BEFORE THE STATE LANDS COMMISSION
GRAY DAVIS, STATE CONTROLLER, CHAIRMAN

IN THE MATTER OF:

AGENDA ITEMS 1 THROUGH 62

TRANSCRIPT OF PROCEEDINGS, TAKEN AT
STATE BUILDING, 107 SOUTH BROADWAY, ROOM 1138,
LOS ANGELES, CALIFORNIA, COMMENCING AT 2:10 P.M.,
ON TUESDAY, APRIL 12, 1988, HEARD BEFORE
GRAY DAVIS, CHAIRMAN, REPORTED BY DEBBY COLASONT,
HEAR:43 REPORTER, A NOTARY PUBLIC IN AND FOR THE
STATE OF CALIFORNIA AND COUNTY OF ORANGE.
FOR THE COMMISSION:

GRAY DAVIS, STATE CONTROLLER

LEO T. MC CARTHY, LIEUTENANT GOVERNOR

STEVEN HOPCRAFT
MR. DAVIS: THE SECRETARY WILL NOTE THE PRESENCE OF
A QUORUM. FIRST I WANT TO WELCOME SOME OF THE STAFF AND
MEMBERS OF THE LANDS COMMISSION FROM LONG BEACH. THANK
YOU FOR COMING UP TODAY. HOPE WHAT YOU SEE TODAY WON'T
DISCOURAGE YOU TOO MUCH. NO, SERIOUSLY, WE'RE GLAD YOU'RE
HERE TODAY. AND HOPEFULLY YOU'LL FIND THIS MEETING
INSTRUCTIVE.

THE FIRST ITEM OF BUSINESS IS THE
CONFIRMATION OF THE MINUTES. AND I'D LIKE TO CALL FOR A
MOTION TO CONFIRM THE ACCURACY OF THE SUMMARY OF THE
MEETINGS FOR THE PAST THREE SESSIONS, FEBRUARY 1ST,
FEBRUARY 26TH, AND MARCH 2ND.

MR. HOPCRAFT: SO MOVE.

MR. DAVIS: ALL RIGHT. WITHOUT OBJECTION, THAT
WILL BE A UNANIMOUS VOTE.

BEFORE I GO ANY FARTHER, THERE ARE A NUMBER
OF ITEMS THAT ARE OFF CALENDAR. I JUST WANT TO ANNOUNCE
THOSE. C-10 IS ON THE CONSENT CALENDAR. THAT HAS BEEN
TAKEN OFF CALENDAR. AND THEN ITEMS 18, 24 THROUGH 27 --

MS. DEDRICK: NO, JUST 24 AND 27. I'M SORRY.

MR. DAVIS: EXCUSE ME. 18, 24, 27, 31, 45, 51, 52
AND 53.
MS. DEDRICK: LET'S SEE. I THINK THAT YOU MUST
HAVE BEEN GIVEN SOME BAD INFORMATION. THOSE ARE 53 AND
55. I'M SORRY. I SHOULD HAVE CHECKED YOUR LIST MORE
CAREFULLY.

MR. DAVIS: ALL RIGHT. 51, 53 AND 55?

MS. DEDRICK: THAT'S CORRECT.

MR. DAVIS: ALL RIGHT. JUST LET ME REPEAT THEM.

CONSENT ITEM NO. 10, 18, 24, 27, 31, 45, 51, 53 AND 55.

ALL RIGHT. LET'S GO TO THE CONSENT CALENDAR
ITEMS, EXCLUDING ITEM 10. WE HAVE 13 ITEMS BEFORE US. IF
YOU WANT TO SUMMARIZE THOSE FOR US.

MS. DEDRICK: WELL, THEY'RE A VARIETY OF
NONCONTROVERSIAL ITEMS, MR. CHAIRMAN. AND I PRESUME -- I
DON'T BELIEVE THERE'S ANYONE -- WE HAVE HAD NO INDICATION
THAT ANYONE IN THE PUBLIC HAS ANY PROBLEM WITH THEM. AND
IF THE COMMISSIONERS DON'T, YOU COULD HANDLE THEM AS A
SINGLE ITEM.

MR. DAVIS: ALL RIGHT. COULD YOU JUST BRIEFLY READ
THE PARTIES AND INTERESTS SO --

MS. DEDRICK: OKAY. ITEM 1. THERE'S -- THE PARTIES
OF INTEREST ARE DON SPRINGER; KENNETH JONSSON; K.W. AND
IMA L. HUNT; CRAIG MC FARLAND; KWAN MING CHAN AND KAREN
JUNG MEI CHANG -- I'M SORRY -- GARNER CAL SETZER AND
JOANN RAMONA SETZER; PAT F. RICE; VERA RICE; WARREN
SICHEI; CLAYBURN HALSTED JONES AND MARGARET D. KIRSOOP
JONES; ROBERT SEISUMS, GEORGE LAPINS AND VELTA LAPINS.

THESE ARE ALL RECREATIONAL PIER PERMITS.

ITEM 2 ARE TWO RENT CONTINUATIONS OF KNOB
HILL MINES IN SOLANO COUNTY, IN THE POINT ARGUELLO
PIPELINE. IT'S A LESSEE IN SANTA BARBARA COUNTY.

ITEM 3, THESE ARE APPROVALS OF -- APPROVAL OF
A TEN-YEAR GENERAL PERMIT, RECREATIONAL USE ON SACRAMENTO
RIVER IN SACRAMENTO COUNTY, RALPH AND JOYCE MEADOR.

ITEM 4 IS APPROVAL OF A 49-YEAR GENERAL
PERMIT, PUBLIC AGENCY USE TO THE COUNTY OF STANISLAUS.

ITEM 5, RATIFICATION OF A TREE-PLANTING
CONTRACT WITH TRIPP, FOR A BURNED-OVER AREA THAT WAS --
THIS CONTRACT WAS AUTHORIZED BY THE COMMISSION ON MARCH
2ND.

ITEM 6 IS THE APPROVAL OF A TEN-YEAR RENEWAL
OF GRAZING LEASE TO JOHN MATLEY.

AND ITEM 7 IS APPROVAL OF A TEN-YEAR GENERAL
PERMIT, PROTECTIVE STRUCTURE AND RECREATIONAL USE N
SUTTER COUNTY ON THE SACRAMENTO RIVER, TO STEVEN SIMARD.

ITEM 2, S & R FOREST MANAGEMENT. IT'S
APPROVAL OF A THREE-MONTH RIGHT-OF-WAY LEASE FOR ACCESS
ACROSS A PARCEL OF STATE SCHOOL LAND IN MENDOCINO COUNTY.

ITEM 9, THE TEHAMA COUNTY ROAD DEPARTMENT.
THE APPROVAL OF A 49-YEAR GENERAL PERMIT, PUBLIC AGENCY
USE IN SACRAMENTO -- IN THE SACRAMENTO RIVER.
ITEM 11, BRACTON COMPANY. THIS IS AN ASSIGNMENT OF A GENERAL PERMIT, PROTECTIVE STRUCTURE USE FROM BRACTON COMPANY TO FRANK AND LORRAINE SERENA.

ITEM 12, THE GOLDEN GATE BRIDGE HIGHWAY AND TRANSPORTATION DISTRICT. APPROVAL OF A TEN-YEAR PERMIT, PUBLIC AGENCY USE FOR THE INSTALLATION OF SOME RIP/RAP IN MADERA CREEK IN MARIN COUNTY.

ITEM 13, APPROVAL OF A 49-YEAR GENERAL LEASE TO THE IMPERIAL IRRIGATION DISTRICT. A RIGHT-OF-WAY LEASE ON THREE PARCELS OF SCHOOL LANDS IN THE IMPERIAL VALLEY.

THAT'S IT.

MR. DAVIS: ARE THERE ANY OBJECTIONS TO THE ADOPTION OF THIS CONSENT CALENDAR?

HEARING NONE. DO I HAVE A MOTION FOR APPROVAL?

MR. HOPCRAFT: SO MOVE.

MR. DAVIS: ALL RIGHT. THAT'S A UNANIMOUS VOTE.

ITEM C-14?

MS. DEDRICK: ITEM 4 -- C-4 -- OH ITEM 14 IS --

MR. DAVIS: 14, RATHER.

MS. DEDRICK: I'N SORRY, YES -- IS APPROVAL OF AN AMENDMENT TO A GRAZING LEASE IN LASSEN COUNTY TO JAMES R. AND ZETTA CLARK, AND PAUL M. CLARK.

MR. DAVIS: IS THERE ANY OPPOSITION TO THIS MOTION?

DOES ANYONE WANT TO SPEAK ON IT?
DO I HAVE A MOTION FOR APPROVAL OF ITEM 14?

MR. HOPCRAFT: I MOVE APPROVAL, MR. CHAIRMAN.

MR. DAVIS: ALL RIGHT. THAT'S A UNANIMOUS VOTE.

MS. DEDRICK: ITEM 15 --

MR. DAVIS: ALL RIGHT. WHEN I SAY UNANIMOUS VOTE, I MEAN OF THE TWO OF US. SO I GUESS I'LL JUST SAY TWO TO NOTHING.

ITEM 15?

MS. DEDRICK: ITEM 15 IS -- THE APPLICANT IS WILLARD COLLINS. THIS IS RECOMMENDATION FOR APPROVAL OF A 45-YEAR GENERAL PERMIT, RECREATIONAL USE FOR WATER SKI -- FOR A DOCK AND WATER SKI FACILITIES ON THE MIDDLE RIVER NEAR STOCKTON.

MR. DAVIS: ANY COMMENT? ANY OBJECTION TO THE ADOPTION OF THIS ITEM?

DO I HAVE A MOTION FOR APPROVAL OF ITEM 15?

MR. HOPCRAFT: I MOVE APPROVAL OF ITEM 15.

MR. DAVIS: ALL RIGHT. THAT WILL BE A TWO TO ZERO VOTE.

ITEM 16?

MS. DEDRICK: ITEM 16 IS A REQUEST FROM THE STAFF FOR AUTHORIZATION TO PUT UP TO PUBLIC BID A PARCEL OF SCHOOL LANDS, 12 ACRES -- 12.14 ACRES IN RIVERSIDE COUNTY. IN THIS CASE THE COMMISSION WOULD BE ACTING BOTH AS THE COMMISSION AND AS A SCHOOL LAND BANK TRUSTEE.
MR. DAVIS: IS THERE ANY COMMENT ON THIS MATTER?

ANY OPPOSITION?

DO I HAVE A MOTION FOR APPROVAL OF ITEM 16?

MR. HOPCRAFT: SO MOVE.

MR. DAVIS: THE VOTE WILL BE TWO TO ZERO ON THAT

MATTER.

ITEM 17?

MS. DEDRICK: ITEM 17, THE PERMITTEE IS CYNTHIA

CAULK. THIS IS AN APPROVAL OF AN AMENDMENT TO A

RECREATIONAL USE LEASE ON STEAMBOAT SLOUGH AT GRAND ISLAND

IN SACRAMENTO COUNTY.

MR. DAVIS: ANY COMMENT ON THIS MATTER? ANY

OBJECTION TO THE ADOPTION OF ITEM 17?

DO I HAVE A MOTION FOR APPROVAL OF ITEM 17?

MR. HOPCRAFT: SO MOVE.

MR. DAVIS: THE VOTE WILL BE TWO TO ZERO ON ITEM

17.

ITEM 18?

MS. DEDRICK: ITEM 18 IS OFF CALENDAR.

MR. CHAIRMAN.

ITEM 19 IS THE PELICAN POINT PROJECT AT

PAJARO DUNES, AND THE DEPARTMENT OF PARKS AND RECREATION.

THIS PROJECT INVOLVES AN EXCHANGE OF LAND, A QUITCLAIM AND

THE LEASE OF THE PROPERTY, WHICH THEN BECOMES THE PROPERTY

OF THE STATE LANDS COMMISSION FOR THE CONSTRUCTION OF A
SEA WALL TO PROTECT SOME HOMES THAT ARE SUBJECT TO TIDAL DAMAGE IN MONTEREY BAY.

MR. DAVIS: ANY COMMENT ON THIS ITEM? ANY OBJECTION TO ITS ADOPTION?

MR. HOPCRAFT: I WOULD JUST LIKE TO QUESTION WHETHER OPPOSITION TO THIS ITEM HAS BEEN RECEIVED

MS. DEDRICK: NO. MR. -- THERE -- NOT -- NOT THAT I KNOW OF. WE HAD -- THERE WERE PROBLEMS EARLIER. THERE'S BEEN A LOT OF NEGOTIATION, AND I THINK EVERYONE'S SATISFIED NOW.

MR. HOPCRAFT: I WOULD MOVE ADOPTION OF ITEM 19.

MR. DAVIS: THAT'S APPROVED. THE VOTE IS TWO TO ZERO.

ITEM 20?

MS. DEDRICK: ITEM 20. THE APPLICANTS ARE GARY AND LINDA OVERSON. THIS IS APPROVAL OF A TEN-YEAR GRAZING LEASE IN SAN BERNARDINO COUNTY ON SCHOOL LANDS.

MR. DAVIS: ANY COMMENT ON ITEM 20? ANY OBJECTION?

IS THERE A MOTION FOR APPROVAL OF ITEM 20?

MR. HOPCRAFT: MOVE "C" APPROVE ITEM 20.

MR. DAVIS: THE MATTER IS APPROVED. THE VOTE IS TWO TO ZERO.

ITEM 21?

MS. DEDRICK: ITEM 21 IS THE APPROVAL OF A LEASE TO THE DEPARTMENT OF FISH AND GAME OF A PARCEL OF WILDLIFE
HABITAT ALONG THE COLORADO RIVER, WHICH WE RECEIVED IN
SETTLEMENT OF A BOUNDARY DISPUTE WITH THE ADJACENT
PROPERTY OWNER. THIS IS TO THE STAFF IN SACRAMENTO A
PRETTY HISTORIC EVENT. IT'S THE FIRST REALLY BIG
SETTLEMENT ON THE COLORADO. AND WE'RE VERY HAPPY TO HAVE
A HANDSOME WILDLIFE ISLAND WE CAN LEASE TO FISH AND GAME.

MR. DAVIS: THE STAFF IS TO BE COMMENDED. I ASSUME
THERE'S NO OBJECTION TO THE ADOPTION OF THIS ITEM?

MR. HOPCRAFT: WHAT ARE FISH AND GAME GOING TO DO
WITH IT. ALLOW HUNTING OF THE WILDLIFE OR --

MS. DEDRICK: NO, NO, THEY ALLOW THE CRITTERS TO
LIVE THERE.

MR. HOPCRAFT: WITH THAT UNDERSTANDING, I WILL MOVE
ADOPTION OF 21.

MS. DEDRICK: THERE WILL BE -- AND I'M SORRY. I
SHOULDN'T HAVE JUST BEEN JOKING ABOUT THAT. THERE IS A
PROPOSAL FOR HABITAT RESTORATION AND REVEGETATION ON THE
ISLAND.

MR. DAVIS: ITEM 21 IS APPROVED ON A TWO TO ZERO
VOTE.

ITEM 22?

MS. DEDRICK: THIS IS AN AMENDMENT TO A GENERAL-
PERMIT PROTRACT -- PROTECTIVE STRUCTURE, EXCUSE ME -- THE
BOLINAS COMMUNITY PUBLIC UTILITIES DISTRICT AND THE BEACH
AND CLIFF ASSOCIATION, FOR A GROWING RECONSTRUCTION IN
MR. DAVIS: ANY COMMENT ON THIS ITEM? ANY OBJECTION TO ITS ADOPTION?

DO I HAVE A MOTION ON ITEM 22?

MR. HOPCRAFT: I MOVE WE ADOPT ITEM 22.

MS. DAVIS: THAT'S ADOPTED ON A TWO TO ZERO VOTE.

ITEM 23?

MS. DEDRICK: ITEM 23, THIS IS -- THE APPLICANT IS THE UNITED STATES DEPARTMENT OF ENERGY. THEY'D LIKE TO LOCATE A SEISMIC DETECTION STATION OUT IN THE YUCCA VALLEY. AND THIS WOULD BE THE LEASE OF A PARCEL OF -- A PORTION OF A PARCEL OF SCHOOL LAND IN THAT AREA.

MR. DAVIS: JUST BY WAY OF INFORMATION, IS THIS -- WILL THIS SEISMIC DETECTION STATION IMPROVE OUR CAPACITY TO MEASURE EARTHQUAKES OR IS THIS JUST ANOTHER --

MS. DEDRICK: WE BELIEVE THAT'S TRUE. YEAH, I THINK IT -- THAT'S ITS PRIMARY PURPOSE, AS FAR AS I KNOW.

MR. KILEY: THIS IS ONE THAT'S BEEN IN EXISTENCE FOR A LONG TIME. THIS IS JUST A RENEWAL, BASICALLY, OR APPROVAL OF A NEW LEASE, BECAUSE THE OLD ONE EXPIRED.

MS. DEDRICK: BUT IT IS -- ITS PURPOSE IS --

MR. KILEY: ITS PURPOSE IS TO --

MS. DEDRICK: -- EARTHQUAKE DETECTION?

MR. KILEY: -- PROVIDE EARTHQUAKE DETECTION, YES.

MR. DAVIS: IS THE EQUIPMENT MORE SOPHISTICATED OR
IS IT JUST RENEWING A LEASE ON THE SAME EQUIPMENT THAT --

MR. KILEY: I BELIEVE IT'S THE SAME EQUIPMENT THAT'S BEEN IN PLACE, BUT IT IS STATE-OF-THE-ART EQUIPMENT THAT'S BEEN INSTALLED IN THIS PARTICULAR LOCATION.

MR. DAVIS: ALL RIGHT. WE OUGHT TO -- JUST AS AN ASIDE -- YOU KNOW, WE SHOULD LOOK INTO WHAT WE CAN DO TO ENCOURAGE THEM TO IMPROVE THEIR CAPABILITY, NOT ONLY TO --

MS. DEDRICK: RIGHT.

MR. DAVIS: -- STUDY EARTHQUAKES ONCE THEY'VE HAPPENED, BUT TO, YOU KNOW, ANTICIPATE THEM.

MS. DEDRICK: YES. I UNDERSTAND WHAT YOU MEAN.

MR. CHAIRMAN. WE'LL TALK TO THEM.

MR. DAVIS: ITEM 20 -- LET'S SEE, DID WE VOTE ON THAT?

MR. HOPCRAFT: NO. I MOVE WE ADOPT TEM 23.

MR. DAVIS: IS THERE ANY OPPOSITION TO THAT. ANY COMMENT ON THE MATTER?

HEARING NONE, WE HAVE A MOTION BEFORE US.

IT'S APPROVED TWO TO ZERO.

ITEM 24 IS OFF CALENDAR.

ITEM 25?

MS. DEDRICK: ITEM 25, THE SOUTHERN CALIFORNIA GAS COMPANY. THIS IS A TERMINATION OF A LEASE, GENERAL RIGHT-OF-WAY LEASE AND APPROVAL OF AN ISSUANCE OF A NEW LEASE FOR A NATURAL GAS TRANSMISSION LINE ACROSS THE
COLORADO RIVER NEAR BLYTHE.

MR. DAVIS: LET'S SEE. WE -- THEY'RE GIVING US
$420 A YEAR ON THIS LAND?

MS. DEDRICK: YES, SIR. AS YOU CAN SEE, IT'S NOT A LARGE AMOUNT OF LAND.

MR. DAVIS: WHO NEGOTIATED THAT ITEM?

MS. DEDRICK: THEY'RE ALSO PAYING US. INCIDENTALLY, I SHOULD HAVE MENTIONED: $3700 IN BACK RENT.

MR. HOPCRAFT: SO THEY HAVEN'T BEEN PAYING THEIR RENT ON TIME?

MS. DEDRICK: NOT HARDLY.

MR. HOPCRAFT: IT SEEMS LIKE A SMALL AMOUNT OF --

MR. DAVIS: YEAH --

MR. HOPCRAFT: -- MONEY --

MR. DAVIS: -- I WAS GOING TO SAY --

MR. HOPCRAFT: -- FOR --

MR. DAVIS: HOW DO WE ESTABLISH THE FAIR MARKET VALUE OF --

MS. DEDRICK: MR. TROUT, I THINK YOU PROBABLY HAD BEST -- UNLESS BOB WOULD RATHER HANDLE IT.

MR. TROUT: MR. CHAIRMAN. THIS WAS LEASED IN THE PAST. AND THE LEASE EXPIRED IN 1976. AND WE'VE BEEN DEALING WITH THEM SINCE THEN. THE VALUE IS NOT HIGH BECAUSE THIS IS BELOW THE COLORADO RIVER. AS I RECALL.

AND THERE -- YOU KNOW, IT DOESN'T DISTURB THE SURFACE USE.
SO IN SUCH AN EVENT THE VALUE WOULD BE LESS THAN, SAY, IT WOULD BE IF IT WERE A ROAD OR SOMETHING LIKE THAT. SO FROM THAT STANDPOINT, THE VALUE PRETTY MUCH REFLECTS MARKET VALUE FOR THINGS OF A SIMILAR NATURE.

MR. HOPCRAFT: DO WE HAVE A --

MR. DAVIS: I CAN'T THINK OF ANYTHING YOU CAN DO FOR $400 A YEAR.

MS. DEDRICK: THERE WAS A PERIOD WHEN WE WERE -- ! DON'T BELIEVE WE'VE EVER CHARGED THE GAS COMPANY -- THE UTILITIES IN GENERAL GET A PRETTY GOOD DEAL, QUITF HONESTLY. I THINK THAT'S A FAIR STATEMENT.

I SUPPOSE THAT IT'S A LONG-STANDING POLICY.

WE'VE NEVER REEVALUATED IT SINCE I'VE BEEN WITH THE COMMISSION, MR. CHAIRMAN. AND I PRESUME THAT THAT'S BECAUSE COSTS ARE PICKED UP BY THE RATE PAYERS. AND IT'S -- THAT PROBABLY WAS A JUSTIFICATION AT ONE TIME.

HOWEVER, NOW THAT YOU'VE RAISED THE SUBJECT, I THINK WE BETTER TAKE ANOTHER LOOK AT IT.

MR. DAVIS: ALL RIGHT. WHEN -- DOES ANYONE RECALL, AND I -- THIS JUST CAUGHT MY ATTENTION. I DON'T MEAN TO PICK ON ONE COMPANY, BECAUSE I ASSUME EVERYONE IS BEING TREATED IN A SIMILAR MANNER. BUT WHEN WAS THIS LAST RAISED TO THE --

MR. TROUT: THIS -- I BELIEVE THIS IS BASED ON A CURRENT VALUATION. WORKING BACKWARDS FROM THE $483 A
MONTH. THAT WOULD INDICATE A 9 PERCENT --

MR. DAVIS: OH, NO. IT SAYS PER --

MR. TROUT: -- IT SAYS TOTAL VALUE --

MR. DAVIS: -- IT SAYS PER ANNUM.

MR. TROUT: -- OF $4500 FOR ABOUT ONE-AND-A-HALF

ACRES. SO YOU'RE LOOKING AT LAND WORTH ABOUT $3,000 AN

ACRE. AND THAT'S --

MS. DEDRICK: THERE'S --

MR. TROUT: -- RIGHT ON THE MARGIN FOR -- FOR

DESERT PROPERTY.

MS. DEDRICK: THERE'S --

MR. HIGHT: THAT'S CORRECT.

MR. TROUT: NO. I THINK THIS IS PRETTY FAIR MARKET

VALUE RIGHT NOW. AND THAT'S THE BASIS ON WHICH THESE ARE

LEASED. SO IN OTHER WORDS, THE COMMISSION'S RULES AND

REGULATIONS ARE EVALUATING RENTALS AT ABOUT 9 PERCENT OF

FAIR MARKET VALUE PER YEAR.

SO IF YOU WORK THIS BACKWARDS FROM THE 483

YOU'RE LOOKING AT ABOUT $4500. PLUS OR MINUS $4--

DIVIDED BY ONE AND A HALF, GIVES YOU ROUGHLY $3000 AN

ACRE. AND THAT'S -- WE'VE BEEN GETTING DESERT PROPERTY IN

THE NEIGHBORHOOD OF $1500 AN ACRE. SO I THINK THIS IS ON

THE MARKET VALUE. MR. CHAIRMAN.

MR. DAVIS: WELL, THIS -- I'M JUST READING THIS.

IT SAYS $423 PER ANNUM, NOT PER MONTH.
MR. KILEY: THAT'S NINE PERCENT OF THE APPRAISED VALUE PER YEAR.

MR. TROUT: DID I SAY MONTH?

MS. DEDRICK: NO. OH. DID YOU? I DIDN'T HEAR THAT.

MR. TROUT: IT SHOULD BE PER YEAR. I'M SORRY ABOUT THAT. THAT WOULD BE VERY NICE IF WE COULD GET IT PER YEAR. I MEAN BY MONTH.

MS. DEDRICK: KEEP TRYING, JIM.


THE RENEGOTIATED LEASE HAS INCREASED RENT BASED ON THE INCREASED MARKET VALUE OF THE PROPERTY. WE APPARENTLY HAVE BEEN NEGOTIATING THIS LEASE FOR A SUBSTANTIAL AMOUNT OF TIME. AND THE $3,700 OF BACK RENT COVERS THE PERIOD OF THE NEGOTIATION. SO YOU CAN SEE THAT TOOK A WHILE.

MR. DAVIS: ELEVEN YEARS.

MS. DEDRICK: ELEVEN YEARS. IS THAT -- THERE YOU GO. SO THEY HAD RENT BELOW 300 A YEAR PRIOR TO THAT OR ABOUT 300 A YEAR.

MR. DAVIS: WHAT'S THE BASIS FOR THAT NINE PERCENT FIGURE? HOW DO WE ESTABLISH THAT AS A --

MR. TROUT: THE LAST TIME THAT WAS -- THE
COMMISSION STAFF PERIODICALLY, EITHER WITH STAFF OR
THROUGH A CONSULTANT, EVALUATES THE MARKET FOR RENTAL
PROPERTIES. AND THE LATEST TIME WE WENT THROUGH THAT --
AND WE LOOK AT IT ABOUT EVERY TWO YEARS, DON'T WE LANCE?
MR. KILEY: TWO YEARS, YES.
MR. TROUT: ABOUT EVERY TWO YEARS FOR THE
COMMISSION -- THE AVERAGE GOING RATE WAS NINE -- WAS ABOUT
NINE PERCENT. WE CHECKED WITH THE COURTS, WE CHECKED WITH
OTHER PUBLIC AGENCIES, WE CHECKED WITH THE PRIVATE
MARKETPLACE, AND THE PRICES WERE RUNNING BETWEEN SEVEN AND
A HALF TO TEN PERCENT. AND AS I RECALL WHEN WE WENT
THROUGH THAT DRILL, THE STAFF RECOMMENDED NINE PERCENT AT
THAT TIME. AND THAT'S WHAT WE'VE BEEN USING PENDING THE
NEXT EVALUATION, WHICH WILL PROBABLY BE THIS YEAR.
MR. KILEY: IT ACTUALLY WENT DOWN A LITTLE BIT IN
SOME AREAS AS FAR AS THE CAP RATE TOWARDS THE RENTS WE CAN
CHARGE.
MR. DAVIS: ALL RIGHT.
MS. DEDRICK: OKAY.
MR. DAVIS: LET'S SEE. DID WE ADOPT THAT ITEM?
MS. DEDRICK: I --
MR. HOPCRAFT: I MOVE ADOPTION OF ITEM 25.
MR. DAVIS: ALL RIGHT. THAT MATTER IS APPROVED ON
A TWO TO ZERO VOTE.

ITEM 25?
MS. DEDRICK: ITEM 26. SUPERVISOR ARAMBURU OF MARIN COUNTY HAS REQUESTED AN EXTENTION ON A COMMITMENT OF $100,000 THAT THE COMMISSION HAS MADE TO ASSIST LOCAL GOVERNMENT AND ENVIRONMENTAL GROUPS IN THE AREA TO BUY A PARCEL OF LAND IN TIBURON. THEY HAVE HAD THE MONEY FOR ABOUT 18 MONTHS, AND ARE TRYING TO RAISE THE OTHER 90 PERCENT OF -- OR PLUS A LITTLE MORE THAN 90 PERCENT THE VALUE OF THE PROPERTY. SUPERVISOR ARAMBURU ASKED IF HE COULD HAVE ANOTHER THREE MONTHS AND REPORT BACK TO US.

STAFF BELIEVES THAT THAT IS A REASONABLE REQUEST. AND IF YOU HAVE NO PROBLEM WITH IT WE'D LIKE TO CONTINUE, TO ENCOURAGE THEM TO BE ABLE TO GET THIS PIECE OF PROPERTY, WHICH IS ABOUT THE ONLY WATERFRONT PROPERTY IN TIBURON THAT WOULD REALLY BE PUBLIC ACCESS TO THE BAY.

THE PROPOSAL HAS, AS I SAID, BEEN AROUND 18 MONTHS. SO THE SITUATION IS THAT IT'S WORTH OVER A MILLION DOLLARS, AND WE WERE PUTTING UP DEED MONEY FOR $100,000 IN EXCHANGE WHEN THE PROPERTY IS BOUGHT ALL THE PROPERTY WILL BE DEEDED AS STATE LANDS TO THE STATE OF CALIFORNIA AS SOVEREIGN LANDS AND UNDER THE JURISDICTION OF THE COMMISSION.

MR. DAVIS: THAT'S SUPERVISOR --

MS. DEDRICK: ARAMBURU OF -- FROM MARIN COUNTY.

MR. DAVIS: ALL RIGHT. IS THERE ANY OPPOSITION TO THIS ITEM? ANY COMMENT AT ALL? I KNOW YOU JUST GOT HERE.
GOVERNOR, BUT WE'RE DEALING WITH ITEM 26.

MR. MCCARTHY: I DON'T KNOW --

MR. DAVIS: ALL RIGHT. THAT ITEM IS APPROVED ON A TWO TO ZERO VOTE.

ITEM 27 IS OFF CALENDAR.

MS. DEDRICK: RIGHT. ITEM 28 --

MR. DAVIS: ITEM 28?

MS. DEDRICK: EXCUSE ME, MR. CHAIRMAN. RESERVATION RANCH. THIS IS CONSIDERATION OF A MINERAL EXTRACTION LEASE IN THE SMITH RIVER OF DEL NORTE COUNTY. THIS IS BRINGING IN EXISTING GRAVEL OPERATION UNDER LEASE SOME PRETTY STRINGENT ENVIRONMENTAL CONTROL CONDITIONS THAT THE DEPARTMENT OF FISH AND GAME AND LOCAL GOVERNMENT WANTED IMPOSED.

MR. DAVIS: IS THERE ANY COMMENT ON THIS ITEM? ANY OBJECTION TO ITS ADOPTION? DO WE HAVE A MOTION TO --

MR. MCCARTHY: MOTION --

MR. DAVIS: -- TO ADOPT ITEM 28? THAT ITEM WILL BE APPROVED ON A TWO TO ZERO VOTE.

ITEM 29?

MS. DEDRICK: ITEM 29 IS THE APPROVAL OF A PROPOSED WATER INJECTION PROJECT AT GAVIOTA IN THE OFFSHORE FIELD BY THE CHEVRON COMPANY. THIS IS PART OF THAT WHOLE LEASE THAT THE COMMISSION GRANTED TO TEXACO AT GAVIOTA ABOUT SIX MONTHS AGO FOR A MARINE TERMINAL THAT'S CONNECTED TO THE...
MR. DAVIS: IS THERE ANY OPPOSITION OR PROBLEMS
FROM --

MS. DEDRICK: NOT NOW. THERE WAS A GOOD DEAL OF
CONTROVERSY EARLIER OR AT LEAST QUESTIONS. THE CONDITIONS
NOW IMPOSED ARE -- HAVE SATISFIED EVERYONE. TO OUR
KNOWLEDGE.

MR. DAVIS: OKAY. DO YOU KNOW WHAT THE POSITION OF
THE COUNTY OF SANTA BARBARA IS?

MS. DEDRICK: YES. I BELIEVE THE COUNTY FAVORS IT.

MR. CHAIRMAN.

MR. DAVIS: IS THERE ANY OPPOSITION TO THIS ITEM?

IS THERE A MOTION TO APPROVE ITEM 29?

MR. MC CARTHY: YES.

MR. DAVIS: IT'S ADOPTED ON A TWO TO ZERO VOTE.

ITEM 30?

MS. DEDRICK: RIGHT. ITEM 30 -- DID YOU WANT TO
PULL THIS ITEM OR WHAT? EXCUSE ME. THIS ITEM IS A BIT OF
A PROBLEM BECAUSE -- LET ME EXPLAIN IT. IT'S A TRIFLE
COMPLICATED.

THERE IS A STATUTE WHICH ALLOWS OR REQUIRES
THAT A CERTAIN AMOUNT OF MONEY PER MILE OF PUBLICLY
MAINTAINED BEACH BE SENT TO THE COUNTY. WE HAVE
TRADITIONALLY. AS I UNDERSTOOD -- SO DID BOB -- UNTIL LATE
LAST WEEK, THAT THE STATUTE REQUIRED THE PAYMENT IS ONLY
MADE BY THE MILE.

THE COUNTY OF SANTA BARBARA WOULD LIKE US TO VERIFY SOME PARCELS THAT THEY HAVE ALONG THE BEACH AS QUALIFIED FOR THIS PURPOSE. AT LEAST ONE OF THOSE PARCELS FITS THE STATUTORY REQUIREMENTS. OTHER PARCELS ARE LESS -- THEY DO NOT FIT. I GUESS THAT'S A FLAT STATEMENT.

WHAT WE WOULD LIKE TO DO, AND WE HAVE TALKED TO SANTA BARBARA COUNTY ABOUT THIS AS RECENTLY AS YESTERDAY. I BELIEVE, IS TO AUTHORIZE THAT ONE -- I THINK IT'S 700 FEET OR SOMETHING. ISN'T IT -- LOON POINT PARCEL TO BE QUALIFIED FOR THE SUBVENTION PROGRAM. THIS WON'T HAVE A DIRE EFFECT AT THE MOMENT. HOWEVER, STAFF IS REVIEWING THE STATUTORY SITUATION AND THE INTERPRETATION OF IT, AND WE WOULD LIKE TO REPORT BACK TO YOU ON THAT LATER.

BUT IN THE MEANTIME, SANTA BARBARA WOULD LIKE THIS LOON POINT AREA TO BE DESIGNATED AS PART OF THE SUBVENTION PROGRAM AND WE CAN GO ON FROM THERE.

MR. DAVIS: WOULD YOU SUGGEST WE TAKE ACTION TODAY?

MS. DEDRICK: YES. I BELIEVE -- I THINK -- BOB, DID YOU WANT TO SPEAK TO THIS? I DIDN'T MEAN TO CUT YOU OFF. GO AHEAD. BOB'S BEEN NEGOTIATING THIS. I SHOULD LET HIM --

MR. HIGHT: MR. CHAIRMAN, I THINK YOU'VE -- IF YOU APPROVE LOON POINT, AND RESERVE THE OTHER ACCESS EASEMENTS
FOR STAFF TO NEGOTIATE WITH THE COUNTY AND TO ULTIMATELY
RESOLVE THE ISSUE.

MR. DAVIS: IS THERE ANY OPPOSITION TO THIS MATTER?
IS THERE A MOTION?

MR. MCCARTHY: MOVED.

MR. DAVIS: ALL RIGHT. THE ITEM IS APPROVED TWO TO
ZERO.

MS. DEDRICK: ALL RIGHT. ITEM 32 IS THE --
MONITORING THE REPORT ON THE POSSIBLE SUBSIDENCE AND
SEISMIC HAZARDS, THE LONG BEACH UNIT.

MR. THOMPSON IS HERE TO TELL YOU. I'M SURE,
THAT THERE IS NO SUBSIDENCE. I HOPE THAT'S CORRECT.
MR. THOMPSON.

MR. DAVIS: NO SUBSIDENCE FROM WHAT?

MS. DEDRICK: OH. FROM THE OIL OPERATIONS.

MR. CHAIRMAN. THE MONITORING OF SEISMIC OR OF SUBSIDENCE
IN THE WILMINGTON OIL FIELD IS A -- HAS BEEN A MAJOR ISSUE
FOR A VERY LONG TIME. IN THE EARLY DAYS OF THE FIELD
THERE WAS TREMENDOUS SUBSIDENCE. I'VE FORGOTTEN THE
NUMBERS. BUT I'M SURE MOOSE COULD GIVE YOU ANY AMOUNT OF
DETAIL YOU NEED ON THAT. OVER THE YEARS THE WATER
INJECTION PROGRAM HAS --

MR. DAVIS: I'M FAMILIAR WITH IT, AND I'VE RECENTLY
BEEN IN LONG BEACH. AND THAT'S WHY I'M SURPRISED TO HEAR
THAT THERE'S NO SUBSIDENCE. BECAUSE THOSE PEOPLE SEEM
FAIRLY EXORCISED OVER THE ISSUE.

MS. DEDRICK: CURRENTLY OR --

YES, MOOSE. I THINK YOU BETTER GIVE A MORE
DETAILED REPORT. THERE'S A MIKE UP HERE. (INDICATING)

MR. DAVIS: DOES MR. CALKOUN OF THE CITY ATTORNEY'S
OFFICE -- HAS HE SEEN THIS REPORT?

MR. THOMPSON: THIS IS MERELY THE DATA THAT'S
COLLECTED BY THE HARBOR DEPARTMENT AND THE CITY OF LONG
BEACH. THIS IS MERELY REPORTING ON THE SAME DATA THEY'VE
ALREADY REPORTED ON. TWICE A YEAR THE GROUND ELEVATIONS
ARE SURVEYED FROM PREDETERMINED MONUMENTS.

MR. DAVIS: SO THIS IS THEIR REPORT TO US?

MR. THOMPSON: THEY HAVE TRANSMITTED THE SAME DATA
TO US. WE HAVE INTERPRETED IT AND COME TO THE SAME
CONCLUSION. I THINK, THE CITY HAS.

MR. DAVIS: I WOULD LIKE TO PUT THIS ITEM OFF UNTIL
I HEAR FROM LONG BEACH THAT THEY HAVE NO OBJECTION TO THIS
REPORT.

MR. NIGHT: MR. EMICK, WHO IS WITH THE CITY
ATTORNEY'S OFFICE, MR. CHAIRMAN, IS HERE, AND HE MAY BE
ABLE TO SPEAK ON THE ISSUE.

MR. EMICK: THIS ONE, I BELIEVE, MR. CHAIRMAN, IS
A -- IS A MATTER THAT THE CITY AND THE STATE ARE IN
COMPLETE AGREEMENT ON.

MR. COLAS: YES, SIR.
MR. DAVIS: WOULD YOU IDENTIFY YOURSELF FOR THE RECORD?

MR. COLAS: YES, SIR. MY NAME IS XEN COLAZAS. I'M THE DIRECTOR OF OIL PROPERTIES FOR THE CITY OF LONG BEACH.

MR. THOMPSON WAS CORRECT. THE CITY PUBLISHES TWICE A YEAR A REPORT ABOUT THE SUBSIDENCE IN THE AREA.

WHAT WE DO IS SURVEY THE AREA, THE ENTIRE LONG BEACH AREA, THE OFFSHORE AREA AND SO ON.

WHAT HAPPENS IS THE — BECAUSE OF THE TREMENDOUS WATER FLOOD SYSTEM THAT WE HAVE, THE FIELD IS IN DYNAMIC CONDITION. THEREFORE IT HAS — AT TIMES IT HAS A TENDENCY TO REGAIN ELEVATION, AT TIMES IT HAS A TENDENCY TO LOSE ELEVATION. THE ELEVATIONS THAT WE HAVE RECORDED RECENTLY HAVE LOST A SMALL ELEVATION, BUT IT IS PART OF THE ENTIRE PROGRAM. WE'RE NOT EXPERIENCING SUBSIDENCE.

SO I REALLY DO NOT KNOW — THE LAST REPORT THAT YOU HAVE, YOU KNOW — WHAT MR. CALHOUN HAD SAID OR ANYTHING LIKE THAT. BUT WE ARE NOT EXPERIENCING SUBSIDENCE AS SUCH. WE'RE EXPERIENCING SLIDES, LOSSES AND GAINS OF ELEVATION, BUT IT IS WITHIN THE REALM OF ACCURACY.

MR. DAVIS: ALL RIGHT. BUT MY MAJOR CONCERN IS THAT THERE'S NO DISPUTE BETWEEN THE LANDS COMMISSION AND THE CITY ATTORNEY'S OFFICE OVER THE ACCURACY OF THIS DATA. AND YOU'RE TELLING ME THAT THE DATA, YOU'RE SATIS -- I
MEAN, YOU HELPED --

MR. COLAS: YES, SIR. WE ARE SATISFIED WITH THE
DATA. YES.

MR. DAVIS: ALL RIGHT.

MR. COLAS: THANK YOU.

MR. THOMPSON: I WANT TO COMMENT ON THE REASON FOR
THIS REPORTING IS THIS IS A SUBSIDENCE FUND THAT'S BEING
IMPOUNDED. AND THE FUNDS ARE TO PROTECT THE FIELD
CONTRACTOR, THE CITY, AND THE STATE. FROM ANY DAMAGES FROM
SUBSIDENCE. THIS IS PART OF THE RECORD TO SHOW THAT THERE
HASN'T BEEN ANY SUBSIDENCE CAUSED BY THE PRODUCTION FROM
THE LONG BEACH UNIT.

MR. DAVIS: ALL RIGHT. I JUST -- I KNOW THEY'RE
SENSITIVE, AS I MET WITH SOME MEMBERS OF THE CITY
ATTORNEY'S OFFICE WITHIN THE LAST TWO WEEKS. AND WHILE WE
DIDN'T TALK ABOUT THAT SPECIFIC REPORT, I KNOW THEY'RE
SENSITIVE TO THAT FUND BEING RAIDED FOR OTHER PURPOSES.
AND THEY'RE VERY SENSITIVE ON THE GENERAL ISSUE. SO
APPARENTLY THEY DON'T HAVE A QUARREL WITH THIS PARTICULAR
REPORT.

MS. DEDRICK: MR. CHAIRMAN, THERE'S SORT OF A
REGULAR TWITCH OF EFFORT ALMOST EVERY BUDGET YEAR IN THE
LEGISLATURE TO -- THAT WE WILL GET QUESTIONS ABOUT THE
LONG BEACH SUBSIDENCE FUND AT LEAST ONCE A YEAR. NO ONE,
TO MY KNOWLEDGE, HAS EVER ATTEMPTED TO GET SERIOUS ABOUT
RAIDING IT. THOUGH, I DON'T BELIEVE.

MR. DAVIS: OKAY.

MS. DEDRICK: IT CERTAINLY IS THE CITY'S MONEY.

MR. DAVIS: ALL RIGHT. ARE THERE ANY OTHER
COMMENTS ON THIS MATTER? ANY OBJECTION TO THE ADOPTION OF
THIS ITEM? IS THERE A MOTION?

MR. MCCARTHY: NO. IT'S JUST A REPORT ABOUT
THIS --

MR. DAVIS: DO WE HAVE TO ACCEPT THIS REPORT?

MS. DEDRICK: WELL, IT'S SIMPLY AN INFORMATIONAL
ITEM. YOU REALLY DON'T HAVE TO TAKE ANY ACTION. I DON'T
BELIEVE.

MR. DAVIS: ALL RIGHT. SO WE'LL GO TO ITEM 33.

MS. DEDRICK: OKAY. ITEM 33, GEOMARIX, IS THE
APPLICANT FOR A PROSPECTING PERMIT FOR MINERALS OTHER THAN
THE ONES LISTED, WHICH MEANS THAT IT'S REALLY FOR HARD --
FOR HARD ROCK MINERALS SUCH AS PROBABLY GOLD, IN SAN
BERNARDINO COUNTY. IT'S NOT OIL, GAS, GEOTHERMAL OR
GRAVEL IS WHAT THAT MEANS.

MR. DAVIS: IS THERE ANY COMMENT ON THIS ITEM? ANY
OPPOSITION TO IT?

IS THERE A MOTION TO APPROVE IT?

MR. MCCARTHY: YES, APPROVED.

MR. DAVIS: THAT IS APPROVED TWO TO ZERO.

ITEM 34?
MS. DEDRICK: THIS IS A QUITCLAIM DEED FOR AN OIL AND GAS LEASE IN SOLANO COUNTY. AND STAFF RECOMMENDS ACCEPTANCE.

MR. DAVIS: ANY COMMENT? ANY OPPOSITION?

IS THERE A MOTION TO APPROVE?

MR. MC CARTHY: APPROVED.

MR. DAVIS: IT'S APPROVED TWO TO ZERO.

ITEM 35?

MS. DEDRICK: ITEM 35. THIS IS A ROYALTY OIL SALE AWARD OF SOME OIL IN -- FROM SUMMERLAND. THE PRICE OVER THE POSTED PRICE IS 27 CENTS.

MR. DAVIS: ANY COMMENT? ANY OPPOSITION?

MOTION TO APPROVE?

MR. MC CARTHY: MOTION.

MR. DAVIS: IT'S APPROVED TWO TO ZERO.

ITEM 35?

MS. DEDRICK: ITEM 36. EDGINGTON OIL COMPANY. AGAIN A ROYALTY OIL SALE CONTRACT. ONLY THIS IS IN THE WILMINGTON FIELD. 36.5 CENTS.

MR. DAVIS: ANY COMMENT? ANY OPPOSITION?

IS THERE A MOTION TO APPROVE ITEM 36?

MR. MC CARTHY: MOTION.

MR. DAVIS: THAT'S APPROVED TWO TO ZERO.

ITEM 37?

MS. DEDRICK: ITEM 37. THIS IS A REQUEST FOR
EXEMPTION FROM THE COMPETITIVE BID PROCEDURES FROM THE CONTRA COSTA COUNTY FOR A SUBSURFACE, REALLY, GAS LEASE THAT'S LOCATED ON COUNTY PROPERTY.

MR. DAVIS: OKAY. ANY COMMENT ON THIS ITEM? ANY OPPOSITION?

IS THERE A MOTION FOR APPROVAL?

MR. MC CARTHY: YES.

MR. DAVIS: THAT ITEM IS APPROVED TWO TO ZERO.

WE'RE ON ITEM 36 NOW?

MR. DAVIS: OH --

MS. DEDRICK: -- I GUESS -- I THINK WE'RE ON --

MR. DAVIS: 37?

MS. DEDRICK: WE JUST DID 37. WE'RE ON 36.

MR. DAVIS: OH --

MS. DEDRICK: SORRY. I --

MR. DAVIS: -- EXCUSE ME. ITEM 38.

MS. DEDRICK: -- FOOLED MYSELF THERE FOR A MOMENT.

LOMITA GAS COMPANY. THIS IS THE APPROVAL OF THE SALE BY THE CITY OF LONG BEACH OF SOME LIQUIFIED PETROLEUM GAS PRODUCTS FROM THE HARBOR DEPARTMENT.

MR. DAVIS: ANY COMM --

MS. DEDRICK: AND FROM PARCEL "A". EXCUSE ME.

MR. DAVIS: ANY COMMENT ON THIS ITEM? ANY OPPOSITION?

IS THERE A MOTION TO APPROVE?
MR. MC CARTHY: UH-HUH.

MR. DAVIS: ITEM 38 IS APPROVED TWO TO ZERO.

MS. DEDRICK: ITEM 39 IS A NOTICE OF INTENT BY THE CITY OF LONG BEACH TO SPEND ITS TIDELAND OIL REVENUES FOR RECONSTRUCTION AND REPAIRS TO BEACH STAIRWAYS ALONG BAYSHORE AVENUE AND BAYSHORE WALK.

MR. DAVIS: ANY OPPOSITION? ANY COMMENT?

MOTION TO APPROVE?

MR. MC CARTHY: (INAUDIBLE RESPONSE)

MR. DAVIS: IT'S APPROVED TWO TO ZERO.

ITEM 40?

MS. DEDRICK: CORBIN ROBERTSON AND QUINTANA PETROLEUM. THIS IS A QUITCLAIM DEED FOR AN OIL AND GAS LEASE IN SAN JOAQUIN COUNTY.

MR. DAVIS: ANY COMMENT? ANY OPPOSITION?

MOTION TO APPROVE?

MR. MC CARTHY: UH-HUH.

MR. DAVIS: APPROVED TWO TO ZERO.

ITEM 41?

MS. DEDRICK: ITEM 41, HUNTWAY REFINING. AGAIN, AN AWARD OF A ROYALTY OIL SALE IN THE SOUTH ELLWOOD FIELD, SANTA BARBARA COUNTY. 25.3 CENTS, THREE-TENTHS OF A CENT OVER OUR MINIMUM BID.

MR. DAVIS: ANY COMMENT? ANY OPPOSITION?
MOTION TO APPROVE?

MR. MC CARTHY: YES.

MR. DAVIS: APPROVED TWO TO ZERO.

ITEM 42?

MS. DEDRICK: ITEM 42, CASEX. A GAS LESSEE OF THE
STATE'S IN THE DELTA WHO IS ASKING FOR PERMISSION TO SELL
ROYALTY GAS. WHICH IS A FAIRLY -- WHICH IS A COMPLETELY
COMMON THING. THE ROYALTY GAS. THERE'S ONLY ONE BUYER,
AND THAT'S PG&E.

MR. DAVIS: ANY COMMENT? ANY OPPOSITION?

MOTION TO APPROVE?

MR. MC CARTHY: UH-HUH.

MR. DAVIS: THAT'S -- ITEM 42 IS APPROVED TWO TO
ZERO.

ITEM 43?

MS. DEDRICK: ITEM 43, CHEVRON U.S.A., THE SAME
ISSUE AS THE CASEX ISSUE. PERMISSION TO SELL ROYALTY GAS
TO PG&E.

MR. DAVIS: ANY COMMENT? ANY OPPOSITION?

MOTION TO APPROVE?

MR. MC CARTHY: YES.

MR. DAVIS: THAT ITEM IS APPROVED TWO TO ZERO.

ITEM 44?

MS. DEDRICK: MR. HIGHT WILL TAKE THE LEGAL ITEMS.

MR. HIGHT: MR. CHAIRMAN, ITEM 44 IS THE
AUTHORIZATION TO SETTLE A TITLE DISPUTE IN THE CITY OF SAN RAFAEL. AND IN EXCHANGE FOR THE SETTLEMENT OF THAT DISPUTE THE APPLICANT, MR. GEORGE DEXTER, WILL PAY $75,000 INTO, SINCE THIS IS GRANTED LANDS, THE CITY OF SAN RAFAEL'S, IN EFFECT, TIDELANDS GRANT FUND. AND THEY WILL PURCHASE ADDITIONAL LAND WITH THAT MONEY WITHIN THE CITY.

MR. DAVIS: ANY COMMENT? ANY OPPOSITION?

IS THERE A MOTION TO APPROVE ITEM 44?

MR. MC CARTHY: YES.

MR. DAVIS: IT'S APPROVED TWO TO ZERO.

45 IS OFF CALENDAR.

46?

MR. HIGHT: 46. MR. CHAIRMAN, IS THE CESSION OF CONCURRENT CRIMINAL JURISDICTION FOR FIVE YEARS OVER A NUMBER OF FEDERAL ENCLAVES WITHIN THE STATE.

MR. DAVIS: ANY COMMENT ON THIS ITEM? ANY OPPOSITION?

IS THERE A MOTION TO APPROVE?

MR. MC CARTHY: YES.

MR. DAVIS: THERE IS. THAT'S APPROVED TWO TO ZERO.

ITEM 47?

MR. HIGHT: ITEM 47. MR. CHAIRMAN, IS THE AUTHORIZATION TO ENTER INTO A BOUNDARY LINE AGREEMENT WHICH WILL SETTLE AN EXISTING LAWSUIT THE COMMISSION IS INVOLVED IN IN VENTURA COUNTY.
WE BELIEVE THAT THIS BOUNDARY LINE AGREEMENT
IS IN THE BEST INTERESTS OF THE STATE, AND WILL PROVIDE A
SETTLEMENT FOR A LONG DISPUTE WITHIN THE AREA.

MR. DAVIS: I HAVE AN INDICATION THAT SOME PEOPLE
WANT TO SPEAK ON ITEM 47.

MR. HIGHT: I THINK KATHY STONE, WHO IS
REPRESENTING THE CITY OF OXNARD, IS HERE TO ANSWER ANY
QUESTIONS. AND THERE WAS ANOTHER ITEM. BUT WE HAVE SOLVED
THAT PROBLEM.

MR. DAVIS: OKAY.

MR. HIGHT: KATHY STONE IS THE ONLY PERSON THAT WE
HAVE.

MR. DAVIS: I ALSO HAVE A MR. COLAZ -- NO. I'M
SORRY. THAT'S ANOTHER ITEM.

MS. STONE: I'LL RESERVE MY COMMENTS IF THERE'S NO
OPPOSITION, AND JUST BE AVAILABLE TO ANSWER ANY QUESTIONS.

MR. HIGHT: THE CITY OF OXNARD IS IN SUPPORT, AND
I -- IF I CAN SPEAK FOR KATHY.

MS. STONE: YES.

MR. DAVIS: IS THERE ANY COMMENT ON THIS MATTER?
ANY OPPOSITION? NOBODY ELSE WANTS TO BE HEARD?

IS THERE A MOTION TO APPROVE THIS ITEM?

MR. MCCARTHY: YES.

MR. DAVIS: THE VOTE IS TWO TO ZERO.

ITEM 4B?
MR. HIGHT: ITEM 48, MR. CHAIRMAN, IS CESSION OF CRIMINAL JURISDICTION FOR FIVE YEARS OVER SOME U.S. NAVY INSTALLATIONS. AS IN THE PRIOR ITEM ON CONCURRENT CRIMINAL JURISDICTION WE'VE HELD HEARINGS, AND EVERYBODY LIKES THIS CONCEPT.

MR. DAVIS: IS THERE ANY COMMENT ON THIS MATTER? ANY OPPOSITION?

IS THERE A MOTION TO APPROVE ITEM 48?

MR. MC CARTHY: YES.

MR. DAVIS: IT'S APPROVED TWO TO ZERO.

ITEM 49?

MR. HIGHT: ITEM 49, MR. CHAIRMAN, IS THE AUTHORIZATION TO INITIATE EJECTMENT ACTION AGAINST THE STOCKTON YACHT CLUB, WHO IS LOCATED ON WHAT WE BELIEVE TO BE STATE SOVEREIGN LANDS. AND THEY HAVE AT THIS POINT REFUSED TO COME UNDER LEASE.

MR. DAVIS: RUN THAT BY ME, NOW. WHAT DO YOU MEAN, THEY'VE REFUSED TO COME UNDER LEASE?

MR. HIGHT: THEY MAINTAIN THAT THEY DO NOT HAVE TO GET A LEASE WITH THE LANDS COMMISSION.

MR. DAVIS: IS THERE ANY COMMENT ON THIS ITEM? THE ATTORNEY GENERAL APPROVES THIS?

MR. KILEY: YES. NO OBJECTION. IT SEEMS FINE.

MR. DAVIS: IS THERE A MOTION FOR APPROVAL?

MR. MC CARTHY: YES.
MR. DAVIS: THAT ITEM IS APPROVED TWO TO ZERO.

ITEM 50?

MR. HIGHT: ITEM 50, MR. CHAIRMAN, WE THOUGHT WOULD BE READY TO BRING BEFORE YOU TODAY, BUT SOME LAST MINUTE GLITCHES IN GETTING THE DOCUMENTATION COMPLETED HAS -- WE DIDN'T GET IT FINISHED. AND SO I WOULD LIKE TO ASK THAT WE PUT THIS OVER, AND IF NECESSARY PERHAPS HOLD A SPECIAL MEETING IN THE NEXT 30 DAYS TO HANDLE THIS ITEM.

MR. DAVIS: ALL RIGHT. IS THAT ALL RIGHT WITH YOU?

MR. MC CARTHY: YES.

MR. DAVIS: ALL RIGHT. WE CAN SET A MEETING IN THE NEXT 30 DAYS. OKAY. SO ORDERED.

ITEM 52?


MR. DAVIS: ANY COMMENT? ANY OPPOSITION?

IS THERE A MOTION TO APPROVE ITEM 52?

MR. MC CARTHY: YES.

MR. DAVIS: IT'S APPROVED TWO TO ZERO.

53 IS OFF CALENDAR.

54?

MS. DEDRICK: 54. AGAIN THE CITY OF LONG BEACH ARE THE APPLICANTS. THIS IS THE SIXTH MODIFICATION OF THE
1987/88 PLAN AND BUDGET. THE CURRENT YEAR.

MR. DAVIS: ANY COMMENT? ANY OPPOSITION?

IS THERE A MOTION TO APPROVE?

MR. MC CARTHY: UH-HUH.

MR. DAVIS: APPROVED TWO TO ZERO.

ITEM --

MS. DEDRICK: MR. TROUT WILL TAKE THE --

MR. DAVIS: -- 55 IS OFF CALENDAR.

MR. TROUT: ITEM 56 IS THE AUTHORIZATION FOR THE EXECUTIVE OFFICER TO EXECUTE AN AGREEMENT WITH THE CALIFORNIA STATE UNIVERSITY TO PROVIDE SOME STUDENT HELP WITH THE CALIFORNIA COMPREHENSIVE OFFSHORE RESOURCES STUDY THAT THE COMMISSION REQUESTED DURING THE CONSIDERATION OF THE ARCO COAL OIL PROJECT. WE RECOMMEND APPROVAL.

MR. DAVIS: ANY OPPOSITION?

IS THERE A MOTION TO APPROVE?

MR. MC CARTHY: YES.

MR. DAVIS: IT'S APPROVED TWO TO ZERO.

57?

MR. TROUT: 57 IS FOR THE CALIFORNIA STATE UNIVERSITY FOUNDATION TO PROVIDE SERVICES TO OUR LONG BEACH OFFICE IN THE EVALUATION AND WORKUP OF THE DATA WE
GET FROM THE FEDERAL GOVERNMENT ON THE OFFSHORE 8-(G) SITUATION. AND THAT'S BUDGETED ANNUALLY.

MR. DAVIS: ANY COMMENT? ANY OPPOSITION?

IS THERE A MOTION TO APPROVE ITEM 57?

MR. MC CARTHY: YES.

MR. DAVIS: IT'S APPROVED TWO TO ZERO.

ITEM 58?

MR. TROUT: ITEM 58 IS TO PROVIDE AUTHORITY FOR THE EXECUTIVE OFFICER TO HIRE A COURT REPORTER FOR THE HEARINGS TO BE HELD ON THE CALIFORNIA COMPREHENSIVE OFFSHORE RESOURCES STUDY.

MR. DAVIS: YOU WANT A SEPARATE COURT REPORTER FOR THAT?

MS. DEDRICK: WE HAVE TO -- WE'LL BE IN SEVERAL CITIES, MR. CHAIRMAN, AND WE'LL BE HIRING FROM DIFFERENT COMPANIES.

MR. DAVIS: ALL RIGHT.

ANY OPPOSITION TO THAT MOTION?

APPROVED TWO TO ZERO.

59?

MR. TROUT: ITEM 59 IS YOUR APPROVAL FOR THE EXECUTIVE OFFICER TO ENTER INTO A LEASE WITH U.C. SANTA BARBARA TO PROVIDE AN OFFICE FOR OUR FIELD INSPECTORS AND PEOPLE THAT WORK IN THE SANTA BARBARA AREA. THE OFFICE WE HAD FOR SOME TIME WE WERE ASKED TO VACATE BY THE OWNER.
THEY'VE BEEN GIVING US VERY FAVORABLE RENT.

WE'RE IN TEMPORARY QUARTERS THAT DON'T PROVIDE THE BEST ARRANGEMENT. THE UNIVERSITY HAS OFFERED TO MAKE AVAILABLE TO US FOR $1 A YEAR A BUILDING ON CAMPUS. THERE WILL BE SOME MODIFICATIONS AND REPAIRS THAT ARE REQUIRED, TOTAL ABOUT 60,000, BUT IT WILL BE LESS RENT THAN WE HAVE BEEN PAYING. AND WE RECOMMEND YOUR APPROVAL.

MR. DAVIS: ANY OPPOSITION TO THIS?

IS THERE A MOTION TO APPROVE?

MR. MC CARY: UH-HUH.

MR. DAVIS: APPROVED TWO TO ZERO.

ITEM 60?

MR. TROUT: ITEM 60 IS THE RADIFICATION OF THE DELEGATION TO THE EXECUTIVE OFFICER TO EXECUTE AN AGREEMENT FOR CONSULTANT SERVICES WITH THE --- FOR THE CALIFORNIA COMPREHENSIVE OFFSHORE RESOURCES STUDY. THIS IS TO PROVIDE FOR THE ASSISTANCE, DIRECTION AND CONSULTATION OF PAUL EIDEICHER IN --- IN CARRYING THIS VERY COMPLICATED PROJECT FORWARD, AND AT THE MOST RAPID AND WE HOPE THE MOST SKILLFUL WAY POSSIBLE TO BENEFIT THE COMMISSION.

MR. DAVIS: IS THERE ANY OPPOSITION TO THIS?

IS THERE A MOTION?

MR. MC CARY: YES.

MR. DAVIS: IT'S APPROVED TWO TO ZERO.
ITEM --

MR. TROUT: ITEM 61 IS THE APPROVAL FOR THE
EXECUTION OF AN INTERAGENCY AGREEMENT WITH THE STATE
CONTROLLER'S OFFICE TO PROVIDE SERVICES TO THE COMMISSION,
SOME LEGAL SERVICES AND SOME SERVICES RELATED TO THE STATE
SCHOOL LAND PROGRAM. AND WE RECOMMEND YOUR APPROVAL.

MR. DAVIS: IS THERE ANY OPPOSITION TO THIS?

IS THERE A MOTION TO APPROVE THIS?

MR. MCCARTHY: YES.

MR. DAVIS: IT'S APPROVED TWO TO ZERO.

62.

MR. TROUT: MR. CHAIRMAN, ITEM 62 IS A -- OUR
ANNUAL REQUEST FOR APPROVAL TO EXECUTE THE NUMEROUS
CONTRACTS FOR THE VARIOUS ACTIVITIES AND -- THAT GO ON
DURING THE YEAR. THIS INCLUDES BLUEPRINTING SERVICES, OUR
HELICOPTER SERVICES FOR OFFSHORE INSPECTIONS, THE ATTORNEY
GENERAL'S OFFICE, THE REPRESENTATION IN WASHINGTON D.C.
AND A NUMBER OF OTHERS.

THE AMOUNTS ARE SHOWN ON PAGE 365. ALL
VARIOUS ONES. BUT WE RECOMMEND YOUR APPROVAL.

MR. DAVIS: IS THERE ANY OPPOSITION TO THIS?

IS THERE A MOTION TO APPROVE?

MR. MCCARTHY: UH-HUH.

MR. DAVIS: IT'S APPROVED TWO TO ZERO.

THAT COMPLETES THE AGENDA. IS THERE ANY

KENNEDY COURT REPORTERS, INC.
OTHER BUSINESS?

MS. DEDRICK: NO OTHER BUSINESS, MR. CHAIRMAN --

WHOOPS, MAYBE THERE IS THAT I DIDN'T KNOW ABOUT. HERE.

MR. HIGHT: MR. CHAIRMAN, IT'S ALWAYS SPORT TO PICK
ON GREG TAYLOR, WHO IS ABSENT, ABOUT THE PRICE OF HIS
CONTRACT. SO IF WE COULD JUST GO ON RECORD THAT WE PICKED
ON HIM, IT'LL MAKE HIM FEEL LOVED.

MR. DAVIS: WELL, DO WE WANT TO MAKE HIM FEEL
LOVED?

MS. DEDRICK: ON BALANCE IT MAKES OUR LIFE EASIER.

MR. DAVIS: ALL RIGHT. SO THE RECORD WILL SO NOTE
THAT THE COMMISSIONER'S APPROVED THAT WITH GREAT
RELUCTANCE.

MS. DEDRICK: EXCELLENT, MR. CHAIRMAN.

MR. DAVIS: ALL RIGHT. IS THERE NO OTHER BUSINESS?

MS. DEDRICK: NO OTHER BUSINESS.

MS. DAVIS: THANK YOU VERY MUCH FOR COMING TODAY.

MS. DEDRICK: THANK YOU, COMMISSIONERS.

MR. DAVIS: THE MEETING STANDS ADJOURNED.

(HEARING CONCLUDED AT 2:43 P.M.)
REPORTER'S CERTIFICATE

I, DEBBY COLASONT, HEARING REPORTER

DO HEREBY CERTIFY:

THAT THE FOREGOING TRANSCRIPT OF PROCEEDINGS WAS TAKEN BEFORE ME ON TUESDAY, APRIL 12, 1988 AT THE TIME AND PLACE THEREIN SET FORTH, AND WAS TAKEN DOWN BY ME IN SHORTHAND, AND THEREAFTER TRANSCRIBED INTO TYPEWRITING UNDER MY DIRECTION AND SUPERVISION;

AND I HEREBY CERTIFY THAT THE FOREGOING TRANSCRIPT OF PROCEEDINGS IS A FULL, TRUE AND CORRECT TRANSCRIPT OF MY SHORTHAND NOTES SO TAKEN.

I FURTHER CERTIFY THAT I AM NEITHER COUNSEL FOR NOR RELATED TO ANY PARTY TO SAID ACTION, NOR IN ANYWISE INTERESTED IN THE OUTCOME THEREOF.


Debby Colasont