TRANSCRIPT OF
MEETING
of
STATE LANDS COMMISSION
SACRAMENTO, CALIFORNIA
APRIL 30, 1959
9:00 A.M.

***

PARTICIPANTS:

THE COMMISSION:

Messrs. Bert W. Levit, Director of Finance, Chairman
Glenn M. Anderson, Lieutenant Governor
Alan Cranston, Controller

STATE LANDS DIVISION:

Messrs. F. J. Hortig, Executive Officer
Fred Kreft, Assistant Executive Officer
Kenneth C. Smith, Public Lands Officer

OFFICE OF THE ATTORNEY GENERAL:

Mr. Leonard M. Friedman, Deputy Attorney General

and:

APPEARANCES AS FOLLOWS

IN THE ORDER OF APPEARANCE:

ASSEMBLYMAN BRUCE P. ALLEN

Re: Long Beach Boundary Determination

MR. HILLMAN A. HANSEN

In pro per, also re Long Beach Boundary

MR. DAVID ALLEN

Representing Charles T. Hofer

MR. GORDON TURNER

Representing Chandler Lloyd, Trustee - Csat Land
APPEARANCES IN ORDER OF THEIR APPEARANCE (continued)

MR. L. A. WHEELER
Representing Long Beach Harbor Department on credits

MR. HAROLD A. LINGLE
(District Attorney's office, Long Beach)
Re: Belmont Fish Market

MR. HARRY PON
In pro per, re: Advertising policy on large tracts

SENATOR RICHARD J. DOLWIG
Re: Descriptions of land grants and
Long Beach Boundary determination

MR. ROBERT J. WIRSING
Representing Senator Stanford C. Shaw

**********

Reporter:

Louise H. Lillico
Division of Administrative Procedure
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DIVISION OF ADMINISTRATIVE PROCEDURE, STATE OF CALIFORNIA
MR. LEVIT: The meeting of the Lands Commission will please come to order. We have for approval minutes of the meeting of March the 25th. Are there any corrections or additions? If not ....

MR. HORTIG: No staff corrections.

MR. LEVIT: If not, they will be approved as submitted. If I might depart from the agenda for just a minute, I would like to call attention of the Commission to the fact that two bills affecting the Lands Commission, Senate Bill 382 and Senate Bill 385, are on the Governor's desk for signature and they are both, I believe, departmental bills of the Commission; and unless there is objection, I propose to send to the Governor today letters, as Chairman of the Commission, recommending approval of the bills. The Commission has previously passed on the bills, I take it, and approved their submittal to the Legislature.

MR. HORTIG: The Commission authorized the introduction of these specific bills, these departmental bills.

MR. LEVIT: All right. If there is no objection I'll send these to the Governor. Would you give these to my secretary and ask that she send them down to the Governor?

(Handing letters to Mrs. McCrackin, State Lands Division secretary)

MR. HORTIG: I might mention these are a series of six now on the Governor's desk and the same six were authorized by the Commission previously. All have passed in the...
Legislature.

MR. LEVIT: The first item on the agenda is the matter of the Long Beach boundary determination. Chapter 2000 of the Statutes of 1957 is a very short chapter and has one section that reads as follows:

"The State Lands Commission shall determine the boundaries of the tide and submerged lands conveyed in trust to the City of Long Beach by Chapter 676, Statutes of 1911, Chapter 102, Statutes of 1925, and Chapter 158, Statutes of 1935. The commission shall survey, monument, and plat the boundaries of such lands.

The commission may bring any actions necessary to determine such boundaries, and for that purpose may employ special counsel.

The commission shall report to the Legislature not later than February 15, 1958, its progress in carrying out the purposes of this act."

and there follows a paragraph making an appropriation of $50,000 for the purpose of the act.

The Commission did report to the Legislature in February 1958 that the matter had been referred to the Attorney General and that it was under study. The Attorney General has been working on this problem and has employed private counsel to assist in the work, as permitted by the
and I would like to state at this time that preliminarily to reporting to the Commission, as will be done today and as has been done by letter, that I will read in a few moments, by the Attorney General — at the request of the Attorney General the members of the Commission have met on two occasions with the staff of the Attorney General and the Attorney General himself.

The purpose of these meetings was to consult with the Attorney General, that is for the Commissioners to consult with the Attorney General, in a matter involving an attorney-client relationship; and these meetings were not official meetings of the Commission in the sense that they were meetings at which any action was taken or should be taken by the Commission as such. They were merely a gathering of the Commissioners with the Attorney General at his request to discuss matters that had been developed by the Attorney General and which he wished to report on and advise on in a confidential way to the Commissioners.

The basis, of course, for such conferences was that since litigation may ensue in connection with these matters on which the Attorney General is working, that unless such meetings could be held, information would have to be made public that might be detrimental to the interests of the State because of the fact that the Attorney General as the attorney for the Commission has to make full disclosure to the members of the Commission.
Now, written reports -- complete written reports -- have been made by the private counsel employed, the firm of Orrick, Dahlquist, Herrington and Sutcliff of San Francisco. The Commissioners have received a copy of the report of that firm dated April 21, 1959 to the Attorney General, and the Attorney General has prepared and transmitted to each of the Commissioners a memorandum report setting forth the detailed investigation made and conclusions reached by the Attorney General under date of 24 April. These two reports were submitted to the Commissioners accompanied by a letter dated April 24th, which I will now read. This is a letter addressed to me and I believe copies of the letter were sent to the other Commissioners:

"Dear Mr. Levit:

At the direction of Attorney General Mosk we are enclosing herewith copies of the final report of the law firm of Orrick, Dahlquist, Herrington and Sutcliff and the staff evaluation of the Long Beach boundary problem prepared by the office of the Attorney General. It is imperative that these documents be kept confidential to preclude any prejudice to the interests of the State in future legal proceedings relating to these matters.

Very truly yours,

Stanley Mosk, Attorney General
by Jay L. Shavelson
Deputy Attorney General"
Now, on the same day the Attorney General wrote me a letter, as Chairman of the Commission, with copies to the other Commissioners, which reads as follows:

"Re: Long Beach Boundary Problem

Dear Mr. Levit:

Both prior to and pursuant to the terms of Chapter 2000, Statutes of 1957, thorough legal and factual studies have been conducted to determine the legal location of the boundaries of the tide and submerged lands granted in trust to the City of Long Beach and to determine the nature and extent of the State's rights by virtue of said trust to lands and interests in lands within the City.

Upon careful examination of the results of these studies we have concluded that the State has litigable rights against the City of Long Beach. In any event, if you so direct us we are ready to commence proceedings for the purpose of establishing these rights. We have determined that no action relating to this question should be commenced against any other persons at this time.

Very truly yours,

Stanley Mosk, Attorney General"

Now, when we met with the Attorney General -- I guess
it was about a week ago, we were informed that at this meeting today the Attorney General would report and I assume that the letter which I have just read, dated April 24th, constitutes the report of the Attorney General to the Commission. Of course, Mr. Friedman is here and if the Attorney General wishes to make any further report we will be very glad to hear it.

Anticipating that the report would be made, the staff noticed the matter for this meeting and a notice was made public, stating that under Chapter 2000 the State Lands Commission had consulted the Attorney General and that the Attorney General would report today; that in connection with the presentation of the report any parties interested in the subject matter of Chapter 2000 have been invited to appear to present their views to the Commission.

We think that this would probably be as good a time as any to ask whether the Attorney General wishes to make any report in amplification of or other than the report made in the letter of April 24, in which the recommendations were made.

MR. FRIEDMAN: No, Mr. Levit. The letter constitutes the report by the Attorney General and the members of the Commission as individuals have in their possession an extensive memorandum prepared by the staff of the Attorney General and by the private law firm, and that constitutes what we have submitted to date -- and that's the size of it.
MR. LEVIT: Now, pursuant to the public notice, does anyone present wish to address the Commission on this subject? We have received some communications on the subject and all of the Commissioners have copies of those.

MR. HORTIG: Mr. Chairman, if I might note for the benefit of the Commission, in addition to the normal distribution of public notices, copies of the notice in separate letters of transmittal were sent to all parties who have heretofore indicated in writing to the Commission or staff as having an interest in the subject matter of Chapter 2000. These were sent to Mr. Hillman Hansen, Mr. Carl Whitson and Mrs. B. Harte.

MR. LEVIT: I would like to say, so there will be no misunderstanding later, that I don’t know that the Commission is going to take any action on this matter today, or even to get into discussion of it; but if the Commission does get into a discussion of its actions today I don’t propose to have a debate between the members of the Commission and the members of the public that are here; so that if anyone wishes to express any thoughts whatsoever to the Commission on this subject, this is the time to do it because you may not get the floor after the matter is up for discussion between the Commissioners.

ASSEMBLYMAN ALLEN: Mr. Chairman, Bruce Allen, Assemblyman from San Jose. I don’t wish to make a statement at this time, but I will file a written statement with the Commission.
MR. LEVIT: Thank you, Mr. Allen. So that there will be no misunderstanding, I would like to ........ Yes sir?

MR. HANSEN: Mr. Chairman, my name is Hillman A. Hansen. Governor Anderson and Commissioners, in the pursuance of the ....

MR. LEVIT: Pardon me, sir. Your name is Hansen?

MR. HANSEN: Yes sir.

MR. LEVIT: And you're the gentleman that addressed a letter to the Commission?

MR. HANSEN: Yes sir.

MR. LEVIT: Are you here representing anyone other than yourself?

MR. HANSEN: Not specifically. I appear here as an individual -- in that capacity.

MR. LEVIT: Yes. All right.

MR. HANSEN: The particular subject that I would like to call the Commission's attention to with respect to carrying into effect the survey of the tidelands' boundary, it may be helpful to the Commission at this time and I give you two of the documents which basically shows the survey, the original survey by the United States Coast Survey of 1859 and 1872. This is the topographic survey and it is the triangulation containing the coordinates which were then employed in the fixing of the boundary of the shore line and for the location of the configuration of the embayment of
the San Pedro Bay and the location of the high tide line
and the location of the permanently overflowed land in the
Wilmington Bay, and the offshore area outside what was then
called the Rattlesnake Island.

Now, this Honorable Commission will note that by the
standard symbols used by the U. S. Coast Survey indicatir;
the physical character of the land comprised within the
survey of 1859, we have the cross-hatched area indicating
here the low tide and the high tide. The area in between
here constitutes tidal flat overflow land, which was over-
flowed at high tide, and at low tide the permanent submersion
of the land was at the configuration as here indicated.

Now, the great necessity and the need for correct
determination in the fixing of a boundary of necessity com-
pels this action to be taken and that all the tidelands
constituting tidelands which the State holds in its constitu-
tional capacity and the title of which no individual, cor-
poration, firm or individual could acquire for the reason
that the lands, tidelands, per se are situated within the
constitutional prohibition that no private title could inure
to individuals in whatever capacity they may have entered
upon the land; and for that reason the State must assert its
right pursuant to the law and the Constitution, and the
State must fix the upland boundary upon the basis of the
competent surveys; and I want to make very clear, gentlemen
of this Commission, that "here are no other surveys save and
except the original documents here and these documents hav-
ing been certified to by the United States, by the Adminis-
istrative Assistant of the Secretary of Commerce, an Admiral
Karo, the Director of the U. S. Coast Geodetic Survey now.
These documents, as to the limits and extent of the tided-
lands, are the public documents and they are binding upon
all parties of the State. They are binding upon the people
who pretend to have title in whichever capacity they have
entered upon the trust lands; and so, in fixing of the
boundary pursuant to Chapter 2000, it is necessary and
axiomatic that the State must fix that boundary to encompass
all of the tidelands and no more than the tidelands; and
having accomplished that, anyone claiming then contrary to
the State's position would have to submit a superior title
or he could not come into court because he in effect would
be claiming contrary to the Constitution of this State and
he would be claiming adverse to the State in all capacities.

Therefore, it is my position — and I have gone to a
considerable expense, I have spent several thousand dollars
of my own personal money; no one has contributed to this
matter — that this is a matter of great public concern.
It concerns the integrity of the trustees, the City of Long
Beach, and it concerns basically, and more basically, the
State's right which the people hold in its constitutional
capacity.

Now, I believe this matter has reached a point where
there must be a determination of it, so that even those
that are the trespassers will know the position that is to
be taken from this point forward and it isn't right that
this confusion by laxity of governmental determination, that
this uncer-tainty should be continued -- because the conse-
quences of this operation by those who have no authority upon
the land are quite severe. It involves many facets in viola-
tion of the laws and they are quite severe, and it is un-
necessary for me to spell out the meaning of them. It
involves not only the law as concerning the question, but
the Federal -- there is a Federal question involved here too
because of the theoretical concept of some people that they
have certain specie of title and on the basis of that they
have taken depletion and they have so reported to the Federal
government, and there are nasty words that they use to
describe that phase of the situation.

Therefore, it is essential that this matter be con-
cluded and that the people have protection and that there
should be a clear and specific governmental policy declared
and determined, and the issue should be brought to a close
as speedily as possible.

These documents I shall make available for this Honor-
able Commission. They are two certified documents and it
would be my pleasure to present them to you for your future
guidance here.

MR. LEVIT: Thank you, Mr. Hansen. I think I can sta-
ca\textsuperscript{e}gorically from our conferences with the Attorney General that he has had access to these documents. Mr. Friedman, I think you can confirm that?

MR. FRIEDMAN: I am not sure, Mr. Chairman. I have not conducted the studies myself.

MR. HORTIG: We can confirm it.

MR. LEVIT: I am sure these documents were referred to in some of the discussions we have had on it. However, I think for the record we ought to identify the documents.

MR. HANSEN: Yes. Thank you.

MR. LEVIT: The first one is a U. S. Coast Survey, Section 10, 1859, of part of the coast of California from Point Fermin eastward to the San Gabriel River, and it is certified as a photographic copy of the original topographic survey No. T-892 made in 1859 and on file in the U. S. Coast and Geodetic Survey; and the other one is U. S. Coast Survey Section 10, 1872, of the coast east of San Pedro Bay and is certified as a copy, photographic copy, of the original topographic survey No. T-1283 made in 1872-1887 on file in the U. S. Coast and Geodetic Survey office.

I think, Mr. Hansen, that it will not be necessary for you to leave these with the Commission because I am sure they are available in the files of the Attorney General. However, thank you very much for your offer.

Now, if you have any other material available, I'd like to ask this: You spoke of the title problems and I
believe you even referred to certain evidentiary matters that would be involved in any litigation. Are you a lawyer?

MR. HANSEN: No, I am not. I have studied law. I am not practicing law.

MR. LEVIT: Have you ever been admitted to the bar?

MR. HANSEN: No.

MR. LEVIT: Have you obtained any written opinions from any firm of attorneys on this matter?

MR. HANSEN: Yes, I have.

MR. LEVIT: You have written opinions?

MR. HANSEN: Oh, yes.

MR. LEVIT: Well, if you care to make those available to the Commission we would be very glad to have copies of them, but we would like to have them, let's say, within the next ten days.

MR. HANSEN: All right. Can do.

MR. LEVIT: Thank you very much, sir. Now I would like to say one thing more in connection with these detailed reports that have been received by the Commissioners from the Attorney General, which comprise his report of April the 24th and the report of private counsel of April the 21st. These reports in my opinion and in the opinion of the Attorney General, so long as litigation is contemplated or may be pending on this subject, are not to be placed in the public files of the Commission unless the Commission should otherwise determine. They will be considered as confidential.
communications from the Commission’s attorneys to it and will not be opened to public inspection. They will, of course, be eventually open for public inspection at such time as the interests of the State would not be prejudiced by their disclosure.

I take it there isn’t anyone else that wishes to address the Commission on this subject. Mr. Allen, when do you anticipate that your presentation to the Commission will be ready?

ASSEMBLYMAN ALLEN: Well, if the Commission is trying to bring this thing to a head within ten days, I will get my statement to you before then.

MR. LEVIT: That would be helpful if you could. What is the pleasure of the Commission in connection with this matter? We have generally felt -- I may say this, it has been the general feeling of the Commissioners that we would need a period of at least ten days to two weeks to thoroughly digest the detailed reports that we have already received and, of course, I think we all want to consider anything else that might be presented to us on this subject, and since we only received these detailed reports -- well, my copy is marked April 27th, received April 27 -- we haven’t really had an opportunity yet to thoroughly review them. I have been over my copies, but I have just had a chance to read them over myself and it’s quite likely that we will want to confer further as Commissioners with the Attorney
General and ask further questions about some of the detailed material in the reports.

MR. CRANSTON: When is the next meeting of the Commission?

MR. HORTIG: May 28th, last Thursday of May, sir.

MR. CRANSTON: Mr. Chairman, I suggest we place the matter on the agenda for that meeting.

GOV. ANDERSON: I'll second that.

MR. LEVIT: Well, I think that the motion then would be to table the matter until the next meeting of the Commission and it will be placed on the next calendar as a special order of business. If there is no objection that will be the order. I should have asked you, Mr. Friedman, whether you had anything to state other than what you have already stated.

MR. FRIEDMAN: No. The matter has an unfavorable relationship to the progress of the anti-subsidence program down in Long Beach and several of the major oil operators have indicated that they do not want to commit their claimed properties to the anti-subsidence program until their status has been determined.

MR. LEVIT: Well, could you be more specific about that? In other words, are you suggesting that to postpone final action on the matter until May the 28th would be prejudicial and that we should act more rapidly than that?

MR. FRIEDMAN: I think it would be preferable. As I
understand it, unit agreements and unit operating agreements
for Fault Blocks II and III of the Wilmington Oil Field are
supposed to be completed within the next two weeks and ready
for signature at that time. Whether that will actually hap-
pen, I don't know. All I can point out at this time is that
the sooner the Commissioners, the Lands Commission, makes a
determination — why, the sooner the situation will be clari-
fied and either the unit agreements will go forward or they
will not.

MR. LEVIT: Well, I believe that the Commission will
probably be in a position within the next two weeks anyway
to know whether they want to meet further with the Attorney
General to question him further concerning these detailed
reports and I think any such meeting should be arranged for
within that period; and, of course, we can always have an
earlier meeting of the Commission should that seem advisable
and take this matter off of the table and consider it then.

GOV. ANDERSON: If we set it as a special order, as we
just did, wouldn't that have to be at that meeting?

MR. LEVIT: I do not think so, Governor. I think the
Commission could take it up earlier if it decided to do so.

GOV. ANDERSON: At a special meeting?

MR. LEVIT: At a special meeting, yes. Well, then,
we'll let it stand for the moment as a special order of
business on the May 28th calendar, subject to the possibility
that the Commission may at an earlier public meeting act on
it if the situation develops that earlier action is imperative.

GOV. ANDERSON: Could I ask something of Mr. Friedman?

MR. LEVIT: Certainly.

GOV. ANDERSON: I haven't had a chance to read your report here or the special reports, but there were just a couple questions I wanted to ask. Does this report explain in any way whether we jeopardize our position or the City's position in reference to the Federal suit that is now going on? Is that included in this report?

MR. FRIEDMAN: No, that is not included. We just discussed the boundary situation itself without relation to the Federal law suit or the subsidence problem.

GOV. ANDERSON: The other one was along the repressurization. I'd like to have a little more legal information in connection with these cooperative agreements on the repressurization. Isn't the Attorney General the one that should give us the legal information on this -- and I would like to have that if it isn't in this report -- give us a report on this, so when we do make our decision we will know if it is going to jeopardize our position in the Federal suit or also jeopardize some of the repressurization.

MR. FRIEDMAN: Yes.

MR. LEVIT: If I may make a suggestion -- I think rather than have the Attorney General make a report, I think we should suggest to the Attorney General that we want this
report, whether it be written or oral, for our discussion within two weeks. One other question that occurs to me -- and that is in connection with the legislative action taken in Chapter 2000, Statutes of 1957. I'd like to know from the Attorney General also what discretion the Commission has with respect to these matters. In other words, to what extent are we instructed to take action as a result of the action of the Legislature?

MR. FRIEDMAN: To sue or not to sue?

MR. LEVIT: Yes, to sue or not to sue.

GOV. ANDERSON: Also, one last one here -- and this one would not be in a written part, but more advice -- in your letter to us of April 24th your conclusion is that the State has litigable rights against the City of Long Beach. You concluded also that no action relating to this question should be commenced against any other persons at this time.

When we make the decision, I'd like to know whether, if we institute suit against the City of Long Beach, whether that would jeopardize a further suit against these other people that you are recommending we make no suit against at this time.

MR. LEVIT: That's partially answered in the other.

GOV. ANDERSON: In the other report? Well, I have not read that.

MR. LEVIT: All right. That brings us to the next item on the calendar, which is a group of permits, easements,
and rights-of-way to be granted to public and other agencies at no fee, pursuant to statute.

GOV. ANDERSON: Where are we now?

MR. LEVIT: Item 3 on the agenda, page 1 -- Tahoe National Forest -- a permit to install mooring buoys in the tide and submerged lands of Lake Tahoe to mark a swimming area.

MR. HORTIG: For the benefit of the Commission, there are no recorded objections to any of these.

MR. LEVIT: You are talking about all of the eight items under Item 3?

MR. HORTIG: Yes sir.

MR. LEVIT: Are there any questions in connection with these? I think for the benefit of anyone who may want to discuss them, the first one relates to Tahoe National Forest, U. S. Forest Service, as I have mentioned; second, Gallinas Boat Club -- navigation markers in the Gallinas Creek Channel in San Pablo Bay; third is the Vallejo Sanitation and Flood Control District -- right-of-way easement for outfall sewer line into Carquinez Strait; fourth, Allan H. Beckwith and Nina L. Beckwith -- permit to dredge Salt Works Canal in Richardson Bay; next, the Pacific Telephone and Telegraph Company -- easement across tide and submerged lands of White Slough in San Joaquin County for telephone cable; (f) County of Sacramento -- right-of-way across submerged lands of the American River in Sacramento County at Fair Oaks, for
a bridge; (g) is the Sacramento Municipal Utility District request for right-of-way across submerged lands in the American River at Carmichael for a power line; (h) the City of Seal Beach -- permit to deposit sand on tide and submerged lands at Seal Beach.

Are there any questions or discussion with relation to any of these? In each of these, there is recommendation for the authorization of the permit. If not, a motion to approve the resolution will be in order.

GOV. ANDERSON: So move.

MR. CRANSTON: Second.

MR. LEVIT: There being no objection, that will be the order of the Commission.

Item 4 is a proposed revision of the rental rates and policies pertaining to commercial and recreational leasing of State lands. Is that the balance of the calendar -- this question of changes? ..... No, it isn't.

MR. HORTIG: The calendar item appearing on pages 9 and 10 is the summary report and recommendations based on a review of commercial and recreational permit policy which was furnished to the Commissioners on April 13.

MR. LEVIT: You furnished us with a very elaborate discussion of the policies and practices of the Commission.

MR. HORTIG: Yes sir.

MR. LEVIT: And does this item -- I am not clear -- does this item cover the entire report that you presented
to us?

MR. HORTIG: Yes, it does.

MR. LEVIT: I see. What is the pleasure of the Commission?

MR. HORTIG: This is a summary recommendation based on the report of April 13th.

GOV. ANDERSON: April 13th? I have one here of April 21st. Do I have a different one?

MR. HORTIG: I am sorry. It was prepared on the 13th and transmitted to you on the 21st.

GOV. ANDERSON: This has been in my office one day and I haven't had a chance to look at this.

MR. LEVIT: I was going to say that I agree with Governor Anderson -- that this involves practices of the Commission that apparently have been going on for so long that the memory of man runneth not to the contrary; and we have a report of many pages, I would say probably close to sixty or seventy pages -- maps and everything else -- and we all received this within the last week or ten days and I think that perhaps unless there is some urgency we ought to put it over until the next meeting of the Commission.

GOV. ANDERSON: I'd like to suggest our delaying it until the July meeting for this reason -- I think I raised one of the points in asking for this -- the July meeting we will be through with legislation and we will have time to go into it. This is something I want to go into. I want
to sit down with Mr. Hortig and discuss some of these things deeply, and I can't do it under the present pressure; and I don't think July will hurt us any more.

MR. LEVIT: I fully agree with you, Governor. The only thing is, I recall at the last meeting we had one matter held up because of the fact that we were contemplating receiving a report, and I think probably what we should do as to any matters that come before us, including that one, we should act on them on the basis of the present schedule and let nature takes its course if we do act on the new rule.

MR. HORTIG: On that understanding, Mr. Chairman, we would foresee no difficulty. We actually did have three items that were carried over from the last meeting of the Commission.

MR. LEVIT: I only recall one.

MR. HORTIG: Two on the basis of the rental schedule and a third one which was deferred for other reasons and which is also involved in the matter of the rental, and the delay has already been of concern to the applicant in that instance.

MR. LEVIT: Are those calendared today?

MR. HORTIG: Yes sir.

MR. LEVIT: Are these recommendations that you have here in the rest of the calendar based upon the assumption that the new schedule will be adopted?
MR. HORTIG: They are, sir, although in the case of
the first two items which were put over from the last meet-
ing involving submarine pipelines, there is a recommended
rate change there. The rate recommended in the calendar
currently would be higher. This is based on current rental
schedules. In the case of the second one, which is in the
case of unoccupied tide and submerged lands, there being no
recommendation for change in rental rates.

MR. CRANSTON: I second Mr. Anderson's motion that
the matter go over to July -- the rules.

MR. LEVIT: If there is no objection, that will be
the order. Now, do you have on the calendar these carryover
items as well?

MR. HORTIG: Yes sir.

MR. LEVIT: All right. That brings us to Item 5, then,
which involves permits, easements, leases and rights-of-way
issued pursuant to statutes and established rental policies
of the Commission.

MR. HORTIG: Mr. Chairman, if I may note -- Items
(b), (c) and (d) in that tabulation are the carryover items.

MR. LEVIT: All those are the carryover items?

MR. HORTIG: Yes.

MR. LEVIT: I might also note that Item (f) is to be
put over.

MR. HORTIG: Deferred.

MR. LEVIT: Item (f) is a matter of an easement for a
bridge crossing on the Tuolumne River, involving Mr. Ruddy doing business as Santa Fe Rock and Sand Company, and the staff has received a request that this matter go over to the next calendar. If there is no objection, why, that will go over.

Now, let's take these items in order:

Pacific Gas and Electric Company -- 49-year easement for an overhead wire crossing of the Sacramento River, one and a half miles north of Hamilton City, Butte County -- Butte and Glenn Counties -- total rental $100.

MR. HORTIG: I am not positive, Mr. Chairman, at this time whether recomputation on existing rental schedule would be at variance with the recommendation here. The recommendation of this calendar item is in accordance with the proposed new schedule, so the motion of the Commission should show if this is granted the computation should be verified and should be brought to the present existing and continued rental schedule.

MR. LEVITT: Well, I trust that the recomputation process will not take more time than the State of California will make on the profit on the $100 rental over 49 years.

MR. HORTIG: No sir, I am sure it won't.

MR. LEVITT: Well, we will assume as to any of these that are approved that you will work the rental out not less than the old schedule; and if there is no objection to making it higher than that, based on the new schedule, why
that's all right too. The Commission won't object to that.

MR. HORTIG: Effectively we have such an agreement as
to item (b).

MR. LEVIT: All right. Is there any comment or dis-
cussion -- questions -- on the first item relating to Pacific
Gas and Electric Company? (No response)

Item (b) involves fifteen-year lease of tide and sub-
merged lands in San Pablo Bay -- Charles T. Hover is the
applicant. Involves the dredging of a channel, construction
of something I never heard of before. What is a berm?

MR. HORTIG: It's a low earthen levee in probably
more familiar terminology. I might comment, action was
previously held by the Commission on behalf of the County of
Marin and other public agencies who desired to review this
program, who have now filed statements of nonobjection with
respect to approval by the Commission.

MR. LEVIT: Now if anyone wants to address the Commis-
sion on any of these items, don't hesitate to speak up or
I will assume ...

MR. ALLEN: Dave Allen is my name. I am working with
Charles Hover on that. Even though the rental does not
amount to a big amount, the rental agreed upon with the State
is about double the rental from a competent appraiser and
his rental schedule was at a certain figure and just as a
matter of agreement, to alleviate any possible question as
to the proposed new schedule, why the rent figure was
increased and it was satisfactory to us and satisfactory to the staff.

MR. LEVIT: Thank you, Mr. Allen. Next item: Shell Oil Company -- fifteen-year lease for submarine pipelines over tide and submerged lands over the Pacific Ocean near Capitan in Santa Barbara County.

Next item: Tidewater Oil -- fifteen-year lease of tide and submerged lands in the Pacific Ocean at Gaviota, Santa Barbara County, for maintenance of wharf construction.

This was the one where the gentleman appeared at the last meeting and said in view of the fact that we had a new schedule under consideration he had no objection to it going over.

GOV. ANDERSON: Is this figured on the new schedule?

MR. LEVIT: They are all figured on the new schedule. Let me ask you this: Of course, we are talking about pennies and not dollars, but if we adopt a schedule such as we have now -- we have a schedule -- is there anything to prevent the negotiation of a rental higher than that in the schedule?

MR. HORTIG: If that should be the policy of the Commission it would not be. Heretofore, the policy of the Commission has been to announce the calculated rental rates based on the value of the land -- period.

GOV. ANDERSON: Let's take the case we just passed and the one we are coming to. You take tidelands and you figure so much an acre?
MR. HORTIG: Yes.

GOV. ANDERSON: If you put a pipeline under the ground you charge the same rental, as if you allow them to build a wharf on top of the ground, don't you?

MR. HORTIG: No sir.

GOV. ANDERSON: You don't?

MR. HORTIG: The difference being that for rights-of-way you will note -- well, perhaps that is correct. The proposed rental rate is to be based on that for exclusive occupancy in view of the fact that our rights-of-way preclude the use of the land for any other purpose normally. So, effectively, the right-of-way easement holder has a lease for his exclusive purpose over that width of land.

MR. LEVIT: In other words, if he wanted to lease the land to put a hotel on, it would be the same?

MR. HORTIG: That's right, except the amount of land is less for a right-of-way easement than for construction.

MR. LEVIT: Of course it's less but it might affect the use of the land.

GOV. ANDERSON: Like in the case here, you are giving a wharf 710 feet in the ocean, 100 feet wide, at $159.39 a year. It would be seem it would be worth that much to the county not to have it there.

MR. HORTIG: Oddly enough, the particular wharf you are referring to is a matter of extreme interest to the Small Craft Harbor Commission. It's a place where there is
no offshore refuge currently. It is a matter of public interest rather than being an eyesore.

MR. LEVIT: I think, Governor, what you are really getting at is whether the schedule is right or not.

GOV. ANDERSON: Yes.

MR. LEVIT: Perhaps we should proceed on the assumption that since this has been going on under this schedule for some time, until we do adopt a new schedule we ought to adopt this. I assume that the approval of the Commission is

GOV. ANDERSON: Can I ask him one question so I know, roughly, what we are talking about in difference. What would the amount have been under the old schedule? Would it have been lower than this Calendar Item 30, page 15?

MR. HORTIG: I do not have the old schedule with me but as I recall there were some twenty or thirty dollars' difference. It would be lower.

MR. LEVIT: Well, I assume that the staff will be authorized to operate under the old schedule adjusted with these figures which are on the new schedule.

Next item: United States Department of the Interior, item (e) -- a permit for a period of twenty-four months maximum to remove materials from unsold State school lands in Nevada County -- consideration of $800.00. What kind of material is that?

MR. HORTIG: Fill material which will be used for a dam and this is a mutually interesting project in that the lands
are ultimately to be acquired by the U. S. Forest Service. They are included in an exchange, wherein the State is going to transfer them to the Forest Service and, actually, after removal of this material and paying the State for this material the lands are going to be in better condition for the Forest Service also; so the Forest Service approves this also. This is one of those unusual operations where everybody is going to benefit.

MR. LEVIT: The next item is going over, as I stated, Item (g) Arthur Burnham Wing -- approval of assignment of Corte Madera Ark Site 13, Corte Madera Creek, Marin County.

Item (h) -- Ozal Land and Wharf Company -- approval of assignment of lease covering a portion of the Tideland Resurvey in Contra Costa County.

(i) Myco Mining Corporation ....

MR. HORTIG: Excuse me .... that's right, that's a continuation.

MR. LEVIT: .... Waiver of operating requirements under mineral extraction lease in Fresno County.

MR. TURNER: Mr. Chairman I hate to interrupt you, but did you wish anyone on the floor to speak up?

MR. LEVIT: Yes.

MR. TURNER: My name is Gordon Turner and I am appearing for the application on Ozal. I represent the assignee, who is Chandler Lloyd, Trustee. Mr. Lloyd is trustee for a group who are investors in the Lark Corporation. The Lark
Corporation has a contract with the United States Government for the installation and operation of jet fuel facilities. The Lark Corporation, or Mr. Lloyd as trustee, have purchased some fourteen acres on a hillside where the jet fuel tanks are to be installed. There are to be twelve 83,000-barrel each storage tanks, concrete and steel, covered by earth. The pipelines will run down to the property known as Ozol. The uplands of the Ozol property consist of approximately fourteen acres which Mr. Lloyd as trustee of the corporation has purchased.

The Ozal Land Company for many years have had this lease from the Lands Commission, dating back to 1940, which was lease 312. That was originally for a term of fifteen years. It was renewed for an additional term of ten years and in connection with the Lake Corporation we are purchasing the fourteen acres of highlands and purchasing, with the consent of your Commission, the lease.

There are a few matters that I think perhaps we should ask clarification on. Number one -- the lease itself commences October 18, 1940. However, I notice that it was not executed until March 4th of 1947. I presume that that casts no cloud upon the lease, I merely mention it so that there will be no question about that.

Secondly, the lease renewal agreement, while it implies that the lease is -- it is agreed that the lease is renewed for an additional term of ten years, does not so expressly
state and I would like ....

MR. LEVIT: We don't have that before us today.

MR. HORTIG: We were not aware of these questions.

We have no question in our record -- number one, but that
the lease is in existence; number two, it was renewed and
has a terminal date, I believe, in 1965.

MR. TURNER: That is right.

MR. HORTIG: I might explain for Mr. Turner's benefit
-- and possibly this will alleviate some of his concern --
the lease was activated 1940 as of a date 1947 because it
was not until 1947 that the Lands Commission had discovered
that the Ozal Company had been occupying State property for
seven years.

MR. TURNER: I think that clears that point. I might
mention one more fact -- the purposes stated in the lease
are for wharf purposes. Our use will be substantially the
same. The wharf extends 960 feet from the Southern Pacific
right-of-way. The wharf is T-shaped. The top of the "T"
is 150 feet wharf length and each way it extends 75 feet.
We are going to have to come in later and ask for an amend-
ment because the size of the tankers coming in there is such
the bow will extend easterly beyond, upstream. We will
bring that up at a later date.

I want to mention the urgency. I hate to hurry anyone
but we are up against an extremely heavy time schedule under
our contract with the United States Government to get these
facilities installed. The Lark Corporation is proceeding as rapidly as it can with the tanks. The hill has been cut off. We have to get down from the fourteen acres down on the waterfront. We will put either two 16-inch lines or four 12-inch lines out the wharf to the end of the dock. That will be maintained where tanks will be moored and the fuel will be pumped to the shore. Loading and unloading facilities and facilities for tank trucks will be on the uplands.

MR. LEVIT: Mr. Turner, the only thing before us today is the assignment of the lease.

MR. TURNER: I don't want to take up your time unnecessarily but we are most anxious to get that today.

MR. LEVIT: Well, if you will let us vote on it, you probably will get it.

MR. TURNER: We want to come before your Commission next meeting and have application on file to cancel this when assigned and give us a new lease for fifteen years with an option for ten.

MR. LEVIT: Of course we are not passing on that today.

MR. HORTIG: For Mr. Turner's assurance, that's in process for the next meeting.

MR. LEVIT: Item (i) Myco Mining Corporation -- waiver of operating requirements, mineral extraction lease in Fresno County.

Next, Standard Oil Company -- extension of term -- submarine geological exploration permit in Santa Barbara,
Ventura and Los Angeles Counties.

GOV. ANDERSON: What do we get out of a permit like that?

MR. HORTIG: Only the permit fee, Governor, but the operation of the permit -- I should retract that. We get good information out of such a permit; monetarily, only the filing fee for issuance of the permit.

GOV. ANDERSON: What is that?

MR. HORTIG: Five dollars. But the permit is operated at no cost to the Commission, in that any Commission staff time in terms of inspection or other operations in connection therewith are reimbursed by the permittee, at no cost to the Commission. Such permits require the permittee to make available to the Commission on a confidential basis all exploration results from the permit and extremely valuable information comes to the Commission as a result of the issuance of these permits.

MR. LEVIT: Are they actually operating on this permit now?

MR. HORTIG: Spasmodically, depending on the success or lack of success in connection with the operations under some of the existing leases. This dictates the desirability of initiating this type of exploration program. Therefore, it is the preference of the permittees to have such permits in effect, so that they can go into operation on rather short notice -- invariably on a Sunday night, much to the chagrin
of the staff. But definitely they are always in an emergency crash program, where they can't possibly wait for the next meeting of the Lands Commission, hence these renewals of these permit terms.

MR. LEVIT: All right. The next four items — (k), (l), (m), (n) — are similar items, relating to Richfield Oil, Union Oil, Monterey Oil, and the Texas Company — and in each case the staff has recommended the extension?

MR. HORTIG: Yes sir.

MR. LEVIT: Are there any questions or further discussion of any of the items under No. 5? If not, a motion to approve the recommendation of the staff and grant the permits will be in order.

MR. CRANSTON: So move.

GOV. ANDERSON: Second.

MR. LEVIT: If there is no objection, that will be the order by unanimous approval of the Commission.

Item 6 -- City of Long Beach projects which require approval of the Commission. The first one, (a), relates to wharf rehabilitation, Pier A, Berths 3 and 4 — approval of credit due the State of $902.85 pursuant to final audit on the completed project.

Item (b) — allowance of additional $15,000-odd dollars to the City of Long Beach for subsidence costs pursuant to audit on Eighth Street construction.

The next item is also a credit due the State on final
audit in the LBHD and LBOD administrative area development.

MR. WHEELER: Those three --- the figures are in the wrong order as you read them.

MR. HORTIG: They are in the wrong order on the index. If we can refer to the calendar items themselves ....

MR. LEVIT: You mean the figures are transposed?

MESSRS. WHEELER and HORTIG: Yes.

MR. LEVIT: What is the 902.85?

MR. HORTIG: 902.85 is on administrative area development operation. Pier A is credit due the City and if we say credit due State 392.66 (b) and 902.85 (c) we would conform to the calendar item as prepared.

MR. WHEELER: Page 30 shows them as they should be.

MR. HORTIG: Page 30 the three projects are listed as:

Credit due the State - 

$392.66
$902.85

MR. LEVIT: Anyway, they are right in the material and in the resolutions as presented.

MR. HORTIG: That's correct.

MR. WHEELER: Yes.

MR. LEVIT: Item (d) involves Piers 28 and 29, bulkloader reconstruction -- estimated expenditure by Long Beach Harbor Department of $20,000 to cover raising of bulkloader facility on Pier D.

Item (e) refers to repairs of terminal facility damaged
by subsidence, estimated expenditure by LBHD of an additional
$20,000 for terminal facility repairs damaged by subsidence.

Item (f) Belmont Pier Fish Market — denial of request
by the City of Long Beach for approval of proposed expendi-
tures of approximately $10,000 for construction of a fish
market. This is a recommended denial?

MR. HORTIG: Yes.

MR. LEVIT: The others are recommended approvals?

MR. HORTIG: Approvals, yes.

MR. LEVIT: Item (g) is a recommended approval of an
application to contract through public bidding for site
preparation and so forth relating to water injection wells —
estimated cost not to exceed $700,000.

Is there any discussion or questions from the staff
regarding any of these items?

MR. FRIEDMAN: May I ask a question about that last
item?

MR. LEVIT: Yes.

MR. FRIEDMAN: The $700,000 water injection facilities
Parcel K — I take it the approval is for expenditure of:
tidelands trust funds of Long Beach?

MR. HORTIG: Well, the financing would come from tide-
lands trust funds but this would be conducted as part of the
normal oil operations and would be charged to the oil opera-
tion expense to the City and, therefore, one-half of the
expense would be apportioned in the subtraction of the
MR. LEVIT: We are not even determining that. We are only giving formal approval of going ahead with the project.

MR. FRIEDMAN: I wasn't sure whether it was a financial approval or project approval.

MR. LEVIT: My understanding is project approval.

MR. HORTIG: And approval to spend $700,000 on this project.

MR. LEVIT: In other words, it not only approves the project, but determines it is chargeable in this way?

MR. HORTIG: That is correct.

MR. LEVIT: What page is that resolution on?

MR. HORTIG: That is page 37.

MR. LEVIT: Any further question?

MR. LINGLE: On the fish market ....

MR. LEVIT: What is your name?

MR. LINGLE: My name is Lingle. I am from the Long Beach City Attorney's staff. We recognize that we probably have a legal dispute with your staff and advisers but one thing I would like to point out. It is suggested here that we should resolve our differences with the attorneys. We have attempted to arrive at some solution with the Attorney General's staff and we were then referred to the Commission and in this item we are asking to spend $10,000 and I am not going to press it at this time -- I know you don't want to get in a debate with me nor do I wish to take the time of
your attorneys at this point; but the $10,000 -- if we are finally left with the resolution of the matter to go to court, we are going to spend of your time and our time, it seems to me, almost more money in addition to the amount of money we are required to spend for this fish market.

MR. LEVIT: Well, I suspect you won't go to court just to build a fish market. You will be doing it to establish precedent for similar projects in the future and that would apply equally to us if we should act now. So I don't know that we can avoid this. In other words, I suppose this would be something of a test case.

MR. HORTIG: The court has retained continuing jurisdiction, so declaratory relief items are expeditious. In fact, the City has proceeded on numerous other questions heretofore.

MR. LINGLE: I am aware of one ....

MR. FRIEDMAN: It took two years, but you got your point.

MR. LEVIT: Any further questions or discussion? If not a motion to approve the recommendations submitted by the staff, or the resolutions submitted by the staff will be in order.

GOV. ANDERSON: So move.

MR. CRANSTON: Second.

MR. LEVIT: That will be the order of the Commission.

Item 7: Sales of vacant State school lands. The first
three items involve Stanford C. Shaw. These items have been before us previously. The first is to accept a bid on certain lands; the second is to ratify an extension of deposit time on another application and provides for cancellation if the deposits are not made on time.

Now, the third item you will have to brief me on. That relates to policy relative to advertising. What is that?

MR. HORTIG: Yes sir. The problem before the Commission which is brought into focus today by Mr. Shaw's applications will be equally applicable to other applications pending which are in process by the Commission.

MR. LEVIT: Well, are they binding on this Commission?

MR. HORTIG: The others are not, but the policy on this matter on Mr. Shaw's application would be equally applicable to the other issues.

MR. LEVIT: Which one?

MR. HORTIG: Pages 38 and 39 relate to Mr. Shaw's application for an aggregate of a large tract of land ......

MR. LEVIT: In order to know what we are doing, I suggest we pass items (a) and (b) and take up item (c), which is a matter of policy. Under that item, let me read your recommendation:

"It is recommended that a determination be made by the Commission that it is considered to be in the best interest of the State to require that all published notices for receipt of sealed bids on State school
"lands and on lands acquired in place thereof which are authorized to be sold under school land regulations, shall provide for the submission of competitive bids on individual parcels embraced in an application (a parcel containing a full section or less), and that in instances where noncontiguous parcels exist within a section of land separate bids likewise shall be required."

Now this has to do with what — with the advertising for bids?

MR. HORTIG: Yes.

MR. LEVIT: We can't change the situation that existed on the advertisement for bids in connection with Mr. Shaw.

MR. HORTIG: No sir. Mr. Shaw's original application has been processed in parts and he has already acquired certain parcels of land which were specified in his original application; and recommended in the first item of the calendar of the series here today, is a recommendation relative to approval of the sale of two more parcels pursuant to competitive public bidding. These were advertised as separate parcels and separate bids were received, and Mr. Shaw is the high bonafide bidder on those.

Now, there remain additional lands of the 20,000 acres applied for, on which Mr. Shaw has now deposited the additional funds to meet appraised value, which are now ready to go to advertising; and the question as a matter of policy
before the Commission is: Do we advertise 20,000 thousand acres in one block or do we advertise a series of parcels comprising not more than the lands in one section in each advertising notice?

MR. LEVIT: What has been the practice in the past?

MR. HORTIG: We have only had in the past one large application for land sales and that one was with respect to acquisition of lands for a consolidated ranch holding and that was divided into numerous notices, but not nearly as many notices as would be recommended here.

MR. LEVIT: When would you be advertising these lands?

MR. HORTIG: Immediately after the Commission action which tells us which way to advertise.

MR. LEVIT: Which way are you recommending -- separate?

MR. HORTIG: We are recommending minimum size parcels not to exceed one section of land per notice, in order to achieve the maximum competitive public bidding, to achieve the maximum sales value of these lands for the benefit of the school trust fund.

MR. CRANSTON: What other precedents other than the one recent one -- have there been other ones in the past, more recent past?

MR. HORTIG: Ken?

MR. SMITH: No, just the one large one. It has been the practice in the executive office for the last five years to advertise for receipt of bids individually. Most of the
applications that would fall under that directive, however, wouldn't contain more than two or three parcels at the most.

MR. CRANSTON: What occurred at that time? Did the person who was seeking the whole thing acquire the whole thing, or were portions acquired by others as a result of the separate bidding?

MR. HORTIG: Acquired the entire acreage.

MR. CRANSTON: By meeting the bids?

MR. HORTIG: Yes.

MR. CRANSTON: Does that mean if these sections are taken altogether that somebody could bid on this inside section while somebody was bidding the whole?

MR. HORTIG: That is correct, except I must emphasize that these land applications, all land applications we have on file are scattered. In other words, it is proposed that contiguous lands in one section be offered as a block and that when it no longer can be considered in contiguity, it be as one.

MR. LEVIT: Are there some contiguous lands here that do exceed one section?

MR. HORTIG: I don't believe in this application. Is that correct?

MR. SMITH: Not contiguous. They are all checker-boarded.

MR. HORTIG: However, we have other applicants who have lands, previous applications for lands, which will be
acquired from the Federal government in lieu of State lands on applications which have been in process for many years, and who are represented here today and would like to comment upon this recommended policy by the State. Mr. Pon is here, if the Commission would care to hear from him.

MR. PON: About 1953 an exchange application was filed with the State and processed and I understand that it probably is being appraised at the present time and will shortly be advertised for sale. I happen to have the checkerboarded sections, the odd numbered sections, and the even numbered sections which the State is acquiring -- has recently acquired from the Federal government on this exchange -- will make a solid block. So, obviously, if the sections were sold individually in smaller parcels, I would not know at what point I would begin to assemble a solid block.

In other words, it is a question of the entire application was processed not in individual parcels but on the entire thing as a unit, and I have had a sizable deposit up with the State for almost six years; and, after all, the property is being appraised, not as of six years ago but as of now, and yet it was started approximately six years ago when I deposited without interest all of that time. Naturally if I felt that the properties would ultimately be sold in small units, I wouldn't have started the application in the first place.

MR. LEVIT: But I understood this has been the practice
of the Commission — to advertise separate items where they were noncontiguous parcels.

MR. SMITH: Yes, it has been.

MR. PON: Well, if they are isolated parcels. You see, in this one application there are some parcels in another township that are somewhat disjointed and constitute less than a section of land. In those particular cases I can see that no one would be harmed and someone might be benefited who has property adjoining those sections.

MR. LEVIT: The point I am making, sir, that's bothering me -- I don't think we should be asked to make rules to meet special cases. In other words, if we have a practice that we have been following, I think we ought to continue to follow it and not make special exceptions, because then people do get misled if we are going to do that. We are going to constantly faced with the necessity of doing that. If this has been the practice of the Commission, as I understand it this resolution you are proposing is in accordance with the past practice of the Commission.

MR. HORTIG: That is correct, with the understanding that the past practice of the Commission is that the Commission has had very little practice in connection with advertising and selling large tracts of land which were applied for in one application. We had one such application and even that application was broken down in a greater number of parcels than contained in the original application, although
not the number of parcels it would have been broken down into in accordance with the present recommendation.

MR. CRANSTON: Are there no rules in existence governing that?

MR. HORTIG: No sir, but now that we are faced with, for the first time since my tenure in office with the Commission, this matter of what to do with large acreages of land contained in one application as exemplified by Mr. Shaw's application, and in the near future will be faced with what to do with respect to applications containing large acreages which have been pending for a long time -- Mr. Pon's and others -- we felt it was essential that we have a directive from the Commission as to the appropriate practice to follow.

I might indicate to the Commission -- on which I think Mr. Pon will agree -- he certainly has a plea in equity on the matter of his application being in process for six years, this six years being by courtesy of the Bureau of Land Management in Washington, D.C. This is how long it takes us to get Federal land sometimes. This is a typical example.

MR. CRANSTON: What is the precedent with land that comprises more than one section and that is contiguous?

MR. HORTIG: There really have not been, at least in my experience, sufficient number of sales out of the total number of sales that have existed to say that we had
established a precedent.

MR. CRANSTON: To continue that line of thought, do we have anything like that before us at the present time, where there is land in more than one section that is contiguos?

MR. HORTIG: As of today's agenda, I don't believe so.

MR. SMITH: I don't believe there are.

MR. LEVIT: Doesn't the man that puts up the deposit have opportunity to meet bids that are made?

MR. HORTIG: As the first applicant, under the present rules and regulations he has first refusal to meet the high bid.

MR. LEVIT: Then, in view of the fact it seems to me that this is consistent with the practice we have had; in view of the fact it will open the bidding to more competition and thereby be likely to benefit the State in the long run; and in view of the fact that the first applicant does have an advantage in being able to meet the bids if he chooses to do it, just at this point I feel inclined to approve the recommendation of the staff.

MR. HORTIG: May I verify something, Mr. Chairman. I am correct all of these applicants do have first applicant status?

MR. SMITH: They do, speaking for the exchange.

MR. HORTIG: Mr. Pon, for example?

MR. SMITH: Yes. Under the present rules, of course.
MR. LEVIT: Well, I assume that in proposing this rule you were looking ahead prospectively and not aiming this particularly at the present applicants, even though it would apply to them.

MR. HORTIG: Well, that is correct.

MR. LEVIT: In other words, you are looking towards a long-term policy in this matter.

MR. HORTIG: With the necessity that the Commission have a consistent policy, as you have indicated; and now, being faced with this situation for the first time, is the time to establish the policy rather than after we have established some adverse precedents down the line.

MR. CRANSTON: What would be your recommendation for a situation that might come up in the future where the land was more than one section and is not contiguous?

MR. HORTIG: This rule would require advertising not more than one section per notice.

MR. LEVIT: Do you have anything to add, Mr. Pon?

MR. PON: Just this -- that there has been six years of very hard work with the State coordinating with the Federal government and the various Federal agencies to make it available so that the State could effect the exchange, which would result in the State acquiring the property and Uncle Sam acquiring lands in the Joshua Tree National Monument.

MR. HORTIG: I believe we have the problem, for the benefit of the Commission, that the first responsibility of
the Commission with respect to the trust lands is to achieve the maximum returns from the land for the trust fund, and then we look at and certainly cannot deny the equitable rights of the depositors and literally the blood and tears by which applicants, including Mr. Pon, certainly have expended tremendous effort in these things.

MR. LEVIT: The equities in these things don't impress me. I can figure out why you want to have it the way you suggest, but whether you have any other reason to suppose it would be otherwise than suggested here is what I can't understand. In other words, from all we hear here today the practice of the Commission has been to break these things down.

MR. PON: Of course all the State lands that have been sold have not been sold as a result of acquisition from Uncle Sam. In this particular case, this entire application was started, as I say, some six years ago and required a terrific amount of work and expense in just processing it through the various departments and various State agencies; and governmental agencies were very cooperative but, as you know, the red tape involved -- Had that work not been done, naturally we wouldn't have started the application in the first place.

MR. LEVIT: Did you have any reason to believe that it would be processed any differently than is being recommended now?
MR. PON: Well, initially, if the application had
gone through, to answer your question indirectly -- if the
application had gone through within a year from the time it
was filed, it probably would have sold for considerably less
at that time. So the harder we worked and the longer we
worked we were penalized and the State is making another
appraisal.

MR. LEVIT: We are not talking about price. We are
talking about the method of sale, the method of advertising.

Mr. PON: Well, as you probably know, some of these
small government tracts that have been sold through the
Bureau of Land Management, you see them scattered throughout
the countryside -- little 2 x 4 buildings on them without
restrictions and many of those people, thinking they were
buying from Uncle Sam, paid three or four times more than
the property was worth. The improvements were in accordance
with those set up by planning commissions and actually, when
we consider the amount in the initial application, the
appraisal in the initial application, it sounds ridiculous
but that was the basis on which it was initiated. That was
about two dollars an acre six years ago. Naturally, the ap-
praisal will be considerably higher and I will be at the mercy
of the State appraiser for whatever it is worth, whatever
it is appraised at.

It is just a question whether somebody who has made
this possible should have an opportunity to bid on it as
a whole, because if one isolated bidder gets in there on
part of it, it will be useless.

MR. LEVIT: I think we should act separately on this
item (c).

GOV. ANDERSON: Do you first want to approve the
recommendation of the staff on this policy?

MR. LEVIT: Well, if you do that settles it.

GOV. ANDERSON: I mean I am satisfied with the
recommendation of the staff, I think.

MR. LEVIT: Can we have a motion to that effect, then?

GOV. ANDERSON: I so move.

MR. CRANSTON: Second the motion.

MR. LEVIT: Motion is to adopt the recommendation of
the staff on Calendar Item 48. If there is no objection,
that will be the order of the Commission.

Now, let's go back to ....

SENATOR DOLWIG: Mr. Chairman, may I interrupt at this
point? Would it be possible to go back to your item relative
to the tidelands? I was in committee and was not able to
be here and would like to get some information from your
Commission.

MR. LEVIT: Relative to the tidelands? You mean the
boundary determination? Certainly. What do you have in
mind?

SENATOR DOLWIG: I was the original chairman of the
committee in 1951 that made a study of the tideland situation,
and at that time we discovered the Lands Commission did not have an inventory of all the State lands and as a result of that study I understand the State has gone ahead and made an inventory and there is a question so far as exact descriptions are concerned; and in the legislation we are having in committees at the present time we have noticed that the State has been making grants very much on a general description.

Now, it's my understanding that this has been causing considerable difficulty and at the present time in one of the committees we have set a policy that insofar as the local agencies are concerned that they should come in with an exact description.

Now, I would like to inquire from the Commission whether it is possible for the municipalities now to obtain a metes and bounds description of these tidelands and I think the Commission is familiar with the problem we are having, particularly in the Long Beach situation, where due to the fact where there has been lack of exact descriptions there are many problems that devolve on it.

I would like to make inquiry -- maybe Mr. Hortig or somebody can answer my question -- as to exactly where we stand on these descriptions.

MR. LEVIT: Mr. Hortig?

MR. HORTIG: If I may, Mr. Chairman. Mr. Dolwig, since 1947, in my own personal experience, the Lands Division at the direction of the Lands Commission have invariably worked
with the authors of all tideland grant legislation, seeking
to assist technically, not as to the merits of whether a
grant should be processed, but to ascertain that the techni-
cal land descriptions in grants are technically accurate. In
a very few instances, and this has been many years ago now,
a few of the authors desired not to accept the description
of the Lands Division as to the description of the lands and
proceeded with their own descriptions.

Certainly, as you recognize, while it is not a policy,
it certainly has been a practice of the Senate of the State
of California to require grants to specify that the granted
lands will be surveyed, platted and recorded by the State
Lands Division at the cost of the grantee. Every one of the
grants which roughly start in the series since 1950 that
have required that type of survey and recordation and mapping
have been completed and there are, in the counties in which
the lands are located, recorded maps which are accurate and
will permit at any time in the future the exact location and
determination of the areas and position of the lands which
the Legislature has granted -- which, admittedly, has been a
far cry from our inability to do likewise in grants that
were so popular in the period 1911 to 1917, most of which
as of this date are very difficult to determine as to their
location and extent.

Yesterday, in your Senate Governmental Efficiency Com-
mittee, it was indicated by Senator Collier that even in
amendments to previous grants it would be desirable to have those grants further amended to include conditions which your committee now feels should be standard, namely, mineral rights to the State, survey of the lands by the State, and a condition for reversion of those lands in the event those grants are not for the purpose originally intended.

SENIOR DOLWIG: That's true, Mr. Hortig, and we still have the question -- we have these deals before us. I think we have six or seven moving right now, two or three in Marin County. I would like to ask this practical question. I am sure the Commission is interested in it and that is this:

When the legislation is put in, is it possible for a municipality to get a metes and bounds description, so this can be put in the legislation, so in the future if oil is developed in these areas the State will not be in the same problem they are in the Long Beach situation?

I think this is something that is going to require a policy so far as the Legislature is concerned and is certainly something the Lands Commission will be concerned with.

MR. HORTIG: I believe you have touched upon the of this thing, Senator Dolwig, when you say it is going to require a policy of the Legislature. In all instances where municipalities have requested grants and have requested assistance from the State Lands Commission, there have been furnished upon their requests metes and bounds descriptions which have been subsequently recorded by the State Lands
Commission, so there is no doubt of the location of the lands granted by the Legislature. As I have said, this has not been even remotely universal except since 1951 and even of the number of grants being processed in the Legislature today, one half of the descriptions originated in the Lands Division at the request of the grantee, the other half were offered to the Legislature that it might have assistance on the description, so it would be technically correct. If, as a matter of legislative policy, the Legislature should propose to direct any proposed grants to the Lands Division for approval of description, our problem will be solved.

SENATOR DOLWIG: I don't believe you have answered my question. Six, seven or eight bills are in. Every one I have examined does not have an adequate metes and bounds description so the State and municipality will know exactly what lands are granted. This is a question I would like to have answered, because I think we have got to solve this problem, either legislatively or through regulation by the Commission. This is the question I am pursuing, because this has been raised and there is legislation under consideration. I would like to get the viewpoint of the Commission on this matter. You are the people that are dealing with it.

MR. LEVIT: Senator, if I might comment -- I am not nearly as familiar with this as you are, but just from listening to the interchange here, the Lands Commission can't
control, and wouldn't want to in any way, the action of the Legislature. If a legislator introduces a bill and it doesn't have descriptions in it and the Lands Commission does not have the request or isn't given the opportunity to prepare the descriptions, there is not very much we can do.

Now, it would seem to me that there would be a technique possible, whereby the bill would be passed subject to, as Mr. Hortig indicated, subject to the actual survey and metes and bounds description being supplied by the Lands Division, and I would think there is no real difficulty there except to the extent that you can't control what the Legislature might do in passing bills otherwise drawn.

SENATOR DOLWIG: That's true, Mr. Chairman. The only thing I am speaking of is information -- number one, if we put that in as a condition on tideland grants from now on, is the State Lands Division from a practical standpoint in a position to produce exact descriptions when we pass legislation with the condition that the description will be furnished by the State Lands Commission? Can we do that?

MR. HORTIG: In general, Senator Dolwig, the answer would be yes -- except where the grants might fringe on an area where title is in litigation.

May I ask a question? Apparently I don't understand your terminology with respect to the insufficiency of the descriptions in the grant legislation now pending before the present session, inasmuch as every one of the bills which
has been introduced has been reviewed by the Lands Division
and where the descriptions were not sufficient have been
amended by the authors of the legislation so that if the
legislation is adopted the area conveyed can actually be
surveyed and monumented on the ground and survey filed as
required by the statute, and so far as records in the future
there will always be complete knowledge because there will
be a recorded plat on file in the county where the property
is located. The descriptions in there, while they may not
meet your particular test of a metes and bounds description,
are nevertheless sufficiently definitive and accurate to
locate the ground on such a plat or survey.

SENATOR DOLWIG: Then, why, Mr. Hortig, do we have
the problem so far as Long Beach is concerned? To go back
to the 1911 act, this description was along the same descrip-
tions you have. Now we are confronted with the problem of
where are the lines -- how much is owned by the State and
how much is not owned by the State. I think this is a prob-
lem.

MR. HORTIG: I think the answer is rather simple, in
retrospect at least. If your predecessors had had the fore-
sight that you gentlemen are exercising now in requiring
platting and monumenting before a grant, if that had been
filed in 1911 as to what were the granted lands in 1911,
then there would be no question. There is no question on any
grant that you gentlemen have passed since 1951.
SENATOR DOLWIG: Now, is there any way we can take care of, by regulation through the Lands Commission or by legislation, to determine those boundaries now of all the grants we made prior to 1950. This is a matter I think we have to take up in legislation.

MR. LEVIT: This matter, it seems to me, is of course a very interesting legal problem which might involve some of the principals that were involved in the boundary litigation. I think that all we could say now we might refer this matter to the Attorney General for some ....

SENATOR DOLWIG: Mr. Chairman, I have discussed it with the Attorney General in a general way. We haven't had enough time to go into the thing thoroughly but I wanted to have this opportunity, since this Commission is meeting, to find out what the facts are. I'll be glad to take it up further and not take your time up and take it up with the Attorney General.

MR. LEVIT: It does seem to me, Senator, that any attempt on the part of the Legislature to pass any legislation that would determine the boundaries would have the effect of leading to litigation anyway.

SENATOR DOLWIG: I'll take that matter up with the Attorney General. I think that is definitely a consideration.

I have another request. I wonder if it is possible, since this is under consideration now, to get the report of the special attorneys on this problem.
MR. LEVIT: You weren't here when we discussed this earlier and I read a letter from the Attorney General in which he pointed out that it would be very detrimental in his opinion to the interests of the State if these details were made public; and I stated that my own conclusion was, and I believe I can say that this is the opinion of the members of the Commission, that this is correct -- that these are detailed briefs, if you will, or opinions prepared by an attorney for his client and as long as litigation is pending or likely to ensue, it would be most unusual and unwise and prejudicial to the interests of the State to disclose the detailed investigations of our own attorneys.

Therefore, I stated that these reports would be kept in a secret file at the Lands Commission but would, of course, be made available at such future time as this situation no longer exists. We have consulted as individuals and also as members, of course, as members of the Commission in an attorney-client relationship with the Attorney General and his staff in going over the details of these reports, and we probably will do that again before the Commission reaches a final decision as to what it should do.

We have, however, a public recommendation of the Attorney General in which he states that the State has litigable rights in his opinion against the City of Long Beach and has also concluded that no actions relating to this question should be commenced against any other persons at
this time.

I think I should also say that the Commission is fully aware of the requirement of law that all its meetings are public meetings and it is not only aware of it but is in complete sympathy with it; but at the same time there are certain situations that occasionally arise where you don't have formal meetings because obviously the Commission can't act in private -- it has to act in public meetings. No action was taken in these consultations with the Attorney General and none was contemplated or will be contemplated; but there are certain situations where the public interest requires that members of a public body have to consult in private. One of those obvious matters is matters relating to preliminary investigations involving personnel, where disclosures prematurely would injure character and simply couldn't be tolerated in fairness; and another situation, it seems to me, is an attorney-client situation where an attorney is making an investigation and detailed recommendations and reports. If those are made public and litigation ensues, you in effect are furnishing legal services to the opposition and this would be damaging to the interests of the client, in this case the State of California.

SENATOR DOLWIG: Mr. Chairman, as a lawyer I am fully aware of the situation as far as attorney and client is concerned. However, this is public business and I am a member of the Legislature; and, as I have indicated here,
there is a legislative problem involved and certainly the
members of the Legislature should have all of the facts
that have been developed on this particular problem.

Insofar as the Commission is concerned, I am certainly
aware of the fact that there is litigation pending and so
forth, but I am still making the request to the Commission
that I be given a copy of it -- with the understanding, and
I am sure that you realize if I told you it is only going
to be used from the standpoint of considering legislation,
that as far as I am concerned the document will not be made
public. I am making that request.

MR. LEVIT: Well, Senator, I think we have to distin-
guish between yourself as a legislator and the Legislature;
and if I read Chapter 2000 of the Statutes of 1957 correctly
the Legislature has referred this matter to the Lands Com-
mission, with instructions and authority to act. It is not,
therefore, at this time in the hands of the Legislature and
I think that the problem you pose, regretfully I say this,
is a much broader one than the way you put it.

In other words, I think we either have to maintain
the position that the Commission has already stated it would
maintain or else we have to determine that this is a public
document and available to any limited group -- let's say
all the members of the Legislature or other officials than
the Lands Commission; and I know you won't misunderstand
what I am saying now, but I believe if we take that position,
Senator, why we might just as well assume it is a public document.

You are not the only legislator who has made a request that these documents be furnished and the Attorney General called me some days ago and told me that he had received requests from legislators to furnish these opinions and asked me what I thought; and I told him that as far as I was concerned he was the attorney for the Lands Commission in this matter and it was up to the Commission and not up to the Attorney General to furnish this information to anyone else than the Lands Commission.

I am sure you are aware of the fact that when your counsel, the Legislative Counsel, renders an opinion to you at your request, no one outside the Legislature -- no matter how much they may be interested in or affected by the opinion -- can get it except by release of the legislator himself.

SENATOR DOLWIG: Mr. Chairman, that's all very true; but we have a practical problem from a legislative standpoint. At the present time there is legislation affecting this matter; there is legislation under consideration; We have a deadline of practically May 4th as a practical matter I think it's making it very difficult because we as legislators are certainly concerned about not putting in any legislation that in any way is going to prejudice the State's position insofar as any of these law suits are concerned.
That determination cannot be made unless we are in full possession of the facts.

MR. LEVIT: Then I think the Legislature should by resolution instruct the Commission on the current legislation. We are subject to that.

SENATOR DOLWIG: If you would like collective action rather than individual action ....

MR. LEVIT: There can't be individual action.

SENATOR DOLWIG: I meant so far as any individual legislator is concerned. I am in agreement with your position.

MR. LEVIT: I certainly don't want to convey the impression that I have the slightest doubt ....

SENATOR DOLWIG: No, no ....

MR. LEVIT: ... of your ability to keep this secret, but if we turn it over to you we have to turn it over to any legislator that wants it and it's quite obvious from just general knowledge of human nature and past experience as to what the effect of that will be.

SENATOR DOLWIG: Mr. Chairman, I appreciate your problem in this matter and if it is going to require determination by the Legislature, we will look into that. I appreciate your problem, as an attorney.

MR. LEVIT: I am not attempting to bind the Commission by what I am saying. I believe I am giving the opinion of the Commission.

MR. CRANSTON: May I ask one question? Is it
possible that certain information contained in the Attorney General's opinion would be helpful to the Senator on legislative inquiries he is concerned in, that it might be possible to be made available to him without making others?

MR. LEVIT: How can the Senator tell what he wants without seeing the whole?

MR. CRANSTON: I think it might be possible in a conference between the Senator and the Attorney General's office.

SENATOR DOLWIG: My problem is we don't want to take any action that will prejudice the State's position. As I have indicated, I think there are other problems here and certainly legislation should go ahead to resolve the problems; and, again, we have a practical problem and I can see you have.

MR. LEVIT: I'd like to suggest one possible way to approach this, Senator. That is, if you can discuss this matter with Mr. Kleps, Legislative Counsel, I'd be very happy to discuss it with him and with the Attorney General because I'd like very much to work out a satisfactory conclusion.

SENATOR DOLWIG: All right. I'll do that.

MR. CRANSTON: It seems to me by such a conference he could get the information he wants.

MR. LEVIT: All right. We will proceed with the calendar......
MR. WIRSIG: I am Robert Wirsing, representing Senator Shaw, in this matter that was just before you and that you passed on, at the request of Mrs. Shaw. As you know, Senator Shaw has been out ill since a week ago Monday. I am in no position to tell you the gravity or the seriousness of his illness. However, at Mrs. Shaw's request she instructed me to pray the Commission would put over all matters pertaining to his application for thirty days and I respectfully....

MR. LEVIT: Now, let's make sure what we are talking about here. We haven't taken any action yet on any of Mr. Shaw's applications. Item (c), although it appears under the name of Mr. Shaw, does not relate to Mr. Shaw and was taken up separately as an adoption of a rule that related to all applications pending or to be pending in the future. It didn't relate to Mr. Shaw.

MR. WIRSIG: I am sorry.

MR. HORTIG: Not exclusively.

MR. LEVIT: Well, it will affect him like all the rules of the Commission will affect him.....

MR. WIRSIG: Yes.

MR. LEVIT: ... but we didn't pass on this as a matter specifically relating to Mr. Shaw. Now, are you suggesting that we don't take any action on those for the next thirty days? Are there any applications to which Item (c) relates that can be processed -- that have to be processed within
the next thirty days?

MR. HORTIG: Well, in the normal circumstances of the deposits already made by Mr. Shaw -- in connection with these matters, in the normal processing by the Commission these areas would be advertised for bid immediately and the question was the manner in which they would be advertised.

MR. LEVIT: You are talking about item (a) now, aren't you?

MR. HORTIG: We are actually talking about how item (b) shall be processed under the rules of item (c). Item (a) is a completed series of bids and the question is whether the Commission will award the sale as to the bids. This is as to a portion of the acreage originally applied for. (a) is completion of a sale.

MR. LEVIT: That has been advertised.

MR. HORTIG: That has been advertised, bids have been received. Mr. Shaw is high bidder.

MR. LEVIT: But (b) is ratification of extension of time.

MR. HORTIG: To five p.m. today to complete deposits on which lands would then be advertised in accordance with the rules under (c).

MR. LEVIT: Are you asking that that be extended?

MR. WIRSING: Yes, item (b), Mr. Commissioner.

GOV. ANDERSON: I think first we should ratify what we have done in the past so that part is taken care of.
MR. LEVIT: Yes, we can do that; but I am just try...g
to see what it is they want us to do. Senator Shaw came
before the Commission some time ago and asked for an exten-
sion of time, which was granted. Then prior to this meeting
of the Commission, the Senator got in touch with me and ex-
plained he needed a short additional time. I assume from
what you say it ran until today — I don't recall; and I
undertook to grant that extension because there wasn't time
to consult with all the other members of the Commission and
since then that has been ratified individually by the other
two members of the Commission.

Now, I understand you want to postpone for a period of
thirty days again? ....

MR. WIRSING: Yes.

MR. LEVIT: ... the time within which the deposit
must be made?

MR. WIRSING: Yes.

MR. LEVIT: Well, if the extension is granted, or if
the deposit is not made today, there wouldn't be any occa-
sion to proceed under item (c) within the next thirty days?

MR. HORTIG: There wouldn't be the immediate necessity.
I don't believe. We have no other applications processed so
far.

MR. LEVIT: I mean nothing would happen under item (c).

MR. SMITH: That is correct. There are no lands under
present application where the second applicant would be
MR. LEVIT: What I can't understand, if these things are all to be acted on at the same time -- for instance, if you get a thirty-day extension, that will take you just about up to the next meeting of the Commission and whether Mr. Shaw wants to make a deposit or not might depend to some extent on how the Commission acts on Item (c) -- that is, in connection with the rule.

MR. WIRSING: I hesitate to speak for the Senator or Mrs. Shaw, but I don't believe -- I think the paramount interest at the moment, Mr. Chairman, is the fact of his illness.

MR. CRANSTON: I move the matter be extended to the May 28th meeting.

MR. LEVIT: You mean item (b)?

MR. CRANSTON: Yes.

MR. HORTIG: May the staff bring the Commission's attention to some complications? First, I can answer at least in part again to Mr. Wirsing, that in contemplation of any consideration of establishment of the policy in regard to the matter of advertising, this was brought to the attention of Senator Shaw before the item was brought to the Commission and I believe no objection to that procedure was indicated by Senator Shaw.

MR. LEVIT: What is the complication?

MR. HORTIG: The complication is that at this time the
appraisals for the land for which you are proposing to grant
further extensions of time are over nine months old and on
the basis of information available to the Commission's
appraisal staff -- and, incidentally, they are this old be-
cause of the successive extensions of time heretofore granted
to Mr. Shaw -- on the basis of the Commission's appraisal
staff, land evaluations may have raised to the point where
it is outdated. Ordinarily, any appraisal is reviewed where
the appraisal is over six months old. This is extremely
important in desert areas of the southern portion of the
State, where demand is great and increasing almost daily, and
particularly where development of such lands for substantial
use, largely as subdivisions, desert homesites or even in-
dustrial use has occurred subsequent to completion of the
original report.

Therefore, it is felt that in connection with any
granting of any further extension of time the staff would
have to recommend to the Commission that there be a direc-
tive to the staff to reappraise these lands and then Senator
Shaw would have the opportunity to again meet the new
appraised value; and then if he does, the lands to go to
advertising. In other words, if we don't complete this
situation as of five p.m. tonight, which is the last dead-
line of a series which the Commission has granted in exten-
sions, we are up against the very serious problem of probably
going to advertising with minimum prices required which are
completely out of line with the actual appraised values of
the land and, therefore, would be in a position of not
adhering to the Commission's regulation that the minimum
price specified will be the current appraised value of the
land.

MR. WIRSING: May I comment on that, Mr. Chairman?

I think this is just a point and I pose it in the form of a
question and as possibly the reasonable reason. Gentlemen,
you can appreciate the reason for the increase in the valuation
of the lands is Senator Shaw's past activities. In
other words, they may have been the stimuli that has caused
the increase.

MR. LEVIT: I don't think that has anything to do
with it.

MR. WIRSING: I merely pose it as a question.

MR. LEVIT: Well, the thing that bothers me about
this -- I am very fond of Senator Shaw, both in his pro-
fessional capacity, his public capacity, and personally;
but since I have been on the Commission these things have
always come up from the Senator as a last-minute matter.
I mean the Commission never has a chance to get on balance
on any of these things. It is always the very eleventh
hour that we are suddenly told that something has developed,
that we have to do something right away quick -- which is
not normal procedure and I don't think this is fair to the
Senator and I don't think it is fair to the Commission. I

DIVISION OF ADMINISTRATIVE PROCEDURE: STATE OF CALIFORNIA
am sure that we have no desire to take advantage of the
Senator or anyone else and we want to lean over backwards to
be perfectly fair.

MR. WIRSING: This is a difficult decision — but I
mean, would a medical report be of any help or assistance --
the only proof I can give you?

MR. LEVIT: If we put this over for thirty days, then
in view of what Mr. Hortig has said it seems to me that we
would probably have to go to a reappraisal on the matter
before we could proceed any further.

MR. WIRSING: My only concern ....

MR. LEVIT: I don't think it is a matter of the
medical report at all. I think we want to be perfectly
reasonable about it, whether the Senator is ill or not. He
hasn't been ill the last two times this came to my attention.

MR. WIRSING: I don't know the circumstances of the
previous postponements or delays, Mr. Chairman, but I can
assure you with all the vigor that I can muster that in view
of legislation and bills he is carrying, that he would not
absent himself from the Senate without good and serious
cause.

MR. LEVIT: That is not involved at all. Nobody ques-
tions that, but there is a question as to how long we can
keep these items open. That's the real question, and each
time I have talked to the Senator about it -- and it's only
been when he has made a formal request for extension -- it
has always been "This is it. This is going to be settled
by the time this extension is over."

What would be the normal procedure if we have to make
a new appraisal or decide to make a new appraisal on this?
That would change the amount of the deposit possibly, would-
\n't it?

MR. HORTIG: That is correct.

MR. LEVIT: Is there anything to stop us from going
ahead with a new appraisal if we decide to do it?

MR. HORTIG: No \\ . Are there any second applica-
tions pending?

MR. SMITH: There are not.

MR. HORTIG: There are not, so we can go ahead with
the appraisal.

MR. LEVIT: Who pays for the appraisal?

MR. HORTIG: Senator Shaw.

MR. CRANSTON: When was this last appraised?

MR. HORTIG: Nine months ago.

MR. CRANSTON: How long does it take to make a new
appraisal?

MR. HORTIG: It is anticipated that complete review
appraisal would be in the hands of the Commission within
sixty days.

MR. LEVIT: If a new appraisal is made.

MR. CRANSTON: Has the policy normally been to re-
appraise after six months?
MR. HORTIG: Yes.

MR. CRANSTON: Last time we made an extension this was different from normal procedure?

MR. HORTIG: First time was for a modest time, which was going to complete the thing; then it was followed by one or two others. Well, this is the final one, and we are in an almost borderline kind of trap. This time -- that is why I have a report before me -- this is the time we have to take the step.

MR. CRANSTON: How many extensions have been granted since the six-month period expired?

MR. HORTIG: Do you know offhand, Ken?

MR. SMITH: I don't recall offhand. The original notice was given Mr. Shaw on November 5th.

MR. CRANSTON: Original notice of what?

MR. SMITH: Original notice to meet the appraised value of all of the lands in the application including approximately 20,000 thousand acres.

MR. LEVIT: That is five months.

MR. SMITH: And normally twenty days are allowed to applicants after receipt of notice and it has been extended since that time up to this time.

MR. CRANSTON: You don't have the dates of the other extensions?

MR. HORTIG: Yes, we have it here. During what would have been the normal twenty-day period or starting with the
normal twenty-day period, after November 3rd the applicant requested and was granted three extensions.

MR. CRANSTON: When?

MR. HORTIG: One of thirty-one days, the second ...

MR. CRANSTON: What dates were these?

MR. SMITH: That would be twenty days after the date of November 3rd ...

MR. HORTIG: November 23rd...

MR. SMITH: ... then thirty-one days after that.

MR. LEVIT: That would be about December 25th.

MR. CRANSTON: But the extension was granted on what date?

MR. SMITH: It would be prior to the expiration of the first thirty-one day period.

MR. CRANSTON: Prior to December 23rd?

MR. HORTIG: Second one of fifteen days and a third one twelve days; and here we have a takeoff point -- the Commission by resolution of February 24th confirmed the prior extensions of time to February 24th and then authorized the further extension to March 6th, subsequently authorized a further final extension of time until five p.m. April 19th, and then by letter to the staff authorized a further final extension to April 30th.

MR. LEVIT: That was the one I granted.

MR. HORTIG: That you authorized and the other Commissioners also requested.
MR. LEVIT: That's right, yes. Well, it is true we can't get away from the fact that the Senator is ill. Would you suppose that if we -- and I am not attempting to speak for the Commission on this -- that if we granted an additional ten-day extension that the Senator would understand that this is final and that unless he acted, why, the time would definitely expire?

MR. WIRSING: I am sure that would be greatly appreciated, Mr. Chairman.

MR. LEVIT: I'd be inclined to go along ...

GOV. ANDERSON: For ten days?

MR. LEVIT: ... We are over six months anyway and in view of the illness it seems to me ten days won't make any difference.

MR. HORTIG: Under those circumstances, may I recommend for approval of the Commission the establishment at this time of item (c)?

MR. LEVIT: We are not talking about anything except item (b).

MR. HORTIG: No. Item (c) is still hanging.

MR. CRANSTON: No. We approved that.

MR. HORTIG: You have approved it?

MR. LEVIT: Yes, we are talking about item (b) only.

MR. HORTIG: I wanted to be sure. We would need it to process item (b).

MR. CRANSTON: I move.
GOV. ANDERSON: Second.

MR. WIRSING: Thank you very much.

MR. LEVIT: You don't have any objection to going ahead with item (a)? The deposits are all up. We have accepted the bid. That hasn't been acted upon.

MR. CRANSTON: Move the approval of that item.

GOV. ANDERSON: Second that. You are not asking for an extension of item (a).

(Recess 11:15-11:25 a.m.)

(Mr. Levit left the meeting and Gov. Anderson took over as Chairman)

GOV. ANDERSON: The meeting will reconvene and just so we know where we are, then, it is my understanding that under item 7 we approved now item (a); we gave an extension of ten days on item (b); and we adopted the policy of item (c). Is this right? So this brings us, then, up to item (d) -- the Henri A. Camin purchase. I imagine the policy is just to go through these. If there is no objection we will go right down.

MR. HORTIG: The tabulation of the items is for vacant State school lands, are all equal to or in excess of the appraised value of the land.

GOV. ANDERSON: Those would be item (e) - J. D. Rippy; item (f) Harry A. Forest; item (g) Elvin Gene Streeter; item (h) Lionel Levinson; item (i) Ralph C. Dills; (j) Frank Wuscher; (k) Ruth M. Blender.
Do you want to make any further comments on any of these?

MR. HORTIG: There are no objections.

GOV. ANDERSON: If there is no objection, then, do you want to make a motion?

MR. CRANSTON: Approve.

GOV. ANDERSON: It has been moved and seconded — no objection.

Item 8 is approval of sale of vacant Federal lands in accordance with State Lands Commission regulations. Do you want to comment on this?

MR. HORTIG: In both item (a) and (b) relating to 240 acres in San Bernardino County and 80 acres in Mariposa County, applications were filed with the United States Department of the Interior to have these lands transferred to the State, ultimately to be sold to the original applicant. In each instance, after appraisal and it was determined how much the lands were worth, the applicants withdrew. It is recommended that the Lands Division proceed with the processing of the applications, place them on the land list, and advertise them for sale for the advantage of the State.

GOV. ANDERSON: So ordered?

MR. CRANSTON: Yes.

GOV. ANDERSON: So ordered. Sale of vacant swamp and overflowed lands - item 9.

MR. HORTIG: Swamp and overflowed lands are sold under
the same rules and regulations pertaining to public competitive bidding as are used with reference to the sale of vacant State school land. The two parcels proposed to be sold to Kenneth D. Fobes — as is obvious from the tabulation, the bid received was equal to the appraised value in each instance and it is recommended that the parcels of land be sold subject to all statutory reservations including minerals.

GOV. ANDERSON: I notice going through several of these that there was only one bid. Now, is there any reason for this — any comment you might make?

MR. HORTIG: They have been advertised under the standard procedures in newspapers of general circulation in the county in which the lands are located — the same maximum circulation newspapers which are used for all our advertising. People who are interested in acquiring State lands follow these things regularly and in these instances we developed interest only on the part of the original applicant and no other competitive bids were developed as a result of the advertising.

GOV. ANDERSON: Do you move item 9?

MR. CRANSTON: Yes.

GOV. ANDERSON: So ordered. Item 10 — approval of map of grant to the City of Vallejo, vicinity of Mare Island, pursuant to Chapter 483, Statutes 1947.

MR. HORTIG: Proposed approval of the grant map, of the type which I discussed with Senator Dolwig this morning.
In this instance the Statutes of 1947, amended '57, required a survey of the granted lands at the cost of the grantee. The map has been completed and it is desired that it be approved for filing and recordation in order to complete the transaction.

GOV. ANDERSON: Do you move the authorization?

MR. CRANSTON: Yes.

GOV. ANDERSON: Moved and seconded.

MR. HORTIG: Item 11, Governor, if I may -- the staff request deferment of consideration. This was another map... In this case to the City of Sausalito; but on rereview of the calendar item it appears that possibly a recheck should be made. In any event, the time of filing is not critical and, therefore, we propose deferring item 11, which appears as Calendar Item 19 on page 56.

GOV. ANDERSON: You are withdrawing this for action at this time?

MR. HORTIG: That's right.

GOV. ANDERSON: All right. There is a recommendation that they withdraw item 11 at this time. If there is no objection we will so withdraw item .......

MR. KREFT: Item 11.

GOV. ANDERSON: Item 11 -- too many numbers. Item 12.

MR. HORTIG: The Division has heretofore completed maps of survey of the mean low water line and the ordinary low water mark along Carquinez Strait and Mare Island Strait in
Solano County to determine the waterward boundary of private
ownership along the shore, where we have had to determine
these boundaries to determine what areas are leasable by the
State; and it is recommended that the Commission approve the
maps for recordation in the county where they are located.

MR. CRANSTON: So move.

GOV. ANDERSON: If there is no objection, so ordered.

Item 13.

MR. HORTIG: Item 13, page 58, is somewhat unique.
The City of Long Beach has requested the concurrence of the
office of the Attorney General with respect to a boundary
agreement as between the City of Long Beach and private up-
land owners of the easterly portion of the downtown area of
Long Beach in settlement of litigation. It is strictly a
legal question and the Attorney General's office has deter-
mined that they will inform the City of Long Beach that they
see no legal objections; however in view of the fact that the
Attorney General's office is the counsel to the Lands Commis-
sion in connection with this matter, the Attorney General's
office did not desire to inform the City of Long Beach on
the legal question until they had first informed the Lands
Commission of their intent to so do.

Therefore, this is an informative report to the Commis-
sion, requires no action on the part of the Commission, and
subsequent to this information to the Commission the Attorney
General will correspond with the City of Long Beach, stating
no legal objection to the proposed settlement, compromise settlement of the case of Long Beach Amusement Company vs. the City of Long Beach, in view of the fact the boundary lines therein proposed and the fiscal operations proposed have been evaluated by the State Lands Division and recommended to be satisfactory.

MR. CRANSTON: Just pass it over?

GOV. ANDERSON: Pass it over. Item 14, then.

MR. HORTIG: Item 14 is a report of status of major litigation. As the Commission will recall, the Alamitos Bay quitclaim litigation relates to a 2200-foot strip of tide and submerged lands quitclaimed to the State of California for park purposes, which probably should be developed for oil and gas, but the City of Long Beach contends that in the quitclaim they did not intend to give the State the oil and gas. So this has had to be set for trial to get a judicial determination, and the case has been set for June 10, this year.

Orange County's suit for declaratory relief against the State of California, claiming that all the tidelands in Orange County were given to the county by a broad interpretation of an act of the Legislature in 1919, remains in court, with both sides taking depositions from various individuals -- primarily a matter of perpetuation of testimony for fear the people won't be around when their testimony is needed because many of them are rather aged, because a
a lot of the problems will involve on what the intent was in
1919 and the people involved at that time who are still
around are all rather aged.

In the meantime, the opposition in Orange County con-
tinues to be an administrative problem to the State Lands Divis-
on because in connection with the discovery procedures
now permitted in pretrial procedures, we are almost weekly
in receipt of voluminous requests for data. The last one,
we reported to the court, would involve 1,250,000 sheets of
paper in the State Lands file and this is the reason we
can't give an immediate reply. Whether this is for harass-
ment or whether it is necessary we give them some information
they should have, we don't know; but pretrial procedures,
which we understand from counsel were designed to expedite
litigation, turn out in this case to be one year of expedit-
ing before we even get started.

The third item -- complaint by one Mr. Carl Whitson --
is the second in a serious of actions which Mr. Whitson has
brought. He first contended last fall that neither the State
nor the City of Long Beach were entitled to any revenues from
the tidelands, that the constitutionality of the Federal
quitclaim act was in question, and all the money should go
to the United States Treasury in Washington, D.C. The
Federal District Court dismissed that action, so Mr. Whitson
is taking this second action, stating that the State of Cali-
ifornia is not entitled to any proceeds from the tidelands,
only the City of Long Beach is; and this was under submis-

sion with the court at the date of the preparation of this
calendar item and the court's indication to Mr. Whitson is
that his second action is being dismissed.

We await with interest whether he takes the third and
obvious step, which in the next case would have the State as
the only party entitled to the proceeds. He has had two,
so we think he will probably go to court and say the State
is entitled to everything.

GOV. ANDERSON: No action?

MR. HORTIG: No action.

GOV. ANDERSON: The next is item 15.

MR. HORTIG: ... which is a summary report which the

Commission can read at its leisure and is the status of
legislation possibly affecting the Commission's jurisdiction.
Ranging from S.B.233 to S.B.385 are those bills previously
authorized by the Commission, to be introduced as depart-
mental legislation and inclusive of A.B. 904 also, and of
which group six bills have now reached the Governor's desk.

GOV. ANDERSON: This completes the items on the
calendar. Is there anything further -- any further business
you want to bring up?

MR. HORTIG: Not to the knowledge of the staff.

MR. CRANSTON: Move that the rules and regulations re-
lating to lands sales procedure be calendared for the July
meeting.

GOV. ANDERSON: Second.
CERTIFICATE OF REPORTER

I, LOUISE H. LILlico, reporter for the Division of Administrative Procedure, hereby certify that the foregoing eighty-two pages contain a full, true and correct transcript of the shorthand notes taken by me at the meeting of the State Lands Commission of the State of California at Sacramento, California on April 30, 1959.

Dated: Sacramento, California, May 2, 1959.

[Signature]

Dated: Sacramento, California, May 2, 1959.