MEETING
STATE LANDS COMMISSION
STATE OF CALIFORNIA

STATE CAPITOL
ROOM 319
SACRAMENTO, CALIFORNIA

WEDNESDAY, MAY 31, 1989
12:10 P.M.

Nadine J. Parks
Shorthand Reporter

PETERS SHORTHAND REPORTING CORPORATION
3336 BRADSHAW ROAD, SUITE 240
SACRAMENTO, CALIFORNIA 95827
TELEPHONE (916) 362-2345
MEMBERS PRESENT

Leo McCarthy, Lieutenant Governor, Chairman
Jim Tucker for Gray Davis, State Controller, Commissioner
LaFenus Stancell for Jesse Huff, Director of Finance, Commissioner

Staff Participating
Claire Dedrick, Executive Officer
James Trout, Assistant Executive Officer
Robert Hight, Chief Counsel
Jan Stevens, Deputy Attorney General
Lance Kiley
"Moose" Thompson
Gail Moore, Commission Secretary
<table>
<thead>
<tr>
<th>Index</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceedings</td>
<td>1</td>
</tr>
<tr>
<td>Call to Order</td>
<td>1</td>
</tr>
<tr>
<td>Approval of Minutes of meeting on April 26, 1989</td>
<td>1</td>
</tr>
<tr>
<td><strong>Consent Calendar</strong></td>
<td></td>
</tr>
<tr>
<td>Approval of Items C1 through C12</td>
<td>1</td>
</tr>
<tr>
<td><strong>Regular Calendar</strong></td>
<td></td>
</tr>
<tr>
<td>Item 13</td>
<td>1</td>
</tr>
<tr>
<td>Item 14</td>
<td>2</td>
</tr>
<tr>
<td>Item 15 (Off Calendar)</td>
<td></td>
</tr>
<tr>
<td>Item 16</td>
<td>2</td>
</tr>
<tr>
<td>Item 17</td>
<td>3</td>
</tr>
<tr>
<td>Item 18</td>
<td>3</td>
</tr>
<tr>
<td>Item 19</td>
<td>3</td>
</tr>
<tr>
<td>Item 20</td>
<td>3</td>
</tr>
<tr>
<td>Item 21 (Off Calendar)</td>
<td></td>
</tr>
<tr>
<td>Item 22</td>
<td>4</td>
</tr>
<tr>
<td>Item 23</td>
<td>6</td>
</tr>
<tr>
<td>Item 24</td>
<td>6</td>
</tr>
<tr>
<td>Item 25</td>
<td>6</td>
</tr>
<tr>
<td>Item 26</td>
<td>6</td>
</tr>
<tr>
<td>Item 27</td>
<td>7</td>
</tr>
<tr>
<td>Item 28</td>
<td>7</td>
</tr>
<tr>
<td>Item 29</td>
<td>7</td>
</tr>
</tbody>
</table>
INDEX, continued.

<table>
<thead>
<tr>
<th>Item</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td>8</td>
</tr>
<tr>
<td>31</td>
<td>8</td>
</tr>
<tr>
<td>32</td>
<td>18</td>
</tr>
<tr>
<td>33</td>
<td>19</td>
</tr>
<tr>
<td>34</td>
<td>19</td>
</tr>
<tr>
<td>35</td>
<td>21</td>
</tr>
<tr>
<td>36</td>
<td>21</td>
</tr>
<tr>
<td>37</td>
<td>22</td>
</tr>
<tr>
<td>38</td>
<td>22</td>
</tr>
<tr>
<td>39</td>
<td>22</td>
</tr>
<tr>
<td>Adjournment</td>
<td>22</td>
</tr>
<tr>
<td>Certificate of Reporter</td>
<td>23</td>
</tr>
</tbody>
</table>
PROCEEDINGS
--000--

CHAIRMAN Mc CARTHY: Welcome to the meeting of the State Lands Commission. On my right is Commissioner Stan Stancell, and to my left is Commissioner Jim Tucker. I am Leo McCarthy, Chair of the Commission.

The previous minutes for the last Commission meeting adopted as prepared.

MR. TROUT: Mr. Chairman, Items 15, 21, and 39 are removed from the calendar.

CHAIRMAN Mc CARTHY: All right. If there's anybody here on Item 15, Item 21, or Item 39, please note that they have been removed from this calendar. Said calendar Items 1 through 12, any question on any of those items?

If not, the consent calendar is adopted.

Item 13.

EXECUTIVE OFFICER DEDRICK: Item 13 is just a status report to the Commission on the progress being made by staff in the development of a bid dealing with the problem of an endangered species at Tahoe. If you'd like a report, Dwight is here. There is a pretty extensive written report in your calendar.

Basically, we hope to have the act put
together, both with the biological agencies and with the people in Tahoe in time to come in with a recommendation for you in the June meeting.

CHAIRMAN MC CARTHY: That's satisfactory.

Any questions? All right.

Item 14.

EXECUTIVE OFFICER DEDRICK: Item 14 is AT & T Communications, request to approve an amendment to the general permit right-of-way use in Mendocino County, which widens the existing corridor.

CHAIRMAN MC CARTHY: Any questions? Accepted as recommended.

Item 16.

EXECUTIVE OFFICER DEDRICK: Item 16. This is a sale, and you will be acting as both the Commission and School Land Bank Trustees. We would like to put it out to auction or to bid, a sale of an 80-acre parcel of school land in San Luis Obispo County. We've investigated it thoroughly, and it is without external access. It's steep. And there has been an expression of interest in buying it. So, we're putting it out to bid at fair market value as a minimum, plus the cost of the sale.

CHAIRMAN MC CARTHY: Any questions?

Authorized. Item 17?
EXECUTIVE OFFICER DEDRICK:  Item 17, we're asking you to deny, without prejudice, an application by Sea West Industries for the use of school land as a windmill site. We have not been able to agree on the terms of the lease within the time frame. This is an

CHAIRMAN MC CArTHY: Any questions?
All right. The recommendation is accepted.

EXECUTIVE OFFICER DEDRICK: 18. This is a request to reauthorize the -- or to reoffer the sale of royalty oil crude from Tract 2 in Wilmington.

CHAIRMAN MC CArTHY: Any questions?
All right. Requested recommendation is accepted.

EXECUTIVE OFFICER DEDRICK: 19, this is an award of a royalty oil sales contract. Lunday-Thagard is the winner at 28 and a half cents over the posted price.

CHAIRMAN MC CArTHY: Any questions?
Recommendation is accepted. 20?

EXECUTIVE OFFICER DEDRICK: 20 is a maintenance dredging contract for the San Francisco Park & Recreation Department for 30,000 cubic yards of initial dredging and
5,000 annually for ten years at the San Francisco Marina small craft harbor, which is just inside the Golden Gate.

CHAIRMAN MC CARTHY: Any questions? All right. Recommendation accepted. 22?

EXECUTIVE OFFICER: 22 is a prospecting permit for minerals other than oil, gas, geothermal resources, sand, and gravel in San Bernardino County.

We would like to make a change in the language. As I understand it, legal is proposing a change. Would you like to deal with that, Bob?

MR. HIGHT: Yes. Mr. Chairman, I think that if we added a condition to make this permit terminate in the event that S 11 were passed. That would be to the best interest of the State.

CHAIRMAN MC CARTHY: If we added an amendment saying that this permit would automatically terminate --

EXECUTIVE OFFICER DEDRICK: If S 11 were passed.

CHAIRMAN MC CARTHY: Has there -- is there any Federal authority that’s been granted to this operator to mine under Federal authority?

EXECUTIVE OFFICER DEDRICK: Correct me if I'm wrong, staff, but is this not a situation where they had a claim, a mineral claim on BLM land. They went ahead and put in their adit thinking they were on BLM land. But
they actually put the mine shaft into land that belongs to the State, not the BLM land. Does that constitute a claim?

CHAIRMAN MC CARTHY: Let me ask a question. I'm trying to figure out how to let them do this, but terminate the permit if Senator Cranston's legislation passes, then the area involved here is within the protected zone in Senator Cranston's legislation.

Now, is there anything -- if the bill somehow grandfathers in all existing Federal patents or authority given for mining, does that render such an action by this Commission as meaningless?

MR. HIGHT: No. In other words, the action that you propose would be a valid action and would prevent the further mineral extraction on the land in the event of the passage of the Cranston bill.

CHAIRMAN MC CARTHY: There's no way the BLM could negate that?

MR. HIGHT: No, because this is a State permit under which the Federal Government has no authority.

EXECUTIVE OFFICER DEDRICK: And the land has always been land of the State, right?

MR. HIGHT: Right.

CHAIRMAN MC CARTHY: Okay. All right. Any questions by the Commissioners? ...All right. With that
amendment, recommend passage.

23.

EXECUTIVE OFFICER DEDRICK: 23. This is a proposed crude oil sell-off by the City of Long Beach on Parcel A in Wilmington, Los Angeles County.

CHAIRMAN MC CARthy: Any questions?

Recommendation adopted. 24?

EXECUTIVE OFFICER DEDRICK: City of Long Beach, this is the report on monitoring of subsidence and seismic hazards. Our usual annual report.

CHAIRMAN MC CARthy: Any questions?

Recommendation is adopted.

25.

EXECUTIVE OFFICER DEDRICK: 25. State Lands Commission. This is the first ten months status report on the plan of development and operations at Long Beach.

CHAIRMAN MC CARthy: Okay. Any questions?

Recommendation is adopted. 26?

EXECUTIVE OFFICER DEDRICK: 26 is the actual oil revenues for the first months of 88-39, and revenue estimates for 89-90 from the State lands.

The numbers are for this fiscal year, 116 million; and for the next fiscal year is 135. That's for oil and gas. And geothermal actual revenue this year is 3.9 million. We've estimated 5 million for
next year.

CHAIRMAN MC CARTHY: Any questions? Report accepted. 27.

EXECUTIVE OFFICER DEDRICK: 27, this is Nelson and Sloan. We'd like to issue a mineral lease for the extraction -- this is really for aggregate from a parcel of State land in Slaughterhouse Canyon in southwestern San Diego County. This is the case where there's a longstanding trespass. And this lease is -- is this correct, Robert, a settlement of litigation?

MR. HIGHT: Correct.

CHAIRMAN MC CARTHY: Any questions?

Recommendation is accepted.

28.

EXECUTIVE OFFICER DEDRICK: 28 is a request for authorization for litigation for ejectment and damages for nonpayment of rent on a trespass on Seven-Mile Slough at Andrus Island in Sacramento County against Skyline Associates No. 2.

CHAIRMAN MC CARTHY: Any questions?

Authorization granted. 29.

EXECUTIVE OFFICER DEDRICK: 29. This is a State Lands Commission. We'd like you to issue a notice of default for failure to comply with the geothermal lease obligation for GRI. We have a request from GRI
that a letter, which they have sent, be added to the record.

MR. HIGHT: The essence of the letter, Mr. Chairman, is that they would propose that the Commission go ahead and issue the default notice, but not serve it on them for 30 days.

And the reasoning behind this is that it would then allow them some time to renegotiate their financial position.

Staff is of the opinion that that isn't in the best interest of the State. We should go ahead and issue that notice and start the process.

CHAIRMAN MC CARthy: Any questions? All right. Authorization is granted.

30.

EXECUTIVE OFFICER DEDRICK: Mr. Trout will take the administrative items.

MR. TROUT: Mr. Chairman, Item 30 is to authorize a memorandum of understanding with the United States Corps of Engineers to join in the environmental impact statement, environmental impact report for the potential development and preservation of wetlands in Bolsa Chica. This is related to Item 31.

Item 31 is consideration of the Bolsa Chica Planning Coalition Alternative Plan. I've put the
essence of that plan on the wall to your right. It is
gsigned by Councilman Peter Green, representing the City
of Huntington Beach; Supervisor Harriett Wieder,
representing the County of Orange; by staff of the
Lands Commission; staff of the Signal Landmark, the
property owners; and Amigos of Bolsa Chica.

We also have a letter from the Amigos
indicating their satisfaction with this plan. What the
Commission is being asked to do today is consider this
plan, which provides for 1104 acres of wetland,
environmentally sensitive habitat areas and open space,
up from 915 acres in the current county plan approved
conditionally by the Coastal Commission, 412 acres of
residential development with the densities to be
determined using the normal governmental review process.
208 of the 412 acres would be in the lowlands. 80 of the
208 acres areas defined as wetlands; however, not tide
and submerged land.

Also in this plan are 50 acres of linear park,
53 acres of road right-of-way, and 13 acres of flood
control.

What the Commission is asked to do then is to
participate in an environmental impact report,
environmental statement, which will be prepared. The
County is the lead agency under CEQA, and the Corps of
Engineers is the lead agency under NEPA to look at this plan so that it may be considered by the various governmental agencies, and potentially will be a substitute plan by Orange County to replace the local coastal plan that was approved by the Coastal Commission.

It requires a wetlands restoration plan be developed by the Department of Fish & Game with the cooperation of the United States Fish & Wildlife Service, and requires a land use agreement be entered into between the land -- the major developer and the city and county in this area.

The Commission is being asked today to review the plan, to lend general support to the process, authorize staff to work in the process, with the understanding that this participation in no way prejudices the Commission's decision to make whatever determination it wants to make at a future time when the environmental impact report is done.

MR. TUCKER: This is a plan for no new entrance?

MR. TROUT: Right. What the current plan does is that it does not have a navigable ocean entrance and it does not have a marina, and it increases the wetlands area from 915 acres to 1104 acres. It will have an entrance of some kind. It has been depicted on there
as a nonnavigable ocean connection. Whether that turns out to be a channel with just a trestle for Pacific Coast Highway or a conduit, or pumped water, all that would have to be --

COMMISSIONER TUCKER: What's that for?

MR. TROUT: That's to provide adequate fresh water for development, so that it doesn't have to come all the way through Anaheim Bay.

CHAIRMAN MC CARTHY: What did you say that it does not have after --

MR. TROUT: There's no marina.

EXECUTIVE OFFICER DEDRICK: There's no marina.

CHAIRMAN MC CARTHY: Okay.

COMMISSIONER TUCKER: Is this more or less dense than the proposal before?

MR. TROUT: It will have about the same density, but there is less acreage for residential development.

The original plan had about 5800 dwelling units in it. This one will average anywhere between 3800 and 5800. It will most likely be 4200. But it does not increase the density per acre. There will be reduced area; therefore, reducing the number of dwelling units. The density will be about the same. There are three levels of relatively high density in what's called
mesa, moderate density in the MWD parcel (indicating), and typical single-family, low-density along the GAP there where it has A (indicating on map).

Low density is up to six and a half dwelling units an acre, and moderate density up to twelve and a half units per acre, and high density up to 18 dwelling units per acre.

But it would be up to the county and the city in their normal zoning process and review to actually determine what the density is and the number of dwelling units that would be allowed.

COMMISSIONER TUCKER: Wasn't there some dispute about the bluffs, or what --

MR. TROUT: Yes. There are a group of residents that live in the GAP in present housing near the Huntington Harbor, which is to the northwest -- where it says Mesa there and Warner Avenue, and along Sunset Beach, who want the Mesa area reserved for natural open space and habitat. That's certainly possible. But what this plan envisions is a donation by the landowner in the lowlands; mitigation, where necessary, for the 80 acres of wetlands it would be built on, and setting aside a number of acres for acquisition probably by the Ports of Los Angeles and Long Beach as part of their development of the 2020 plan. If additional acres are
desired for restoration, wilderness, habitat, or open
space, or whatever, there would have to be some agency
come forward with the funds and negotiate with the
landowner.

But there is a group, and we've received
about 50 requests or 50 indications of people who feel
that the bluff area ought to be preserved as open space.
But there are no State claims in that area. And it's
just a typical consideration from here on out as far as
the development is concerned.

COMMISSIONER TUCKER: Are there any of the
friends of --

CHAIRMAN MC CARTH Y: Are any of the friends
here?

MR. TROUT: The Amigos of Bolsa Chico has
sent a letter to the Executive Officer, dated May 23rd,
which said that they're pleased to inform the Commission
that they've agreed to the coalition plan for Bolsa Chica,
which will have 1104 acres of wetland, environmental
sensitive habitat, and open space, and a development
acreage of 200 net acres in the lowlands. 208 of the 412
will be in the lowlands. And they look forward to a
continued joint effort and the planning coalition, which
was made up of the City of Huntington Beach, the County of
Orange, the Amigos; the landowner, Signal Landmark, and
your staff in establishing the wetlands area. We think this is a very good plan. The Federal agencies have been involved as part of it.

And whether it environmentally works, we'll have to wait for completion of the environmental impact report.

CHAIRMAN MC CARTHY: Do you have a copy of the letter?

Has the landowner given up all right of a marina?

MR. TROUT: Yes. That is assuming this plan can go ahead and be permitted. If it can't be permitted, then they are reserving the right to go back to the original plan and deal with it as best they can.

COMMISSIONER TUCKER: Did Congress take that money out for that or did they leave it in?

MR. TROUT: There is money in the current budget for the Army Corps of Engineers and from prior budgets for the preparation of a feasibility study report by the Corps of Engineers of some project. There is no Federal money for construction of any project.

CHAIRMAN MC CARTHY: Are the representatives from Signal here? No representatives from Signal.

What is the enforceable certainty that all rights to a marina have been given up in pen...
plan is adopted?

MR. TROUT: If this plan is adopted, it will replace the current plan, which has those in it and, therefore, neither the marina nor the navigable ocean entrance would be in the plan.

MISSIONER TUCKER: It would be open space.

MR. TROUT: Right.

CHAIRMAN MC CARTHY: I just want you to tell me with absolute certainty from our legal staff, plus the Attorney General's Office, that if we adopt this plan, and an EIR goes forward, and this plan is ultimately adopted, that neither a marina nor an ocean entrance -- a navigable ocean entrance will be developed.

MR. TROUT: Maybe I haven't made myself clear, Mr. Chairman. You're not being asked to adopt this plan. You're being asked to simply review it and authorize your staff to work in the substitution of this plan for the current plan.

If the EIR goes through and the local government approves it, then it will be back before you for adoption, in which case, some of those legal requirements will be built into that.

CHAIRMAN MC CARTHY: I understand the process. But I want to make -- if you can tell me at this point that what comes before us in the future will absolutely
include a prohibition, a permanent ban against a marina or any navigable ocean entrance in this plan. Then that affects what questions I ask today.

Part of the case you've just presented says the plan will not have any marina or will not have a navigable ocean entrance. I'm asking whether or not that means there's a permanent ban against both of these in perpetuity, that it will be in the plan that is presented to the Commission.

MR. TROUT: Yes, it would be, because under the plan, the whole 1180 acres, less the 300 the State already owns would come to the Commission. You would be the owner of the area. Where, in the past, the navigable ocean entrance and the marina --

CHAIRMAN MC CARTHY: We have total control over that?

MR. TROUT: You'll have total control.

CHAIRMAN MC CARTHY: Not compromised in any way.

MR. TROUT: That's correct.

And Signal has signed that plan, both of the vice presidents have --

CHAIRMAN MC CARTHY: And legal counsel agrees with that?

MR. HIGHT: Yes, Mr. Chairman.
CHAIRMAN MC CARTHY: The Attorney General's Office agrees with that?

MR. STEVENS: If the Commission desires that feature, it will have that effect.

CHAIRMAN MC CARTHY: You're sure.

MR. STEVENS: Yes, sir.

CHAIRMAN MC CARTHY: Just make sure it has.

MR. TROUT: Yes sir.

CHAIRMAN MC CARTHY: Any questions?

COMMISSIONER TUCKER: I think it's a good plan. And I think you guys: we done a good job coming up with an agreement which is much more reasonable, even though Greg Taylor said it couldn't be done.

(Laughter.)

CHAIRMAN MC CARTHY: Are any of the parties from Orange County here? Anyone representing any of the parties from Orange County?

EXECUTIVE OFFICER DEDRICK: I believe Mr. Trout is the spokesman for the group.

CHAIRMAN MC CARTHY: Well, this certainly has had a somewhat checkered history. So, I agree. It looks like a good plan, and good work. Now, there's no pending State legislation to create a marvelous new layer of government that would --

MR. TROUT: That bill is gone.
CHAIRMAN MC CARTHY: That bill is gone. That proposal would be $80 or $90 million that we Federal taxpayers were going to give to build a marina here for Signal's --

MR. TROUT: Gone. There may be Federal interest in wetlands restoration, but that would be determined in the processing of the environmental document.

CHAIRMAN MC CARTHY: Okay. So, there's a commitment by all the parties. It sounds like a useful and reasonable compromise. Ar. we done?

MR. TROUT: Supervisor Wieder is due a great deal of credit, and if you have a chance to express that to her, I think that would be a good idea.

CHAIRMAN MC CARTHY: It's moved and seconded, and action adopted.

EXECUTIVE DEDRICK: Item 32, Mr. Chairman, is the United States Forest Service as the party. This is to authorize execution of a memorandum of understanding between the State Lands and the Forest Service for interim management of a parcel of school land adjacent to a national forest for a recreational trail.

COMMISSIONER TUCKER: I'd like to get briefed on Phase 1 and all the other phases of this land exchange proposal.
EXECUTIVE OFFICER DEDRICK: We'd be happy to do that, certainly, at your convenience.

COMMISSIONER TUCKER: I don't know if it necessarily has to be the whole Commission, but I'd like all the details on that.

EXECUTIVE OFFICER DEDRICK: We'll be happy to do that. We'll call and make an appointment with your staff.

COMMISSIONER TUCKER: Thank you.

CHAIRMAN MC CARTHY: 32's recommendation is accepted. 33?

EXECUTIVE OFFICER DEDRICK: 33. This is an approval of a modification of the application lists and criteria. What this is, Mr. Chairman and Commissioners, is the implementation of the new amendment to AB 884, which says that the party has to let you know 60 days in advance if they're going to take advantage of no action constitutes approval clause. It also says that a party must say whether their application relates to a project.

What this is is our implementation of that.

CHAIRMAN MC CARTHY: Any questions? All right. Recommendation accepted. 34.

EXECUTIVE OFFICER DEDRICK: 34 is to authorize a supplemental agreement between the Riverside Community College District and State Lands on a parcel of school
land at Norco.

Initially, Norco -- or the Community College bid went out retaining a couple of parcels for use of the college.

Now the college would like to negotiate for which parcels they want. And that requires an amendment, your approval of an amendment to the original agreement.

There's a second item, which is more of an informational item for you. And that is that -- well, to begin with, let me say that this piece of land has been bid upon. And the group that won it, Lewis Homes, bid two and a half million dollars. That money goes over into the School Land Bank Fund, minus the cost to the community college district for having set up a sale, some $140,000.

So, the real action that we're asking you for is the approval of that supplemental agreement.

In addition to that, we ask that you accept the purchase from Lewis Homes. That was the high bid. The other aspect is that after the bid had taken place and the bids had been opened and so forth, Lewis Homes discovered, in searching the property records, that this parcel was on a list of potential toxics, because it was part of the Navy's Fleet Administration Center.

What we would like to do is ask for your
approval to use, if necessary, $50,000 to test, if necessary, the parcels in question to see if, in fact, they're toxic.

We have already started a discussion with the Department of Health Services to determine whether -- what the real status of this parcel is, whether it's toxic land, whether it's borderline, or whether it's clean.

So, we need to determine that; obviously, if the land is toxic, Lewis Homes would not like to buy it.

So, it's turned into a complicated situation, but it may yet be retrievable.

CHAIRMAN MC CARTHY: Authorized.

EXECUTIVE OFFICER DEDRICK: Okay. This is -- we'd like to solicit bids to microfilm State Lands historical land title records, the cost not to exceed $24,000.

CHAIRMAN MC CARTHY: Questions by the Commissioners? Authorized to do so.

EXECUTIVE OFFICER DEDRICK: 36 is another contract not to exceed $81,000 to allow for us to evaluate the mineral lands within the California Desert Conservation area on the proposed East Mojave National Park, with the goal of exchanging those lands with BLM for
lands that BLM holds outside those areas. This is lease land for school land.


EXECUTIVE OFFICER DEDRICK: This is another bid -- another contract we'd like. We are authorized under statute and in the budget to do some sea floor hazards survey within a larger program being carried out by the Environmental Affairs Agency. That bid -- that contract is not to exceed a hundred thousand dollars.


EXECUTIVE OFFICER DEDRICK: And 38 is to do timber appraisals in Forest Service land. And we're asking for the authority to execute an agreement for professional appraisals within the boundaries of the Forest Service. The same thing, I think, that you're all very interested in.


That concludes the calendar. Thank you, Ladies and Gentlemen. The Commission meeting is concluded.

(Thereupon the meeting was adjourned at 12:40 p.m.)

--000--
CERTIFICATE OF SHORTHAND REPORTER

I, Nadine J. Parks, a shorthand reporter of the State of California, hereby certify that I am a disinterested person herein; that I reported the foregoing meeting of the State Lands Commission in shorthand writing and thereafter caused my shorthand writing to be transcribed into typewriting.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 22nd day of June, 1989.

Nadine J. Parks
Shorthand Reporter