COMMISSIONERS PRESENT

Leo T. McCarthy, Lieutenant Governor, Chairperson
Jim Tucker, Commission Alternate
for Gray Davis, State Controller
Russell Gould, Commission Alternate
for Jesse R. Huff, Director of Finance

STAFF PRESENT

Claire T. Dedrick, Executive Officer
James Trout, Assistant Executive Officer
Robert Hight, Chief Counsel

ALSO PRESENT

N. Gregory Taylor, Assistant Attorney General
Proceedings

Confirmation of Minutes for the meeting of July 10, 1989

Consent Calendar Items C01 - C11

Item 12, off calendar

Item 13, Pacific Offshore Pipeline Company (Lessee)

Item 14, Roy Wickland and Janet Wickland (Applicant)

Item 15, Beverly Bone (Applicant)

Item 16, P-Squared, A Partnership (Applicant)

Item 17, Ann Hilton Wallis Trust (Applicant)

Item 18, off calendar

Item 19, Barbara Hefner (Applicant)

Item 20, Jean R. Minasian, Paul Minasian, Malcolm Minasian, and Regina Minasian Ambrose (Applicants)

Item 21, Robert P. Marx dba Phoenician South Seas Treasures, LTD (Applicant)

Item 22, John Batelle, Batelle Construction (Parties)

Item 23, off calendar

Item 24, Great Basin Unified Air Pollution Control District (Applicant)

Item 25, Capitol Oil Corporation (Lessee)

Item 26, Santa Catalina Island Company (Lessee); David Gemilere, (Sublessee), Catalina Flying Boats, Inc. (Licensee)
INDEX (Continued)

--- oOo ---

Item 27, off calendar

Item 28, GRI Exploration Corporation and GRI Development Corporation (Applicants) 6

Item 29, OGG American Services, Inc. (Applicant) 6

Item 30, Informative: State Lands Commission (Applicant) 6

Item 31, City of Long Beach (Applicant) 6

Item 32, Morris Tug and Barge, Inc. (Applicant) 7

Item 33, Sand Cove Development Company (Applicant) 7

Item 34, County of Orange (Applicant) 7

Item 35, City of Santa Barbara (Applicant) 8

Item 36, United States Army Corps of Engineers 8

Item 37, off calendar

Item 38, off calendar

Item 39, Crowley Maritime Corporation (Applicant) 9

Item 40, County of Monterey (Applicant) 9

Item 41, off calendar

Item 42, off calendar

Item 43, off calendar

Item 44, off calendar

Item 45, off calendar

Item 46, State Lands Commission (Party) 10
### INDEX (Continued)

| Item 47, State Lands Commission (Party) | 10 |
| Item 48, State Lands Commission (Party) | 10 |
| Item 49, State Lands Commission (Party) | 13 |
| Item 50, Dale W. Hanson and Margery J. Hanson (Applicants) | 14 |
| Proposed resolution supporting California Coastweeks | 14 |
| Adjournment | 16 |
| Certificate of Reporter | 17 |
CHAIRPERSON McCARTHY: Ladies and gentlemen, before the Commission begins I wanted to bring to your attention the items that are off the calendar. If you are here in connection with those items, we don't want to delay you. The following items are pulled from today's calendar: 12, 18, 23, 27, 38, 41, 42, 43, 44 and 45. Thank you.

I also want to announce that Item 37 is pulled off the calendar today.

All right. Minutes of the previous meeting are deemed read and approved if there are no questions from the commissioners.

I'd incidentally like to welcome Commissioner Russell Gould today, who's here representing the Department of Finance. Now that the budget is over, Russell is returning to the work of the Lands Commission here.

COMMISSIONER GOULD: A few other entertaining things.

CHAIRPERSON McCARTHY: A few other entertaining things.

And, of course, Commissioner Jim Tucker is here representing Controller Davis.

Consent Calendar, items 1 through 11. Any objection to our acting on any of those items?
Hearing none, the Consent Calendar is adopted by the Commission.


EXECUTIVE OFFICER DEDRICK: No. 12 is off calendar, Commissioner.

No. 13 is --

CHAIRPERSON McCARTHY: Thank you.

EXECUTIVE OFFICER DEDRICK: -- the Pacific Offshore Pipeline Company. This is approval of an amendment to the general lease to reduce the land use area and amend other conditions of a current lease in the Pacific Ocean near El Capitan State Beach in Santa Barbara County.

CHAIRPERSON McCARTHY: Questions by Commissioners or members of the audience?

If not, the action's authorized.

Fourteen.

EXECUTIVE OFFICER DEDRICK: Item 14, Roy and Janet Wickland. This is approval of a partial reconstruction of an existing pier at Lake Tahoe. It has all the required approvals and complies with the RCRA requirements.

CHAIRPERSON McCARTHY: Any questions by members of the Commission or the public?

If not, the action's authorized.

EXECUTIVE OFFICER DEDRICK: Fifteen, Beverly Bone, a five-year recreational pier permit and another partial
reconstruction and maintenance at Tahoe. Same conditions.

CHAIRPERSON McCARTHY: Questions by members of the Commission or the audience?

Action is authorized.

Sixteen.

EXECUTIVE OFFICER DEDRICK: Sixteen is a ten-year recreational pier permit for maintenance of an existing rock crib pier at Fallen Leaf Lake, adjacent to Tahoe.

CHAIRPERSON McCARTHY: Questions by members of the Commission or the audience?

All right. The action's authorized.

Seventeen.

EXECUTIVE OFFICER DEDRICK: Seventeen, Ann Milton Wallis Trust. This is a five-year recreational pier permit for partial reconstruction of an existing pier again at Lake Tahoe.

CHAIRPERSON McCARTHY: Questions by members of the Commission or the audience?

All right. The action is authorized.

Nineteen.

EXECUTIVE OFFICER DEDRICK: Item 19, Barbara Hefner, trustee, a five-year recreational pier permit at Tahoe. Again, this is an extension of an existing pier. And the authorization is two previously unauthorized buoys.

CHAIRPERSON McCARTHY: Questions by members of the
Commission or the public?

All right. The action is authorized.

Twenty.

EXECUTIVE OFFICER DEDRICK: This is the Minasians, applicants, and Minasian Ambrose, a five-year recreational pier permit for reconstruction and the extension of an existing pier and the addition of a boat lift at Tahoe.

CHAIRPERSON McCARTHY: Questions by members of the Commission or the audience?

All right. The action is authorized.

Next item.

EXECUTIVE OFFICER DEDRICK: Item 21 is Robert F. Marx, Phoenician South Seas Treasures, Ltd. This is approval of a one-year extension for his search and retrieval and salvage of a Manila Galleon in Drake's Bay in Marin County.

CHAIRPERSON McCARTHY: Okay. Questions by members of the Commission?

All right. It's authorized.

EXECUTIVE OFFICER DEDRICK: Item 22, John Batelle, Batelle Construction. This is a denial of a salvage permit application that's been sitting around for more than a year and has never been completed.

CHAIRPERSON McCARTHY: Questions by members of the Commission or the audience?

All right. Authorized.
Twenty-four.

EXECUTIVE OFFICER DEDRICK: Twenty-four, the Great Basin Unified Air Pollution Control District. This is to approve a permit, geological survey permit, to drill in the Owens Lake as part of the air pollution control experimental program we're carrying out up there.

CHAIRPERSON McCARTHY: Questions by members of the Commission? The audience?

It's authorized. Go ahead.

Twenty-five.

EXECUTIVE OFFICER DEDRICK: Twenty-five is Capitol Oil Corporation, consent to pooling of 6.37 acres of leased lands in state, oil and gas lease PRC 7283 in Sutter County.

CHAIRPERSON McCARTHY: Questions by members of the Commission or the public?

All right. Authorized.

Twenty-six.

EXECUTIVE OFFICER DEDRICK: Item 26, the applicants are Santa Catalina Island Company, David Gemilere and the Catalina Flying Boats for an extension — or a lease, 15-year lease, for their ramp to land the flying boats at Catalina.

CHAIRPERSON McCARTHY: Questions by members of the Commission? Audience?

It's authorized.

Twenty-eight.
EXECUTIVE OFFICER DEDRICK: Twenty-eight, GRI Exploration and Development Corporations, amendment of the geothermal lease to allow a change in the day in which payments are due to the State to conform with a payment that they received.

CHAIRPERSON McCARTHY: Questions?

Authorized.

Twenty-nine.

EXECUTIVE OFFICER DEDRICK: Okay. CGG American Services, Inc. This is an amendment to the geophysical survey permit for state tide and submerged lands in the Delta. This is a geophysical permit, but it is outside of the normal program; because this is an inland permit and has been approved by the Department of Fish and Game.

CHAIRPERSON McCARTHY: Questions?

Authorized.

Thirty.

EXECUTIVE OFFICER DEDRICK: Thirty is the State Lands Commission year end status report of the 88-89 Plan of Development and Operations of the Long Beach unit.

CHAIRPERSON McCARTHY: Any questions by members of the Commission? The audience?

It's authorized.

Thirty-one.

EXECUTIVE OFFICER DEDRICK: Thirty-one is to approve
consent to the first amendment to the tidelands Parcel A contract to permit the contractor to do some work on Segment II of the Fault Block. This is again the Long Beach Tidelands.

CHAIRPERSON McCARTHY: Questions?
All right. It's authorized.
Thirty-two.

EXECUTIVE OFFICER DEDRICK: Item 32, Morris Tug and Barge. This is renewal of a mineral extraction lease for oyster shell in South San Francisco Bay.

CHAIRPERSON McCARTHY: Questions?
Authorized.
Thirty-three.

EXECUTIVE OFFICER DEDRICK: Thirty-three, Sand Cove Development Company. This is a dredging permit to authorize removal of 15,000 cubic yards of material from the river to replenish an upland beach which had been dredged out without approval of the city.

CHAIRPERSON McCARTHY: Questions?
Authorized.
Thirty-four.

EXECUTIVE OFFICER DEDRICK: Thirty-four is the County of Orange. This is a dredging permit authorizing the removal of 50,000 cubic yards of material from Upper Newport Bay.
CHAIRPERSON McCARTHY: Questions?

It's authorized.

Thirty-five.

EXECUTIVE OFFICER DEDRICK: Thirty-five is the City of Santa Barbara. It's a maintenance dredging permit to authorize the removal of 309,300 cubic yards from five locations in Santa Barbara Harbor. The material will be discharged onto beaches.

CHAIRPERSON McCARTHY: Questions?

Authorized.

Thirty-six.

EXECUTIVE OFFICER DEDRICK: Army Corps of Engineers.

This is a dredging permit for 10,000 cubic feet -- or, no, I'm sorry about that. This is a three million cubic yards dredging at least 10,000 cubic feet offshore of Surfside-Sunset Beach in Huntington Beach. The material is to be used for the replenishment of eroded beaches at Surfside and Sunset.

CHAIRPERSON McCARTHY: So the dredged material is going to be placed back --

EXECUTIVE OFFICER DEDRICK: Back on the --

CHAIRPERSON McCARTHY: -- on part of the beach?

EXECUTIVE OFFICER DEDRICK: That's correct.

CHAIRPERSON McCARTHY: Any questions?

Authorized.
Thirty-seven is off calendar. Thirty-eight's off.

Thirty-nine.

EXECUTIVE OFFICER DEDRICK: Thirty-nine is Crowley Maritime Corporation has requested consideration of boundaries and a proposal to annex tide and submerged lands in the City of Martinez in Contra Costa County.

COMMISSIONER GOULD: Is this old?

MR. HIGHT: No. In this case, Mr. Chairman, the Commission is approving only the legal sufficiency of the description.

CHAIRPERSON MCCARTHY: Okay. Any questions?

It's authorized.

Forty.

EXECUTIVE OFFICER DEDRICK: Mr. Chairman, I just noticed we're in the legal division of the section, and Bob Hight will be presenting these. I apologize.

MR. HIGHT: Item 40, Mr. Chairman, is the consideration of the legal description for the incorporation of the City of Pepple Beach in Monterey County. And the description meets the Commission's legal requirements.

CHAIRPERSON MCCARTHY: Any questions?

It's authorized.

All right. We're up to 46.

EXECUTIVE OFFICER DEDRICK: The administration section Mr. Trout will present.
ASSISTANT EXECUTIVE OFFICER TROUT: Mr. Chairman, on Item 46, the Legislature added money for the continuation of the Great Basin Unified Pollution District's dust abatement program. This is authorization to enter into a contract with the district to carry out that work.

CHAIRPERSON McCARTHY: Any questions? Audience?

Authorized.

Forty-seven.

ASSISTANT EXECUTIVE OFFICER TROUT: Item 47 is to authorize the Executive Officer to contract for services and testimony of an expert witness in reference to the Arco litigation. This would be to aid the Attorney General's Office in the pursuit of that lawsuit.

CHAIRPERSON McCARTHY: Questions?

It's authorized.

Forty-eight.

ASSISTANT EXECUTIVE OFFICER TROUT: Item 48 is authorization for the Executive Officer to work out a deal with a consultant to work in the oil spill recovery and be an advisor to the Commission. The Executive Officer has requested that you grant her this approval to start contract discussions with the suggestion that when she's completed, that she brings the contract back to you with specifics for final approval.

CHAIRPERSON McCARTHY: Questions by members of the
COMMISSIONER GOULD: One question. What size contract would you expect from this? And is it something that you expect to be able to deal with with the existing resources?

EXECUTIVE OFFICER DEDRICK: The contract is probably about $100,000, Commissioner, and the resources of the Commission are very strained, as you know. We have a couple of ideas of ways that we could fund this. One perhaps would -- the worst case is through salary savings.

CHAIRPERSON McCARTHY: Within the existing budget.

COMMISSIONER GOULD: Would that be part of your description then in coming back to the Commission and describing the contract would be the means?

CHAIRPERSON McCARTHY: As I understood the proposal, Commissioner, the Executive Officer would have to bring the contract back to us. And that would certainly be an appropriate part of the conversation at that time, how do we fund it.

COMMISSIONER GOULD: Okay.

COMMISSIONER TUCKER: Could we notice this for the 11th meeting?

EXECUTIVE OFFICER DEDRICK: I'm sorry, I didn't hear you.

COMMISSIONER TUCKER: Could we notice this for the
EXECUTIVE OFFICER DEDRICK: If you wish. You'd like to have the contract prepared by the 11th?

COMMISSIONER TUCKER: Yeah, so we can take it up.

EXECUTIVE OFFICER DEDRICK: Can we physically do that, gentlemen?

Yes. I want to be sure I've got staff.

COMMISSIONER TUCKER: We have a meeting on the 11th I've been told.

CHAIRPERSON McCARTHY: We had a Commission meeting planned for the 11th?

EXECUTIVE OFFICER DEDRICK: We have a special meeting, a one-item special meeting for the benefit of a client who has been trying to put in a fiber optic cable and is losing money every day. It was intended to be a one-item and --

CHAIRPERSON McCARTHY: So there is a meeting planned for that day?

EXECUTIVE OFFICER DEDRICK: There is a meeting planned for that day. And then the regular session is planned for, I think, the 27th.

CHAIRPERSON McCARTHY: Okay. I want to make sure I can be here. Where's Ed?

MR. MANNING: Here.

CHAIRPERSON McCARTHY: Ed, do you know if anybody's
checked my calendar for September 11th to see --

MR. MANNING: I know Roy was looking at it, but I don't know.

CHAIRPERSON MCCARTHY: You've already checked my calendar?

MS. MOORE: Uh-huh.

CHAIRPERSON MCCARTHY: And it's okay?

MS. MOORE: It's okay.

CHAIRPERSON MCCARTHY: Any further questions on this?

All right. Let's schedule it for the Commission meeting of the 11th --

EXECUTIVE OFFICER DEDRICK: Okay.

CHAIRPERSON MCCARTHY: -- for discussion at that time. Anything else?

All right. Thank you.

Next item, 49.

ASSISTANT EXECUTIVE OFFICER TROUT: Item 49 is approval of modifications to the Application List and Criteria. Legislation passed requires agencies to provide additional information to applicants. This would do that. It must include a description of the general application procedure of the Commission, details the environmental process. And as part of this, we're streamlining the form and consolidating some stuff.
We're also telling applicants the legal basis for rejection of application. There are some other new procedures. The applicant must indicate whether or not he considers his project a project. It would also involve a new provision relating to shipwreck salvage permits, and we request your approval.

CHAIRPERSON McCARTHY: Any questions?

All right. Approved as requested.

No. 50.

EXECUTIVE OFFICER DEDRICK: Item 50 is Dale Hanson and Margery Hanson. This is a five-year recreational pier permit for the retention of an existing -- maintenance of an existing pier at Lake Tahoe.

CHAIRPERSON McCARTHY: Any questions? Audience?

Approved as authorized.

EXECUTIVE OFFICER DEDRICK: Mr. Chairman, I did leave out one item. There's before you a proposed resolution of the California State Lands Commission.

CHAIRPERSON McCARTHY: This is regarding supporting California Coastweeks.

EXECUTIVE OFFICER DEDRICK: Right.

CHAIRPERSON McCARTHY: I will read into the record the resolved clauses and just assume that the language of the whereases is deathless prose.

"NOW THEREFORE BE IT RESOLVED,
that the California State Lands Commission hereby recognizes and supports the designation of the weeks September 16 through October 9 as California Coastweeks; including September 16 as 'Estuaries Day', and September 23 as 'Adopt-A-Beach Coastal Cleanup Day'; and

BE IT FURTHER RESOLVED, that the California State Lands Commission encourages all public institutions, private groups and business and individual citizens to observe these events and to participate in activities in their local community which promote the responsible preservation and protection of the California coastline."

Worthy goals.

Any comment on this?

COMMISSIONER TUCKER: This gives everybody two weeks off.

CHAIRPERSON McCARTHY: Everybody two weeks off.
(Laughter.)

CHAIRPERSON MCCARTHY: All right. Adopted by the Commission.

Anything else to come before us?
Thank you all very much.

MR. HIGHT: Mr. Chairman, for the record, before we adjourn, if we can state that we're going to meet in executive session.

CHAIRPERSON MCCARTHY: Thank you. We recessed the executive session we were in before the public hearing, and we will now reconvene that executive session downstairs in another office.

Thank you all very much.

(Thereupon the meeting of the State Lands Commission was adjourned at 11:30 a.m.)

--000--
CERTIFICATE OF SHORTHAND REPORTER

I, EILEEN JENNINGS, a Certified Shorthand Reporter of the State of California, do hereby certify:

That I am a disinterested person herein; that the foregoing meeting was reported in shorthand by me, Eileen Jennings, a Certified Shorthand Reporter of the State of California, and thereafter transcribed into typewriting.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of September, 1989.

EILEEN JENNINGS
Certified Shorthand Reporter
License No. 5122