APPEARANCES:

COMMISSION MEMBERS PRESENT:

GRAY DAVIS
Lieutenant Governor
Chairman

TAL FINNEY
For Kathleen Connell
State Controller

THERESA PARKER
For Craig L. Brown
Director of Finance

STAFF PRESENT:

ROBERT C. HIGHT, Executive Officer

JACK RUMP, Chief Counsel

MICHAEL VALENTINE, Senior Staff Counsel

GARY GREGORY, Chief, Marine Facilities Division

SHARON SHAW, Administrative Assistant II

OFFICE OF THE ATTORNEY GENERAL:

RICHARD M. FRANK, Senior Assistant Attorney General

PUBLIC SPEAKERS:

RALPH APPY, Port of Los Angeles
MR. DAVIS: I call this meeting of the State Lands Commission to order. And the secretary will note the presence of a quorum.

THE SECRETARY: Controller Deputy Finney.

MR. FINNEY: Here.

MR. DAVIS: All right. Mr. Hight.

MR. HIGHT: Yes, Mr. Chairman. We have item C55; C89; C64 and C26 removed from the consent calendar and will be heard at a future date. We have received one letter in regard to C79 which I'll let Rick Frank briefly summarize and then we can take up the consent calendar.

MS. PARKER: Can we do the minutes, Mr. Hight?

MR. HIGHT: Yes. Would you like to approve the minutes first?

MR. DAVIS: All right. Minutes are unanimously approved.

MR. HIGHT: And also before we get to that, we are honored today to have Rick Frank who is the new Assistant Attorney General in charge of the land law section of the Attorney General's office.
He has replaced Jan Stevens who retired May 1st.

MR. FRANK: Thank you. I'm glad to be here, Mr. Chairman and members. I just wanted to assure you that it is my hope and attempt to provide the Commission and its staff with the same high level of legal representation that Jan Stevens did under his leadership over the last several years.

As to the letter that was received by the Commission, this relates to the proposed settlement agreement with respect to the El Dorado Improvement Corporation litigation. The letter does not take issue with the proposed settlement that will be before you later this afternoon, but only asks that due consideration be given to the proposed mitigation projects that the Tahoe Meadows Group would like to see the settlement funds devoted to.

In our view it would be inappropriate to make any direct commitment of those funds to this or any other project at this time and we don't understand the letter as requesting that. The Commission will make that decision as to how those settlement funds should be used assuming the Commission approves that settlement only after consultation with respect to other Tahoe based organizations the necessary environmental review and
public notice and opportunity be heard by affected members of the public.

Thank you.

MR. HIGHT: With that, the consent calendar will be ready for your action.

MR. DAVIS: Anyone here object to the consent calendar? Do we have a motion?

MR. HIGHT: Motion.

MR. FINNEY: Motion to the consent.

MR. DAVIS: Motion is unanimously approved.

MS. PARKER: I would just like to represent that the staff recommendation that it will not include the language that has been requested of the letter forwarded to us today.

MR. HIGHT: That's correct.

MR. DAVIS: I think that's acceptable to the Commission. Is everyone in favor of the consent calendar?

MS. PARKER: Yes.

MR. DAVIS: That's unanimous.

Next item.

MR. HIGHT: The next item, Mr. Chairman, is Item 92 which is the authorization for a 49-year lease to the Department of Fish and
Game for some 600 acres at Batiquitos Lagoon.

In 1987 the legislature, through special legislation, authorized the Port of Los Angeles, the Commission and the City of Carlsbad to restore Batiquitos Lagoon.

We have with us today Dr. Ralph Appy of the Port of Los Angeles who will make a very brief presentation on the Batiquitos Lagoon project and show us some slides about its restoration.

DR. APPY: Commissioners, thank you very much for this opportunity. I'm Ralph Appy. I'm with the Port of Los Angeles. I work in the Environmental Management division, and I've been working on this project ever since the time when I had hair. It's been a very lengthy process; maybe I'll go directly to some slides.

In 1987 the State Lands Commission along with five or so other state, federal and local agencies entered into an agreement to restore towards the restoration of Batiquitos Lagoon. Here we are 10 years later and having just newly completed that project. This project was intended as mitigation for fills for carbon tunnels in the outer Los Angeles Harbor and it's a very precedent setting agreement. I think it's done United States all very well.
This approval today is one of those key milestones in this project; it has to do with turning over the lagoon to the Department of Fish and Game to maintain it as an ecological reserve for perpetuity.

Batiquitos Lagoon is in Northern San Diego County, 600 acres. Since the time of European settlement, it's been the subject of a lot of sedimentation from agricultural practices, building of roads across the lagoon. As a result of the once fully tidal system, it has been cut off from the ocean, filled with sediment, and doesn't function for marine habitat at all. It has value for a lot of shorebirds and water fowl in its existing condition.

The restoration plan was to dredge the sediments out onto the lagoon, build those white areas which are nesting sites for a couple of endangered species, the California Least Tern and the Snowy Plover, to build an inlet at the entrance to it so that it maintains a connection to the ocean.

This is also going to be fully tidal so what you're looking at here is a rendition of it at full side.

When the tide goes out it leaves a lot of mudflat available for shorebirds, as you can see kind of a narrow channel going up into the eastern
part of the lagoon.

In 1993 we began the first part of construction on this nesting site on the very western end of the lagoon. Immediately upon construction we had tremendous success in nestings with the California Least Terns. They went from a very few numbers to over 85 nests on that one little piece of property right there.

This is what the Least Tern looks like. It nests on the ground in shallow depressions in the sand and those are some Least Tern chicks. And I think we have some models here we can show you a little bit later for you to look at.

The lagoon was entirely dredged with these -- this type of equipment here, there were actually three dredges used in the lagoon at one time, they're electric dredges, a couple of them are from San Diego Gas and Electric that they use, and they were specially equipped to allow the contouring of the lagoon. This is quite a technological feat, actually, to develop the very flat slopes in the lagoon that they did.

Part of the project was to take the sediment and put it someplace, and we put over 1.5 million cubic yards of clean white sand on Carlsbad
beaches. Presently -- or before this time they were
largely cobble beaches, and so the sand then provides
a great recreation source for the City of Carlsbad.

This is an aerial photo showing the
jetty construction at the mouth of the lagoon. At
this point it was closed, but you can see the small
jetties being constructed. They are designed not to
go too far into the ocean so it doesn't affect the
transport of sand up and down the coast. You can see
in the bottom the nesting site there that I talked
about earlier.

This is an aerial photo last summer of
the actual -- the way the lagoon looks nearing
completion of construction. The only thing that
wasn't done here was this basin closest to us, the
west basin.

This final set of slides is kind of a
momentous sort of thing. A bunch of us who have been
involved in the project for the last eight or ten
years all sat down on the bridge on the date of the
opening of the lagoon and so the next series of
slides have only been seen by you and maybe about 20
other people that were there present on that day.
This is the actual final opening of the lagoon. It's
been opened before for brief moments and then closed
up immediately, but this is hopefully the final time
in maybe the last 50 years this lagoon's been closed
that we're now opening it.

So to kind of give you an idea, this
guy on this backhoe has started to open it and then
is backpedaling pretty quickly here as the lagoon
started to open to the ocean.

And then that's the last shot showing
the water flowing out.

Perhaps one of the most important parts
of the lagoon is not just the restoration of it but
the proof is in the pudding. And I have some
information here to give you that has some
information in it that talks a little bit about the
success we are seeing already.

The two endangered species that we have
in there have -- we had over 200 nesting pairs of
Least Terns in the lagoon last year, over 35 Snowy
Plovers which is up from maybe three before we
started. We have just started a long-term monitoring
plan, a 10-year plan and our first surveys came in,
the shorebirds and water fowl are in this winter at
least as high levels as previous to the project and
we're starting to get a lot of recruitment of the
marine resources. In fact, the California Halibut
has started to show up in large numbers, and that's one of our key species that we're trying to restore the lagoon for.

So I appreciate this opportunity and thank you very much. And are there any questions?

MR. DAVIS: Yes. This took about 10 years, this process from start to finish?

MR. APPY: The process did, yes.

MR. DAVIS: And the restoration process started in '93?

MR. APPY: Actually 1994. It took us three years and part of the reason for the length of time, probably could have done it in a year and a half or so, but with the endangered species nesting in there we had to stop the construction during the summer and also there are restrictions on putting sand on the beach, you can't do that during the summer when it's being used. So those things added to the length of time required to actually do the physical restoration.

And the cost of the project is about $60 million of entitled harbor revenue monies. And 8.5 million of that will shortly go into a maintenance account that Fish and Game is going to use to maintain the lagoon, another 1.8 into the
long-term monitoring program.

MR. DAVIS: Entitlement revenues as opposed to port funds?

MR. APPY: Excuse me, port funds -- harbor revenue funds.

MR. DAVIS: It seems like a very impressive project.

MR. APPY: Thank you.

MR. DAVIS: You should feel good about it. Let me ask my colleagues on the floor if they have any brief comments.

MS. PARKER: Well, actually I appreciate the response because I just wanted to make sure that there was adequate funding for short-term and long-term projects given the significant activities to date.

MR. APPY: Actually, it's a very clever funding mechanism. It was set up after the agreement was done. It actually has two accounts: First account takes through 30 years, another account waits and accrues interest until after 30 years and then that is looked at and put into the maintenance account. So it's really kind of a perpetuity sort of maintenance account.

MR. FINNEY: I have no questions. I
just wanted to say that I've been down there, it's beautiful and it's exciting.

MR. DAVIS: Good job.

MR. APPY: Thank you.

You were probably afraid I was going to show you all these slides; right?

MR. FINNEY: Very well.

If there isn't any more discussion, I would make a motion to approve the project.

MR. DAVIS: Is there anyone here who is opposed to this item?

Hearing none, do I have a motion to approve?

MS. PARKER: I move the motion.

MR. FINNEY: I second it.

MR. DAVIS: That makes it unanimous.

Again, I want to commend the Port of Los Angeles and the many public agencies that work to produce an excellent public policy result and to enhance the environment of that area. I've not been -- I've been by that many times, but hopefully I'll have a chance to stop and visit.

MR. HIGHT: We'll arrange a personal tour. And I would like to thank Curtis Fossum of the commission staff who has spent years in the trenches.
working on this, and the port has a small present for you.

MR. APPY: Little explanation, those are actual decoys we set on the nesting sites to attract the birds to nest there, and those are exact specifications of the bird and what they look like.

MR. FINNEY: All we need now are some chicks.

MR. DAVIS: Thank you.

MR. HIGHT: Next item, Mr. Chairman, is Item No. 93. And this is a settlement in the longstanding Mono Lake water issue. Mike Valentine, senior staff counsel from the Commission will make a brief presentation on that item.

MR. VALENTINE: Good morning, Mr. Chairman, Commissioners, good afternoon.

This is an effort to settle 18 years in litigation between the Department of Water and Power of the City of Los Angeles, several state agencies including the State Lands Commission and several environmental groups including the National Audubon Society, the Mono Lake Committee and California Trout.

The Water Board, State Water Board in 1994 issued orders to the Department of Water and
Power on stream flows and lake levels, and at that time also ordered the Department to develop plans for the restoration of water fowl habitat and stream habitat. I know streams have been degraded as a result of their diversion plan.

The Department of Water and Power has presented to the board both a stream restoration plan and a water fowl restoration plan, and the Board has considered -- several months ago has convened hearings to hear objections to those plans which were made by many parties including the State Lands Commission by and through its staff.

MR. DAVIS: Could you pause for just a second. I think we're -- I want to pass a note to the stenographer.

MR. VALENTINE: I don't want to see myself misidentified.

MR. DAVIS: All right, you may resume.

MR. VALENTINE: The stream -- in the context of these proceedings the Department of Water and Power most of the other parties entered into intense prolonged and detailed negotiations with a view towards settlement.

Those negotiations have resulted in a settlement which we're recommending to you today.
The settlement would -- for in terms of water fowl would require the Department to pay the sum of $3.6 million to the Water Fowl Restoration Fund of which the Commission would be one member and that foundation would make decisions on what water fowl restoration plan to endorse and to pay for.

It also sets up a monitoring and restoration program.

Finally, it recognizes that a scientific panel has chosen Mill Creek Restoration as the second most valuable water fowl habitat program for Mono Lake.

But if the settlement is approved, what the Commission will be doing is authorizing the staff and the other agents to proceed to analyze that program pursuant to the California Environmental Quality Act. And at such time as we're ready for on the ground implementation, you will be again requested to either approve or disapprove that implementation.

The settlement is -- has been endorsed by the Resources Agency, the National Audobon Society, the Mono Lake Committee and the United States Forest Service as well as the Department of Parks and Recreation and California Trout.
I would be happy to answer any questions which you may have. You have some cards from speakers who I believe are here to support the settlement and which -- and who would be available also to answer questions.

MR. DAVIS: Well, we have Francis Weber is here, Robert Komifky.

MR. HIGHT: No, he's not -- that was 75.

MR. DAVIS: Pardon me?

MR. HIGHT: That was 75.

MR. DAVIS: Oh, okay.

Let me see if there's anyone else on this item.

UNIDENTIFIED SPEAKER: Mr. Jerry Garvey from the Department of Water and Power is also here.

MR. DAVIS: All right. Those are the two.

Francis, are there comments you would like to make to the Commission or do you just want to answer questions?

MS. WEBBER: Just questions.

MR. DAVIS: All right.

First let me ask you this: Is there anyone in opposition to this project who is here or
who has written the Commission?

MR. HIGHT: We have received no written communication in opposition, Mr. Chairman.

MR. DAVIS: There doesn't appear to be anyone here.

Based on the description of the efforts to resolve this dispute, I think it's remarkable to get some of the agencies in agreement on the matter effecting Mono Lake. So I don't have any questions.

Terry, do you have one?

MS. PARKER: No. I think the opportunity to resolve a number of years of litigation and a number of parties, I just -- the only comment I would add in our letter from the resources agency they essentially told us that our support for the agreement would be influential in their board's decision on the water rights licenses and I would encourage upon our action today that we in that sense use our action to influence them to act as quickly as they possibly can so we can move forward in implementing this settlement.

MR. HIGHT: We will make sure that they are well aware of your desires.

MR. DAVIS: Mr. Finney.

MR. FINNEY: I just want to point out
that given that we're not actually voting on the
implementation of the plan today if there are any
cconcerns, they can probably address it at that stage.

MR. DAVIS: There is a second bite of
the apple if any opposition materializes, but again,
I commend the Commission and the other agencies that
have tried for many years to bring closure to this
dispute in a mutually satisfactorily manner.

So do I hear a motion to approve the
item before us?

MR. FINNEY: Motion to approve.

MS. PARKER: Second.

MR. DAVIS: All right, that's
unanimously approved.

MR. HIGHT: The next item,
Mr. Chairman, is consideration of the adoption of
regulations addressing inspection, testing and
maintenance of pipelines at marine terminals, and
Gary Gregory is here from the -- he's chief of the
Marine Terminals Facility Division, and he will make
a brief presentation on this item.

MR. GREGORY: See if this all works.

Good afternoon, Mr. Chairman,
commissioners. It's a pleasure to be here this
afternoon. We are here asking you to consider
adoption of regulations governing inspection, testing
and maintenance of pipelines at marine terminals.

    I wanted to give you a brief overview
of the process and show you some pictures of the
things that we're talking about so you have an idea
of where we're going.

    You have the popular presentation title
slide, basically the process. The Lempert-Keene-
Seastrand Oil Spill Prevention Response Act of 1990
provides responsibility and authority to the
Commission to provide rules, regulations and
guidelines for marine oil terminals to ensure that
they are safe and pollution free, and that the
regulations are -- and rules are issued providing the
best achievable protection of the public health and
safety and the marine environment.

    There were some jurisdictional issues,
however, with this particular part of the act in that
it says marine oil terminals include all the
pipelines at marine oil terminals except those that
are under the jurisdiction of the California State
Fire Marshal.

    Well, that sounds simple, but it was
actually relatively difficult to get together with
the State Fire Marshal and determine who had
jurisdiction over what pieces of pipe out at marine oil terminal.

We had an MOU with the State Fire Marshal, it was completed in the early part of 1994. And under that MOU, representatives of the State Fire Marshal and the State Lands Commission Marine Facilities Division walked every pipeline at every marine oil terminal in the State of California along with a representative of the terminal to determine jurisdictional issues.

This was important in that many of these pipelines are not regulated, the State Lands Commission asserted some jurisdiction over some pipelines based upon leasing practices, and the State Fire Marshal asserted jurisdiction in some cases simply because they felt that they needed to assert jurisdiction to ensure this pipeline was safe.

We did for the marine oil operators determine jurisdiction for them and got them out of some confusing issues that existed up to that point.

As a result, we created documents with the State Fire Marshal and with the terminal operators that laid out this delineation of jurisdiction. The division chief for the hazardous materials pipeline and the State Fire Marshal and I
signed an agreement in 1996 which finished up that portion of the project.

The MOU also required us to, in fact, write regulations that would ensure best achievable protection of the public health and safety and the marine environment.

In writing those regulations we did our common practice of developing a technical advisory group which was composed of industry, government, environmental groups, academics, engineers, to put together regulations that would both be effective and would be efficient in terms of cost to benefit, and to make sure that we would achieve what we were trying to achieve.

Also in this particular issue we worked very closely with the Western States Petroleum Association and the California Coalition of Independent Refineries and terminal operators to ensure that we've covered issues adequately.

We were looking at, in fact, what we call leak protection issues and found that there was another world of preventive maintenance and issues that we needed to take a good look at. And with WSPA and CCIRT we were able to develop the regulations, I think, in a more full manner that provided for
effective implementation and again cost efficient.

Basically, we are providing requirements that are consistent with existing requirements, that is, the pipeline testing requirements that exist in Title 49 of the Code of Federal Regulations. The federal requirements, our testing is consistent with that although somewhat different because of the nature of our pipelines. But they are consistent.

We also use industry standards. We have a list of seven or eight industry standards, API standards for the maintenance of pipelines, for the testing of pipelines, for the certification of personnel that are doing that testing, witnessing that testing and certifying the pipelines.

So we haven't created new, wild and strange entities, but we've pulled together entities that exist out there, requirements that are recommended practices that exist and brought them under this umbrella for these marine terminals in the state of California.

What do they look like? Well, marine terminals in the state of California are tremendously varied. This is one of the newest and one of the largest in the state of California, this is Arco's
first 121 in L.A./Long Beach, Long Beach Harbor in fact. Pipelines here, some of them are greater than 36 inches in diameter, a large number of pipelines. You can see that ship in the background, 1,000 feet long, moves a lot of oil. Very modern, very new facility, an excellent facility.

These pipelines are at Texaco's facility in Long Beach, an older terminal, a terminal built in the '50s; nonetheless, a very efficient and effective terminal. But you can see the large number of pipelines here are various and sundry diameters.

All of these pipelines that have petroleum products moving through them would be required to be tested under these requirements. There is only a very loose federal requirement today for any sort of testing and looking at those pipelines and this will provide a much greater level of safety at those terminals.

This is another berth in Long Beach where you can see some of this has a very long piping run inside the terminal itself. Just on the other side of the wall there, the berm, you can see tank farms, that's outside the jurisdiction of the State Lands Commission. There's a large number of pipelines in there also. You can see quite a few
pipelines here moving different directions, fairly complicated affair.

This is a facility that we're fairly familiar with in that Kevin Mercer, the System Division Chief for the Marine Facilities Division ran this marine terminal for six years. And while it isn't quite clear from this slide, there are a number of pipelines running under the pier and a number of pipelines running above the pier, sort of a hybrid situation. We are much concerned about these pipelines that are under the dock in that any leak goes directly into the marine waters for the state of California.

And some of the terminals are a lot smaller and a lot simpler, and this is an example of what you see at some of the very small marine oil terminals that are dealing with barges and bunkering operations.

And up in Northern California we see this type of facility where we have long stretches of pipeline, and this is relatively short, but you have stretches of pipeline over the water leading out to the vessel out in the stream, this is up in the Cartinas Striates, we've a large number of facilities that look a lot like this with unprotected pipelines
over marine waters.

Very briefly, there are three issues that were of note here. We classify pipelines in two ways, one is Class I and Class II. Class II pipelines are those that are over marine waters that are not protected or those pipelines that have had more than two leaks in the last three years. If you are a Class II pipeline, you have some differences in terms of testing and preventive maintenance.

If you don't fall into that category, you're a Class I and you have a somewhat easier testing and maintenance regime.

Leak protection: At one point we were looking at possibly requiring leak detection in all of these pipelines, a rather tough issue. We did discover that if you looked at the preventive maintenance systems that were out there that were recommended practices, you could be as successful as having a physical leak detection system, a sophisticated electronic system. So we're, in fact, providing the marine terminals the opportunities to either install a leak protection system or to go with the full-blown maintenance program or a hybrid of the two.

And the third was the tester
certification. There are people who are certified to
test marine oil terminal pipelines. There are
certain proceeds and practices they must follow,
certain calculations that need to be made. There are
unfortunately a half a dozen different ways that you
can be trained and certified to be one of these. And
at one point we were looking at requirements that we
found out would take about half the people in the
state of California and make them ineligible to do
the job that they were doing for the last 20 years.
Obviously not what we had intended.

We have, in fact, developed state
regulations that have tester certification criteria
which would allow people that are successfully doing
this job to continue to do it and would bring in
people that are certified by the California State
Fire Marshal also as certified testers.

Those are the three main issues that we
had worked out particularly with the industry and
with the Western States Petroleum Association, and
that actually concludes my brief presentation, and I
would be happy to answer any questions that you might have.

MR. DAVIS: Well, the issue before us
is the adoption of this calendar item which would be
the adoption of the regulations to send them onto OAL and industry, and everybody supports these regulations.

Have we any participation from either environmental groups or homeowner groups or anyone else?

UNIDENTIFIED SPEAKER: I'm sorry, I don't have the numbers right in front of me. We received a large number of comments, however, primarily from the industry. Our technical advisory group has put together, we requested involvement of environmental groups, so they were involved for the first few months and then dropped out of the process, it became highly technical. I think they believed that what they wanted to accomplish was being accomplished by these requirements.

MR. DAVIS: But we have no opposition to adopt these regulations?

MR. HIGHT: No.

MS. PARKER: Were they to be contacted at the end to see whether or not they wanted to make any comment on it?

MR. GREGORY: Only indirectly in that throughout the process members who had been involved in the technical advisory group received copies of
drafts as they were developed and we've been through the public comment review process, two occasions made some minor modifications and went through a second review process.

MR. DAVIS: For those of you new to the Commission, I know that the Controller was not in office then and I don't know, Terry, if you were covering the Commission for Finance in those days, but the Lempert-Keene Bill was actually sponsored by the State Lands Commission. The initial draft of it was prepared by then Lieutenant Governor Davis in my then capacity as Controller. It was adopted in 1990 and signed into law. So it's nice to see things coming full circle here seven years later.

MR. GREGORY: We're working hard. It's taking us a bit longer than we thought on some of these issues. We have these issues and others yet to come.

MR. DAVIS: Good. Well, if there's no opposition -- one other comment, I gather from the presentation that these regulations are significantly more stringent than federal regulations on this issue.

MR. HIGHT: Yes. That's correct.

MR. GREGORY: Correct.
MR. DAVIS: And in most areas is there concurrent jurisdiction? In other words, do both the federal government and the state government have concurrent jurisdiction over these pipelines?

MR. GREGORY: In most places they are not addressed. They are not regulated other than the very brief coast harbor requirement that these pipelines be pressure tested once a year. Other than that, in most situations there's no regulation of these pipelines whatsoever.

MR. DAVIS: Again, I think that's a significant contribution to public policy and safety and want to commend the commission staff for taking the lead on this. Any comments from the members?

MR. FINNEY: Yeah. I had a chance to look at the summary of the proposed regulations. I was just wondering, I know we've come a long way but how about -- you pointed out a number of pictures where the pipe was exposed over the water still, is that something you're working towards dealing with as well?

MR. GREGORY: Well, it's a very difficult situation. We're looking at structural standards for marine oil terminals, seismic standards and how do we deal with this issue. Most of the
terminals in the state of California are built that way with the pipeline exposed hanging over the water. And the cost to retrofit would be excessive. We need to look at things such as leak detection, such as good preventive maintenance programs first, if we find that that doesn't work, we may have to work further.

We are looking at building structural requirements for new oil terminals, and the Port of Los Angeles will be building some new terminals as they go through their redevelopment process.

There are a number proposed for Northern California. We hope that we can avoid that sort of situation.

MR. FINNEY: I notice that was one of the aspects of regulation was design construction criteria for the new pipelines.

MS. PARKER: This is consistent since Tal and I were both not here, it's consistent with the intent when this was adopted by the Commission in 1990 from the standpoint of a program to design this program.

MR. HIGHT: Yes, that's correct.

MS. PARKER: It's always nice when you actually have the history from the point in time when
something was initiated to see its actual -- the
culmination of it being implemented. Not all of us
have the longevity.

MR. DAVIS: Good or bad. And again,
this all grew out of the oil spill at Huntington
Beach that was the genesis for the passage of it
not the Lempert-Keene oil spill prevention
legislation which was the underlying statute that
gave us the authority to bring about these
regulations.

MS. PARKER: Are there similar
preventions that are in other states that have the
oil activity? I mean, for example, Alaska, are we
sort of pioneering again in California in terms of
more comprehensive programing?

MR. GREGORY: If I might make a pitch,
we are the only state agency that I am aware of, with
the exception of one agency and the state of
Washington, that deals with prevention issues
exclusively. And to my knowledge, there are no other
states that are dealing with prevention issues of
marine oil terminals such as this. However, I can
say that we talked to them a lot and we provide lots
of drafts and lots of copies of material to several
coastal states that are looking at adopting programs
similar to ours. I do believe we are breaking ground here.

MS. PARKER: That's great. If you're looking for a motion, I would move to adopt that recommendation and break ground on this program.

MR. FINNEY: I second the motion, Mr. Chairman.

MR. DAVIS: I support it as well, so it's unanimously adopted.

MR. GREGORY: Thank you.

MR. DAVIS: Again, significant work. I mean, I just think this year alone with the Bolsa Chica resolution of that dispute which involved a host of state and federal agencies, Batiquitos Lagoon and here --

MS. PARKER: -- Mono Lake.

MR. DAVIS: -- Mono Lake. Pretty significant.

MR. HIGHT: That's all the items that come before the Commission today, Mr. Chairman. We would like to thank Mayor Pam O'Connor of the City of Santa Monica for arranging for the room and all of the hospitality that she's shown us.

MR. DAVIS: Thank you very much.

If there's no further business to come
before the meeting, this meeting stands adjourned.

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BARNEY, UNGERMANN & ASSOCIATES (818) 226-5900
STATE OF CALIFORNIA )
COUNTY OF LOS ANGELES ) ss.

I, Katherine Gale, CSR 9793, a Certified Shorthand Reporter in and for the State of California, do hereby certify:

That said proceedings was taken before me at the time and place named therein and was thereafter reduced to typewriting under my supervision; that this transcript contains a full, true and correct report of the proceedings which took place at the time and place set forth in the caption hereto as shown by my original stenographic notes.

I further certify that I have no interest in the event of the action.

EXECUTED this 3rd day of June, 1997.

[Signature]

Katherine Gale, CSR #9793