORDWAY: Who were?

MR. MC AMIS: J. E. McAmis, Inc., Chico, California.

We had started on this project with the City of Sacramento on the expansion of Miller Park Marina approximately two years ago knowing that this was coming through as far as sand reclamation. In our proposal with the City of Sacramento, we have been presently taken sand out of the Miller Park area and selling it throughout the greater Sacramento area.

We are presently pumping into the Corps of Engineers' disposal area right now about 400,000 yards in there. That's going on currently today.

We are in position and we submitted our proposal to the State through the bidding process, actively ready to start to remove the hazard in the river.

We feel that through the permit process, as International Minerals, we have gone through the State Water Quality Board, the Department of Fish & Game; we've
gone through all of the environmental agencies. We've
gone through Yolo County. We've gone through every agency.
And we are cleared. We are presently pumping. We
presently have an 18-inch dredge sitting in the river
working now that we can swing over and we can pull that
hazard out of the river.

Anybody -- International Minerals, ourselves,
Aggregate Transport -- is not going to be able to ship
any sand off of that disposal area for at least a year
to two years, depending on transportation needs required
by the City of West Sacramento.

We've been before the City; we've had meetings
with the Council. We met with staff. We've met with
Caltrans. And we have prepared and we are stepping ahead
to improve Jefferson Boulevard, South River Road
intersection and the bridge.

We look at it, as the State Lands would have to
look at it I think, to get the hazard out of the river,
who is best ready to remove the hazard in an immediate
function (sic), which we understand from the Corps of
Engineers and the State Lands people, they'd like to get
this hazard out of the river immediately.

International Minerals, I don't know if they
have the equipment, or prepared to go over and get this
out. The Department of Fish & Game's permit is very, very
restrictive on the dredging window which this hazard can be removed from the river, any dredging to be done from there.

We will not be done dredging at the Miller Park area until August 1. That leaves approximately two months for whoever's going to dredge that island out of the channel to get moved in, get their permits in order, and get ready to go.

The Corps of Engineers' permit which we have through the City of Sacramento supersedes any mineral lease use of that Corps disposal area. We are in control of that disposal area until we're through with the Miller Park project.

And in respect to what the gentleman to my left said earlier, we have done extensive onsite improvement to prepare for this dredging operation, not only going through the permit process, physically being on the site. We've done a lot of clearing. We've done a lot of weir improvement. So, our investment has been considerable at this point, ahead of either of the two companies that are presently -- International Transport (sic) or Aggregate Transport -- International Minerals, excuse me.

So, we would --

MR. TUCKER: I have a question to the staff.

I assume that these issues in terms of timing, investment,
et cetera, were taken into consideration in determining to whom the lease should be recommended to be awarded?

MR. HIGHT: Yes.

MR. McAMIS: I'd like to make a comment on that. Talking with the county staff, the City of Sacramento port people, City of West Sacramento, Caltrans, nobody has addressed to them, other than International Minerals at an early stage, presently the present high bidder on this project, of what their requirements are going to be to meet the transportation needs of the City of West Sacramento. And I think making an award at this time is they're going in very blindly not knowing what their expenses are going to be on this thing. And I would question whether the performance of this thing will ever happen.

I don't know if that consideration's ever been taken up.

MR. PIERCE: If I may respond to that. We have -- International Mineral Services is in possession of the Yolo County transportation permit, to the best of my knowledge, and I can provide that information. The reason I say that is because I saw it the other day. I can't say 100 percent certain, but I think it is. As to the offloading, Exhibit K, there's a letter from the State Lands Commission to International Mineral Services thanking
them for helping them locate an offloading site at the
Port of Sacramento. And stating, "We would not have been
able to proceed without an offloading site. Your
assistance made the project possible."

We also have an Army Corps of Engineers' permit
and a Fish & Game's permit. The Fish & Game permit is
Exhibit I. And the Army Corps of Engineers permit is
Exhibit H.

I would concur with the analysis, however,
that it is in the best interest of the State to have this
hazard removed as quickly as possible. And I believe the
record before this Commission demonstrates that
International Mineral Services is in the best position
to move ahead as expeditiously as possible.

ACTING CHAIRWOMAN ORDWAY: Any further questions
from members of the Commission?

MR. TUCKER: I would just add, Mr. Pierce, that
by not participating in the bidding process, you make it
impossible for the Commission to arrive at the same
conclusion that you just stated. We have no way of
knowing if you don't go through the bidding process that
you are the most qualified person. It would not be fair
to this gentleman who participated in the process, as well as
the company which the staff has recommending it be
awarded. For someone to come in after the bidding process
saying you didn't want to participate in the bidding process, but take it from us we're the most qualified, the Commission -- there's no way we could evaluate that information, nor would it be fair to the parties who made the decision to participate in the bidding process.

MR. PIERCE: I understand, Commissioner. Also one is that we were facing a serious waiver problem under the law if we participated in any bidding process. My understanding of the law is that we would have waived any challenge under 6303.

Second, the Commission has an extensive record of negotiations between the staff and International Mineral Services. Exhibit B is actually an approved permit that was sent to International Mineral Services by staff for their signature and signed.

There was a negative declaration filled out in the summer of '86. And there's an extensive record in this case before the Commission to demonstrate International Mineral Services' capability to move forward forthwith and their ability to proceed forthwith.

And one last point. Under the circumstances, this whole bidding process came up months and months after—after International Mineral Services' position on August 28th to move forward. It was on the consent calendar. And under the circumstances, as I read 6303, it would be in the
best interest of the State -- to award this permit through competitive bid, it would be truly unjust to my clients.

ACTING CHAIRWOMAN ORDWAY: Final comments from staff?

MR. STEVENS: I'm not sure that a showing has been made of grounds to reject all the bids and to revert to the 6303 negotiation process. Obviously, we have reviewed the submission made by Mr. Pierce, and there may be other data to that effect, but it appears as though International Mineral's remedy would have been to protest at the time the Commission had their application on calendar and decided to take it off and to revert to the bidding process instead. And not having made that objection at that time to persuade the Commission to resume their 6303 negotiations, it's not all clear to me that we can unring the bell at this time and reject all the bids and start all over again.

ACTING CHAIRWOMAN ORDWAY: Comments from the Commissioners?

MR. PIERCE: If I would just respond. We did, in fact, protest at that time by letter. It should be in the administrative record.

ACTING CHAIRWOMAN ORDWAY: Questions from the Commissioners? Thank you.
MS. WALLACE: Motion.

ACTING CHAIRWOMAN ORDWAY: I have a motion.

Without objection, Item 39 is approved as per staff report.

Item 40 is off calendar.

EXECUTIVE OFFICER DEDRICK: Item 41 --

ACTING CHAIRWOMAN ORDWAY: Item 41.

EXECUTIVE OFFICER DEDRICK: Excuse me. Item 41 is an informative item, simply to report to you on the status of ongoing negotiations between the staff of the Commission and the staff of the City of Sacramento in regard to a proposed lease to the City of Sacramento of the waterfront between Tower Bridge and the Pioneer Bridge.

As you recall, we have already negotiated a lease with the City on the Oldtown Waterfront, which has made it possible for the City to go forward with the development of public access and a variety of other amenities along that waterfront.

We are currently in negotiations with the City on the -- what is called the "docks" area. It is the -- in the regulations of the Commission, when a local government is working on a lease with the State Lands Commission, that local governmental entity takes precedence over other applications.

Staff is simply bringing this to your attention in case you hear comments, and certainly so that you'll
know what the progress of the negotiations is. And that the way we intend to handle applications for leases in the same area where we're negotiating a lease with the City is to ask you to reject those which are not consistent with the City's plans for the area.

Now, that is consistent with our regulations. I wanted you to know that negotiations are progressing well and we hope to come to you before the end of this calendar year with another lease with the City of Sacramento.

ACTING CHAIRWOMAN ORDWAY: Questions from Commissioners?

Item 42, 43, and 44 are off calendar. Item 45?

EXECUTIVE OFFICER DEDRICK: Item 45. James F. Taylor is the party. The staff requests a termination of a lease for nonpayment of rent for a small parcel of tide and submerged land in Grizzly Bay.

ACTING CHAIRWOMAN ORDWAY: Questions from the Commissioners?

Comments from the audience? Without objection, Item 45 is approved. Item 46.

EXECUTIVE OFFICER DEDRICK: Item 46 is an authorization for the execution of a memorandum of understanding between the State Lands Commission and the State Historic Preservation Office for a process whereby we
could process with the input and agreement with the State Historic Preservation Office applications to explore underwater, basically sunken ships. We're talking treasure boats here, but mainly histori-al. If they are historical vessels underwater. The State Historic Preservation Officer, Dr. Gualtieri, has been extremely cooperative and we have a very good agreement worked out which we think will make the process much neater and cleaner in the future.

ACTING CHAIRWOMAN ORDWAY: Questions from Commissioners? Comments from the audience? Without objection, Item 46 is approved.

Item 47.

MR. TROUT: Item 47 is just a report on the reduction of retroactive equity adjustments that the Commission has had before them several times. Staff met with representatives of Long Beach royalty owners group and with the City of Long Beach and with the representatives of the major oil companies down there, Chevron and ARCO, and we believe the major concerns of the property owners are taken care of in the sense that the two oil companies have pledged to cooperate with them in letting them know how much money they still owe and what has been adjusted as far as their royalties that they received from the companies.
Assembly Bill 2568 by Dave Elder was basically unimplementable. The town lot royalty owners basically made that same statement. And unless you have problems, we intend to close our files at this point.

ACTING CHAIRWOMAN ORDWAY: Questions from members of the Commission? From the audience? Thank you, Mr. Trout.

Item 48.

EXECUTIVE OFFICER DEDRICK: Item 48 is a request for approval to amend the interagency agreement with the State Teachers Retirement System to provide them with services. The amendment extends the agreement for another year.

ACTING CHAIRWOMAN ORDWAY: Questions from the Commissioners? From the audience? Without objection, Item 48 is approved.

Any further business to come before the Commission?

EXECUTIVE OFFICER DEDRICK: Yes. Madam Chairman, Items -- the two Texaco Gaviota items are still on the calendar. Mr. Hight and I have been carrying on a somewhat lengthy -- or at-arm's-length discussion here, and he's got the last piece of signaling from staff. So, if I may turn it over to him, he can tell you where we're at.
MR. HIGHT: Could I suggest that we recess on 18 and 19 until one o'clock, at which time we can find out for certain where Texaco is as far as an extension?

ACTING CHAIRWOMAN ORDWAY: Make it at 1:15?

EXECUTIVE OFFICER DEDRICK: Certainly.

MR. HIGHT: Certainly.

ACTING CHAIRWOMAN ORDWAY: 1:15 acceptable to members of the Commission? Okay.

Are there other items?

EXECUTIVE OFFICER DEDRICK: Excuse me. Where shall we reconvene?

MR. HIGHT: In the Finance room.

ACTING CHAIRWOMAN ORDWAY: Are there any other items of business? Any other comments from members of the public? Questions from members of the Commission?

We are recessed until 1:15. We'll reconvene in Room 1143 of the State Capitol.

Thank you.

(Thereupon the meeting was recessed.)

--o0o--
AFTERNOON SESSION

ACTING CHAIRWOMAN ORDWAY: 1:15 having arrived, we'll reconvene the regular meeting of the State Lands Commission for the purpose of hearing Items 18 and 19.

Let the record show that Mr. Tucker is sitting in a voting capacity for the Controller.

EXECUTIVE OFFICER DEDRICK: The two Gaviota Terminal items, since Texaco has entered -- the parent company has entered bankruptcy, Commission staff was concerned what that impact would be on on the subsidiaries. We have been meeting with Texaco and with our own bankruptcy counsel and have not been able to, in the brief time available, come to a clear understanding of the situation.

We therefore asked Texaco to give us a one-day extension on the 884 deadline, which runs May 5th, right?

MR. HIGHT: Right.

EXECUTIVE OFFICER DEDRICK: So we could hold the meeting the first available time to get two Commissioners available, which is May 6th.

So, if you two concur in that, we would like to put this item over to be heard on the 6th of May.

ACTING CHAIRWOMAN ORDWAY: Any objection?

MR. TUCKER: No.

ACTING CHAIRWOMAN ORDWAY: Without objection,
both Items 18 and 19 will be heard on May 6th, time yet to be determined.

Is there any further business? Any member of the public who has comments? Mr. Skidmore?

MR. SKIDMORE: Madam Chairman, Commissioner, my name is Kip Skidmore. I represent River Bank Holding Company. And we would like to express our desire to see the Commission adopt the River Moratorium study at its soonest convenience. If there is some direction you can give us or some comment as to when you think that will be back on the calendar, it would be much appreciated.

ACTING CHAIRWOMAN ORDWAY: When will it be on calendar?

EXECUTIVE OFFICER DEDRICK: Excuse me for being unprepared for your comment. We didn’t know that Kip was planning to come in. And we haven’t really had a lot of time to think about it. I think the earliest we could probably make it would be June. I can check with staff.

MR. HIGHT: I think that would be the earliest and that one bothers me a little.

ACTING CHAIRWOMAN ORDWAY: So, late June?

MR. SKIDMORE: So, the June meeting you would tentatively be looking at it.

EXECUTIVE OFFICER DEDRICK: That would be our goal.
MR. SKIDMORE: I would like to know, because we fully endorse that at River Bank as do most developers who are on the river. I think it's a positive step.

ACTING CHAIRWOMAN ORDWAY: Why don't we ask the staff to look at the May calendar and give us an item update and tell us where we are on it and whether or not we can have it on the June calendar so that people will know where we are.

EXECUTIVE OFFICER DEDRICK: Okay. We'll be happy to do that.

ACTING CHAIRWOMAN ORDWAY: Any further comments by the Commissioners? Any other business? Any other member of the public? A member of the public.

MR. KEMPER: I'm the public. My name is Scott Kemper. I'm representing the Sacramento Valley Marine Association. It's an organization of marine dealers and related businesses.

One of the things we do each year is put on the Sacramento Boat Show, cooperate with the water festival, and I've had a chance to look at your staff's recommendations regarding the moratorium.

It's our position -- and I've dropped a letter off, which I'll leave --

EXECUTIVE OFFICER DEDRICK: Thank you.

MR. KEMPER: -- that boating has been booming in
the last three years since this moratorium has been in effect. The facilities are needed very strongly and we'd urge that you take some action to accept the staff's recommendation. Thank you very much.

ACTING CHAIRWOMAN ORDWAY: Thank you.

Further comments from the public?

In the absence of further business, I will adjourn the regular meeting and move into executive session.

(Thereupon the meeting was adjourned at 1:25 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 meeting of the State Lands Commission was reported in shorthand by me 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 28th day of May, 1987.

Nadine J. Parks
Shorthand Reporter