MEETING
STATE OF CALIFORNIA
STATE LANDS COMMISSION

ORIGINAL

STATE CAPITOL BUILDING
ROOM 447
SACRAMENTO, CALIFORNIA

MONDAY, MARCH 2, 1992
11:00 A.M.

Doris M. Bailey, CSR, RPR
Certified Shorthand Reporter
License Number 8751
COMMISSION MEMBERS PRESENT:

Mr. Gray Davis,
State Controller,
Represented by Mr. James Tucker,
Acting Chairman

Honorable Leo T. McCarthy,
Lieutenant Governor,
Represented by Mr. James Goldstene

Mr. Thomas W. Hayes,
Director of Finance,
Represented by Suzanne Burton

STAFF PRESENT:

Mr. Charles Warren,
Executive Officer

Mr. James F. Trout,
Assistant Executive Officer

Ms. Carla J. Caruso,
Deputy Attorney General

Ms. Patsy Tomasello,
Commission Secretary
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ACTING CHAIRMAN TUCKER: Good morning. This is the State Lands Commission. I'm Jim Tucker representing the State Controller. We have Susie Burton representing the Department of Finance, and Jim Gold --

ACTING COMMISSIONER GOLDSTENE: Goldstene.

ACTING CHAIRMAN TUCKER: Goldstene, I'm sorry, representing Lieutenant Governor Leo McCarthy.

MR. HIGHT: Mr. Tucker, for the record, Mr. Goldstene is sitting in a non-voting capacity for the Lieutenant Governor.

MR. WARREN: Who will be here shortly.

ACTING CHAIRMAN TUCKER: We have items C-22 and 29 that have been pulled? Anything else?

EXECUTIVE OFFICER WARREN: Yes.

ACTING CHAIRMAN TUCKER: And Item 3-A that's on the regular calendar?

EXECUTIVE OFFICER WARREN: Consent calendar item number three will be moved to the regular calendar, Mr. Chairman.

Also consent item number five has been removed at the request of Commissioner McCarthy who desires extra time to review the application and certain implications derived therefrom. So C05, consent
calendar item five, Pacific Lumber Company is the applicant, will be pulled.

Other than that that will be it.

ACTING CHAIRMAN TUCKER: Okay. Does anybody wish to say anything on any of the items on consent?

Okay, the consent calendar is adopted.

Moving to the regular calendar.

EXECUTIVE OFFICER WARREN: Could we adopt the minutes of the last meeting?

ACTING CHAIRMAN TUCKER: Sure. We adopt the minutes of the last meeting unless there's any objections or changes.

Item 24.

EXECUTIVE OFFICER WARREN: Mr. Chairman, I wonder if we could begin with C03 --

ACTING CHAIRMAN TUCKER: Oh, Okay.

EXECUTIVE OFFICER WARREN: -- if you don't mind?

MS. SEKELSKY: Item C03 is an application for recreational pier lease at Lake Tahoe. We have received letters from the owners of an adjacent upland property objecting to the proposed pier on several grounds.

There are six upland properties fronting the cove on which the proposed pier is to be constructed. Two of which already have piers. The opponents of the
projects assert that a third pier would negatively impact their views of the lake and their use of the cove for swimming and paddling in their rowboats.

Staff has reviewed their concerns with TRPA staff and with the Design Review Committee consisting of representatives of various jurisdictional agencies, and have concluded that the proposed pier meets all existing rules, criteria, and policies regarding pier design and location.

I have a photograph here that the project opponents had provided us showing the two existing piers and showing that the proposed pier would be located in the center. I can pass this up to you.

It's my understanding that the parties who are objecting to this pier are here in the audience.

ACTING CHAIRMAN TUCKER: The proposed pier is, connects with the applicant's property?

MS. SEKELSKY: That's correct.

ACTING CHAIRMAN TUCKER: And that property goes up to the shore line?

MS. SEKELSKY: Yes.

ACTING CHAIRMAN TUCKER: Okay, we have three people who have indicated they'd like to speak.

George Pickett.

You want to step forward, please? Have a seat.
right there.

And if you could speak into the microphone and give us your name?

MR. PICKETT: My name is George Pickett. I have visited and vacationed at the family cabin for almost 60 years and the last 15 years since my retirement we've been there all summer, my wife and I. We're on lot twelve which is adjacent to the Villicana pier, which is lot 13. And I think a map would also aid in further explaining what -- what's your name?

MS. SEKELSKY: Jane, Jane Sekelsky.

MR. PICKETT: -- what Jane Sekelsky explained. This pier is in a rather unique cove. The picture shows it. I don't know how many had a chance to see it.

MS. SEKELSKY: I think most everyone has seen it.

MR. PICKETT: But this cove is a special nature that I think needs some understanding before you actually look at the application itself. You did mention that there's lots, and there are 50 foot lots, and that there are six homes. Of those six, only one, the Villicana's rent their home. All the rest are strictly family homes. And of the five homes besides the Villicana's, four of those are very heavily family use. None of the others except the Villicana's --
ACTING CHAIRMAN TUCKER: Speak into the microphone.

MR. PICKETT: Yes, I'll try.

I guess I need to start with saying this application for this pier has been flawed to some extent from the start. The only thing that the state, was submitted to the State Lands Commission was a drawing that's dated July, 1988. It has incorrect information about the width of the lot, and the only information it provides regarding other piers says the nearest pier to one side of the proposed center line of the proposed pier is 170 feet. And the pier the other way is 162 feet. It makes no mention of the fact that those piers are at strange angles and it makes a big difference in this consideration. So they omitted, in my view, some of the most important factors on this.

There were also sixteen public comment letters in the TRPA files from the first public hearing on this which was September of 1990. And it's my belief that the State Lands Commission had no information about this consent hearing that was the second TRPA hearing, which included a map that shows correctly the non-conforming piers.

You've received it?

MS. BEKELSKY: Uh-huh.
MR. PICKETT: That, to my knowledge, this packet that was sent to the State Lands Commission and I had also sent to the Army engineers, is the first information that your staff had that there was any problem in regarding non-conforming piers or that really showed what the situation was.

In my view the application to you not only deliberately omitted the two most important factors, that is public comments and existing two non-conforming piers, but went on to add a completely false claim of having two mooring bouys anchored on the bed of Lake Tahoe.

Regardless of what action this Commission may feel required to take regarding approval of a pier in this case, I believe it appropriate for you to specifically deny any appropriation of existing mooring bouys, and to comment on the application's lack of full disclosure. Since a TRPA included in their conditional approval in item six, and I'm now quoting,

"This approval is based on the permittees' representation that all plans and information contained in this subject application are true and correct. And should any information or representation
submitted in connection with this
project application be incorrect or
untrue, the TRPA may rescind this
approval or take other appropriate
action."

In recognition of these problems and the
application presented to you -- pardon me.

Recognition of these problems in the
application presented to you should be acknowledged.
This might be even be helpful in any future TRPA
consideration of this case.

Thank you very much.

Is there any question about the, any of these
maps?

ACTING COMMISSIONER BURTON: Jim, I have a
question.

ACTING CHAIRMAN TUCKER: Yeah.

ACTING COMMISSIONER BURTON: Mr. Pickett, the
TRPA public hearing that was held?

MR. PICKETT: The first one was --

ACTING COMMISSIONER BURTON: Are you
presenting testimony that there is no approval from
TRPA?

MR. PICKETT: They have a conditional approval
and we have, your staff has a copy, but there's a whole,
pages and pages of conditional approvals. And I talked to them. They have no record of the two mooring bouys that are claimed in the application to you, and they have received no request for it. And they will eventually have to act on that if they, if they ever try to get bouys.

And also the TRPA, talking to their staff man anyway, they have to re-review this thing after because two of the conditions were approval by State Lands Commission and Army engineers. When they get that back then they still have further action to take before their final permit is processed.

ACTING COMMISSIONER BURTON: Thank you.

MR. PICKETT: Is that correct?

MS. SEKELSKY: With regard to the mooring bouys, in fact the application to us does indicate there were existing bouys. Our permit however requires that the applicant, if they do their project, comply with any kind of TRPA regulations and rules. TRPA would require that the applicant show evidence that the bouys were there before May of 1976 in order to be treated as existing bouys. And so in the TRPA process they will be required to show that.

MR. PICKETT: They can't show that. Even TRPA knows that.
ACTING COMMISSIONER BURTON: So could you explain the process to me a little bit? Conditional approval at the local level?

MS. SEKELSKY: Typically what you will have is you will have TRPA approve things, as we do in some cases, subject to others agencies giving their permits.

In the case of Lake Tahoe you have two or three different types of approval that are sought under current conditions. TRPA itself, of course, as a board has to authorize projects.

There is also a Design Review Committee which has been established. This Design Review Committee has been established since this application was first submitted to TRPA. However we brought this issue up because of the concerns that had been raised with the Design Review Committee just two weeks ago. And the committee closely reviewed the application and the project as proposed and did in fact determine that it has met all of the existing policies and criteria that are out there.

ACTING COMMISSIONER BURTON: Thank you.

ACTING CHAIRMAN TUCKER: Okay, thank you.

Nancy Gibson.

MR. PICKETT: Thank you, gentlemen.

ACTING CHAIRMAN TUCKER: Good morning.
MRS. GIBSON: Good morning. I'm Nancy Pickett Gibson. I'm his daughter and also part of this family that has the cabin next door to the Villacanas. And we hope that you got letters that we wrote in January when we first heard about this?

ACTING CHAIRMAN TUCKER: Yes, we do have those.

MRS. GIBSON: Okay. I don't know too much to say. But my first thing is, why is everyone so anxious to approve this pier? Lake Tahoe is a treasure that I thought the California agencies were working to protect.

This pier is considerably longer than the other piers and much longer than is necessary considering the slope of the lake.

At each step errors are found in the applicant's statements and drawings, and no agency seems to be able to say this is wrong and this pier should not be built.

They've hired an agent to get this through the government maze, and it seems to being working as regular citizens don't seem to be able to crack this wall.

If this pier is approved then it seems that each of us along the lake can have its own pier. If we each had a pier there would be less than 15 feet between
each of our piers at the lake end because the piers come in like this. Does this make sense?

Two piers in this small cove is enough. No new piers should be permitted if protection of the lake and the environment are of real concerr.

The two existing piers that angle into this bay are longstanding, 40, 50 years, and are well maintained. They are not going away. The owners replace three or four of the wooden pilings with new steel ones each year, and replace rotten wooden planks.

My understanding is that under the present regulations pier owners are allowed to spend five thousand dollars for maintenance per year. And these pier owners do that. So these piers are going to stay.

I also understand the applicant has stated the cabin is only used for personal use. I know that Langston Realty has handled the rental of this cabin, at least since 1977, when friends of mine, Sally and Bob Osborne, rented it for one week. They also rented it during the summer of 1978 through George Langston Realty. I have a signed letter and a cancelled check that Sally was able to find showing a payment for the rent of the Villicana home. Which if you want it you can have it, that's a copy.

They have always rented this house out, and
rarely use it for themselves. It currently rents for a thousand dollars a week three or four weeks of every summer. As my folks live there July from May to October, and most of the other cove families use it extensively, this pier will be a real detriment to the people who are there most of the time.

Thank you very much more listening to our comments.

ACTING CHAIRMAN TUCKER: Thank you.

Rod Gibson.

MR. GIBSON: Good morning. My name is Rod Gibson. I'm here to speak in opposition of the subject project. I own the lot directly behind the Villicana's and I'm a member of the family, of course, of the Tahoe Cabin Trust. Unfortunately we received your staff's report Friday, three calendar days or less than one working day to prepare comments for this meeting, as well as travel from Los Angeles. I think that's unfortunate for something as important as this.

You did pull the subject project from the consent docket. Up to that point it has been labeled as non-controversial. I suggest it may be one of the most controversial piers on the lake, projects.

You've heard something about the flawed
process of preparing this report. Let me just reiterate that the first TRPA hearing was cancelled at the last minute on this project. The pier application withdrawn. It was dramatically flawed in its architecture. That was not recognized until we pointed that out. The second hearing we received no notice. It was held over Thanksgiving at Lake Tahoe. You've heard that no information was sent to your Commission prior to Mr. Pickett requesting that it be sent. And I commented about the short notice to prepare our comments.

We have enjoyed the beauty of Lake Tahoe for many decades. Our property is on one of the most beautiful small, natural, sandy coves on the lake. And as you heard, has been bordered by two non-conforming piers for 40 years or more, which separate the rocky shore from this natural sandy cove. These piers jet toward each other, as you can notice in the picture, thus the lake side entrance to this cove is smaller than what would be available if the non-conforming piers went straight out from their property.

This cove will not support piers from each lot. You heard that if everybody built a pier there would be less than 15 feet between the ends of the piers. The first pier in the cove spoils it for everyone else.
Usual regulations can't deal with this complex of an issue. It takes human evaluation. I urge this Commission to do this.

The staff report says a scenic simulation was evaluated as part of the agency's consideration. I cannot visualize how a scenic simulation would evaluate the effect of this proposed project on this natural cove. If someone were to say they went to the location and evaluated visually the impact, that would be more substantial, and I suggest that the picture verifies that.

The staff report quotes the regulation that piers for single family dwellings must be located within the pier head line as established by the Tahoe Regional Planning Agency from Corps of Engineers' plans.

It further states that this project is within that limit. What it failed to say, as you've heard mentioned already, is the last 75 feet of the 175 feet gains nothing but additional encroachment on the lake for no functional purpose. The lake is flat over this entire distance as can be verified by Corps of Engineers maps or simply by walking along the bottom now that the lake is low.

Staff commented that under the heading of scenic quality that TRPA Design Review Committee says a
cumulative scenic impact will not result from this project because the homes are located on the bluff, bluff top lots.

However, I submit the more important issue is what is the scenic impact to the users of this natural sandy beach. This beach is used daily in the summer months by many family members of the adjoining lot owners such as ours.

It will completely destroy the present beauty of the lake. All you need to do is go see for yourselves and the photo illustrates this, I suggest.

Any recreational boat user could protect this natural resource by using a boat bouy and a small boat from the beach as we have done for decades. I can only speculate that the reason non-boat users, they have never had a boat at the lake, want a pier, is to enhance the rental or sale value of the property.

I mentioned the process has been flawed and went through a list of comments, and you also heard that the project description describes continued placement of two mooring bouys anchored on the bed of the lake, and you heard staff's response, I guess it was, that they would have to conform to this. I just suggest this is an example of how the agent for this proposed pier has done his best to get the pier approval through without
stating truthful facts.

Thank you for the opportunity to express these concerns. I urge you to deny this project.

ACTING CHAIRMAN TUCKER: Okay, any questions?

ACTING COMMISSIONER GOLDSTENE: I have a question, maybe directed to staff. Our role as State Lands Commission is just to approve the use of the land. We wouldn't be giving final approval, right? Our approval is needed as a condition of the TRPA approval?

EXECUTIVE OFFICER WARREN: We're a permitting agency. There is only one other permit outstanding as I recall, and that's the U.S. Army Corp of Engineers. The Nevada County has approved it, TRPA has approved, Fish and Game has approved.

We will, our recommendation is that the conditions imposed on the TRPA permit be met before our permit as well.

ACTING COMMISSIONER GOLDSTENE: What about the noise issue? Is that, the residents in the area are concerned that the new pier would allow motor boats to be used or?

MS. SEKELSKY: Yeah, the concern seems to be that if there's an additional pier there will be additional motor vessels in that area. Since it's a private pier and it is for the use of the users of the
upland cabin, it does not seem that it would generate much additional boat traffic.

EXECUTIVE OFFICER WARREN: If I may, Mr. Chairman. There is one bit of information that has come to light in this testimony that you might want to explore with the representative of the applicant, Jan Briscow, who is here and available to address you. And it concerns a matter about which the commission staff has attempted to get more information, and that is whether or not this pier would be used as part of a private, residential use which is the language of the statute permitting these piers.

The information that perhaps the home, or the residence, and this pier which would be appurtenant to that, are being or may be used for purposes other than single family residential, others of a commercial nature seem might want to be explored. I'm not quite sure if that makes a difference or not, quite frankly, but I would like to know (a) is that true, and (b) what legal effect that might have.

ACTING CHAIRMAN TUCKER: Okay, thank you.

Jan Briscow.

MS. BRISCOW: Good morning, my name is Jan Briscow. I'm the agent representing the Villacanas.

ACTING CHAIRMAN TUCKER: Would you like to
answer the question?

MS. BRISCOW: It is my understanding from talking with Mrs. Villacana, that the last ten years the property has been loaned to two family friends on occasion during the summer months only, that the property is not used as a rental, it is not advertised for rent.

ACTING CHAIRMAN TUCKER: Was there, were there any other points you wanted to respond to?

MS. BRISCOW: Well there are several points that were not consistent with the project as it was purported by the dissenting parties.

If you have any questions specifically of the project I'm happy to answer them.

ACTING CHAIRMAN TUCKER: Do you have any questions?

ACTING COMMISSIONER BULFON: No.

ACTING CHAIRMAN TUCKER: No, thank you. Does anybody else wish to be heard on this?

MR. PICKETT: Could I ask a question?

ACTING CHAIRMAN TUCKER: Ask a question of whom?

MR. PICKETT: Of the room, I guess. If --

ACTING CHAIRMAN TUCKER: Why don't you come up here so the reporter can take your statement down.
MR. PICKETT: What kind of proof would you like to have regarding the rental? In other words, if you can call —

ACTING CHAIRMAN TUCKER: I don't think it has much relevance.

MR. PICKETT: Okay, that's why we didn't try harder to bring more proof, but we didn't have time.

Thank you.

ACTING CHAIRMAN TUCKER: Okay. Just for the information of the people who spoke on this item so that you can understand a little better the role of the Commission.

You have to understand that we're trying to and of course required to follow legal standards. We can't substitute our judgment for that of a property owner as to how they can best use their property. Or how they would "e to use it. We can only follow those legal guidelines that we've been given.

And you also have to understand that we hear from property owners who feel that nobody should be on the beaches, that there should not be any public access.

We hear from property owners who feel that they should be allowed to do anything they want with their property.
We hear from property owners who want to build a two-story house in front of somebody else, and argue that they're entitled to do that.

We hear from the people behind who argue that they should be able to keep the people in front of them from doing those kinds of things, etcetera, etcetera.

We're dealing with a situation in which there are obviously competing interests, competing uses. And all we can do is follow the law as set out that indicates which factors we can take into consideration and really which we cannot.

It's ironic that today the United States Supreme Court, in hearing the Lucas case, may decide that we cannot take any of these factors into consideration and that a property owner's entitled to do anything they want with their property unless the state wants to pay them for it.

So there is a balancing process here. We can't substitute our judgment as to how a property owner can use their property except to the extent that there are limitations placed on that use by law.

Based on that and based on the fact that the staff was engaged in a pretty extensive evaluation of this project, it seems to me that the Commission doesn't have any choice other than to approve with the
conditions that have been indicated on the application.

And I would so move.

ACTING COMMISSIONER BURTON: I concur.

ACTING CHAIRMAN TUCKER: It is moved and seconded. The item is approved with the conditions indicated by staff.

Thank you.

Okay, Item 24.

MS. SEKELSKY: Yes, Item 24 concerns an application for a recreational pier lease at Donner Lake.

Staff has received two comments expressing concerns about this particular facility. One is from a local park district which is concerned regarding the safety of swimmers in a nearby swim area which is adjacent to a local park.

The pier appears to be approximately 200 feet or more from the designated swim area. We don't think that that represents an undue hazard to the swimmers.

We've also received a letter of concern from Mr. Harold Christian who was concerns over the private use of the pier which might interfere with public access to the state lands.

This lease, if approved, would provide that there be public access along the shore between the high...
and low water marks. And that is required in all of our
recreational pier leases.

ACTING CHAIRMAN TUCKER: Okay, any questions?
Anybody that wants to be heard in opposition
to this item?

We received several slips but everyone
indicated that they only wanted to speak if there were
any questions. I don't believe there are any.

ACTING COMMISSIONER BURTON: I have a
question. Is this the one where the park district has
expressed opposition?

ACTING CHAIRMAN TUCKER: Yeah.

MS. SEKELSKY: Yes, that's correct.

ACTING COMMISSIONER BURTON: What's happening
with that?

MS. SEKELSKY: Well their concern was with
regard to the swim area that they operate which is
approximately 200 feet away from this particular pier.

ACTING COMMISSIONER BURTON: Okay.

ACTING COMMISSIONER GOLDSTENE: And they want
to build two piers?

MS. SEKELSKY: No, one pier.

ACTING COMMISSIONER GOLDSTENE: Just one pier.

MS. SEKELSKY: There's just one pier being
proposed at this time.
ACTING COMMISSIONER GOLDSTENE: Which is what
the recreational district is objecting to?

MS. SEKELSKY: No. Yes. Yes, the
recreational district is objecting to the owner's
application to build one pier, yes.

ACTING COMMISSIONER GOLDSTENE: Okay.

ACTING CHAIRMAN TUCKER: Okay.

ACTING COMMISSIONER BURTON: What sort of
local review did this have?

MS. SEKELSKY: This has been, the local
permits involved in this case, Department of Fish and
Game, the regional office, and as well as the
headquarters have approved this. They have their
streambed alteration permit and they're ready to go.

ACTING CHAIRMAN TUCKER: Okay. All right.

That item is approved.

Item 25.

MS. SEKELSKY: Item 25 concerns an application
for a 30-berth boat storage marina in the Sacramento
River near Walnut Grove.

You may recall that this item was before you
approximately a year ago. And at that time Fish and
Game staff objected to the proposed project because of
potential interference with recreational fishing in the
area. Testimony at that time indicated that while the
project site itself is not within a prime fishing area, it is a site within which fishermen trolling downstream come up into this area, turn around, and go back downstream.

We've done a lot of analysis on this. We've talked to the project applicants and tried to make some adjustments to take care of those concerns.

It appears that if the project were to build as designed and approved by the Corps, an open channel of well over 250 feet would exist between this facility and the facility that is across the river. It seems that that should be sufficient for turning for vessels that are trolling in that area.

In addition, the project proponents have agreed to provide a public fishing platform at the end of their facility, and a space for transient public berthing for access by boaters to shoreside facilities. The calendar item describes these features in more detail. And staff feels that under these conditions and given the demand for boat storage such as is proposed here, all the issues that have been raised have been adequately addressed.

ACTING CHAIRMAN TUCKER: Okay, thank you.

ACTING COMMISSIONER BURTON: No problem.

ACTING CHAIRMAN TUCKER: Okay, that item's
approved.

ACTING COMMISSIONER BURTON: These were items that were on the consent calendar?

ACTING CHAIRMAN TUCKER: No.

MS. SEKELSKY: No, just the first one.

ACTING COMMISSIONER BURTON: Oh, okay.

MS. SEKELSKY: Just the first one.

EXECUTIVE OFFICER WARREN: The next item, Mr. Chairman, Item number 26 and the remaining items, will be presented by Paul Mount, the Chief of our Mineral Resources Management Division.

MR. MOUNT: Item number 26. The item is to approve the Long Beach Unit Program Plan. The plan being from January '92 to June of '96, otherwise known as the five-year plan. Also approve the Long Beach Unit Annual Plan from January '92 to June of 1992. And the Long Beach Unit Annual Plan from July 1st, 1992 to June 30th, 1993.

This has been approved by the Long Beach City Council. This will be the first program plan and annual plan under the optimized water flood that has been caused by the agreement with Arco and the City of Long Beach to complete and optimize water flood in Long Beach.

We have Mr. Nargard here today with us, Vice
President of Arco Oil and Gas for Western area, and also
Mr. Frank Brown, from, he's the President of THUMS, Long
Beach.

EXECUTIVE OFFICER WARREN: And Zen Colosses,
representing the City of Long Beach.

And I might say, Mr. Chairman and
Commissioners, we've had frequent and recent meetings
with all those representatives. We are very pleased
with this first five-year plan. Not only with the plan
but the process that has been established for its
implementation.

For the first time in my rather admittedly
limited experience, I sense that all participants are
working cooperatively, professionally, and congenially,
and I think in a manner which will be of considerable
benefit to the state during the five-year period.

ACTING CHAIRMAN TUCKER: Okay, any questions?

ACTING COMMISSIONER BURTON: That's amazing.

ACTING CHAIRMAN TUCKER: I understand this is
an indication of their committment to this plan that all
the staff is willing to tie their salary to its success.

EXECUTIVE OFFICER WARREN: We can talk about
the percentage, yes.

ACTING CHAIRMAN TUCKER: Let's start
negotiating.
I wanted to just take a moment to salute Paul Nargard who's here today. Paul is retiring from his position. He was on the other side of these lengthy negotiations that our staff was involved in, and I think because of Paul's patience and expertise, the long process was a fruitful one. I wanted to thank him for all of his help because I think he made this agreement possible.

I'm also really happy that both Paul Mount and Zen Colosses have come to agreement on a plan. I think that's a good indication of an important positive relationship for the future, because we're going to all have to work together in order to make this field profitable. And we have outstanding people on our staff and we have outstanding people at the City of Long Beach. And I think that if all of those people are working together, it looks like they will be, that we should have the best shot possible of making this field more productive and helping out the State of California.

So thanks to all of you, and I think this is a propitious beginning.

Okay, Item 27.

MR. MOUNT: Okay, Item 27. Approve a geothermal resources lease with Magma Power Company.

It's approximately 80 acres subsurface only,
and to be drilled directionally from other leases off, surrounding that.

ACTING CHAIRMAN TUCKER: Okay, any questions?

EXECUTIVE OFFICER WARREN: Mr. Chairman, before you take a vote on that, I'd like to make a disclaimer. I have a reported 300 shares of Magma Power. I've reported that to staff.

I did not participate in any of the deliberations concerning this item. I want to make that fact known to you and to the record.

ACTING CHAIRMAN TUCKER: How's it doing?

EXECUTIVE OFFICER WARREN: Very well.

ACTING CHAIRMAN TUCKER: So you recommend it?

(Laughter.)

ACTING COMMISSIONER BURTON: He can't do that.

ACTING CHAIRMAN TUCKER: He can kind of nod though.

(Laughter.)

That item's approved.

Item 28.

MR. MOUNT: Item 28. Approve the subletting and amendment for extension of lease term and exchange of lands to implement a bioremediation plan to limit the dust pollution on Owens Lake, State mineral extraction lease to the Lake Minerals Corporation.
ACTING CHAIRMAN TUCKER: Okay, any questions? Okay, that item's approved. Is that it?

EXECUTIVE OFFICER WARREN: That concludes the regular calendar, Mr. Chairman. We have a short executive session following.

ACTING CHAIRMAN TUCKER: Okay, thank you very much.

Thereupon the March 2, 1992 meeting of the State Lands Commission was concluded at 11:48 a.m.).
CERTIFICATE OF CERTIFIED SHORTHAND REPORTER

I, DORIS M. BAILEY, a Certified Shorthand Reporter and Registered Professional Reporter, in and for the State of California, do hereby certify that I am a disinterested person herein; that I reported the foregoing hearing 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 proceedings, nor in any way interested in the outcome of said proceedings.

IN WITNESS WHEREOF, I have hereunto set my hand as a Certified Shorthand Reporter on the 30th day of March, 1992.

Doris M. Bailey, CSR, RPR
Certified Shorthand Reporter
License Number 8751