

15. (DISPUTED ACCOUNTS WITH LONG BEACH - W. O. 2323.) The following report was presented to the Commission:

"At a conference between representatives of the Attorney General's office, of the Audits Division of the Department of Finance, and of the State Lands Division, it was learned that a claim is about to be presented by the City of Long Beach for expenditures made for subsidence remedial projects for the period of April 1 to July 5, 1956. This claim has already had the benefit of a preliminary audit by the Audits Division of the Department of Finance under arrangements made through an interagency agreement between the State Lands Division and that Division.

"The Commission will recall that the Attorney General has rendered an opinion to the effect that expenditures made between those two dates may be given approval by the State Lands Commission as coming within the purview of the provisions of Chapter 29, Statutes of 1956, relating to allowance of subsidence remedial costs. Contrary to this opinion of the Attorney General, the Legislative Counsel released an opinion to the effect that the State Lands Commission could not give after-the-fact approval of these expenditures."

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, IT WAS RESOLVED AS FOLLOWS:

THE EXECUTIVE OFFICER IS AUTHORIZED TO REQUEST THE ATTORNEY GENERAL TO REFER THE MATTER OF ALLOWANCE OF SUBSIDENCE REMEDIAL COSTS, MADE DURING THE PERIOD FROM APRIL 1 TO JULY 5, 1956, TO THE COURT PRESENTLY HAVING JURISDICTION OVER THE MATTER, AND TO ARRANGE FOR THE IMPOUNDING OF FUNDS RELATING TO THESE AND OTHER DISPUTED ACCOUNTS UNTIL A COURT DECISION HAS BEEN HAD WITH RESPECT THERE-TO.

16. (AUTHORIZATION FOR EXTENSION AND INCREASE OF CONTRACT WITH DIVISION OF AUDITS - LC-91 UNDER AMENDMENT LC-91a, W. O. 2323.) The following report was presented to the Commission:

"At the August 15, 1956 meeting of the State Lands Commission the Executive Officer was authorized to enter into and execute an interagency contract with Audits Division, Department of Finance, providing for the furnishing of services by said Division in the development of a program designed to carry out auditing functions under provisions of Chapter 29, Statutes of 1956, 1st E.S. Said contract is to provide for services July 1, 1956 through October 31, 1956 at a cost not to exceed \$5,000'.

"The report received from the Audits Division indicates that the complexity of the Long Beach operations will require further audit services of the Audits Division extending to June 30, 1957 at an estimated additional cost amounting to \$5,000. This amount was approved at the budget hearing on the Budget Request of the State Lands Division even though it was not included in the budget request for current year operations."

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, IT WAS RESOLVED AS FOLLOWS:

THE EXECUTIVE OFFICER IS AUTHORIZED TO EXTEND INTERAGENCY CONTRACT LC-91 WITH AUDITS DIVISION TO JUNE 30, 1957 AND INCREASE THE COST NOT TO EXCEED A TOTAL OF \$10,000 (AN INCREASE AMOUNTING TO \$5,000).