

MINUTE ITEM

2. LONG BEACH BOUNDARY DETERMINATION, CHAPTER 2000/57 - W.O. 2716.

Following presentation of Calendar Item 16 attached, the Chairman called for reports from the office of the Attorney General and from the City of Long Beach.

Mr. Dan Kaufmann, Assistant Attorney General, outlined the seven meetings which had been held between representatives of the office of the Attorney General and of the City of Long Beach prior to the October 5 meeting of the Commission. During this time a proposal for settlement had been submitted by the City which was not satisfactory to the Commission, and the office of the Attorney General subsequently presented two counter-settlement bases to the City. On October 17 a settlement proposed by the City Council was received from the office of the City Attorney. This again did not appear satisfactory, as it offered the State less than the July proposal which had been rejected. The office of the Attorney General therefore requested instructions from the Commission with respect to continuing the discussions and the negotiations.

Mr. Joseph A. Ball, Special Counsel, gave a brief resume of events and the viewpoint of the City of Long Beach. He pointed out that the attorneys for the City of Long Beach and the office of the Attorney General are aware that the circumstances are such that a lawsuit might be either won or lost by either party. Mr. Ball urged the Commission to continue negotiations. He stated that both subsidence alleviation and unitization programs would be jeopardized if suit were to be filed at this time, possibly resulting in loss of the Long Beach Naval Shipyard. He said that the State had much to gain from continuance of negotiations and would lose nothing by delayed filing of a lawsuit, since the stipulation effected on June 1, 1959, protected its interests.

The Chairman assured Mr. Ball that the main interest of the State Lands Commission at present was to determine whether the two sides were close to a settlement and whether Long Beach was doing all it could to bring the problem to a conclusion. Mr. Ball replied that the negotiations did not appear to be close to a settlement, but that in view of the seriousness of the problem and the amount of money involved, he did not feel that the period of time involved to date was excessive. The Chairman then asked if Mr. Ball felt that an actual settlement could be reached by negotiation. Mr. Ball replied that he thought a settlement was not impossible, but that some give and take on both sides was essential. He cited as the reason for the delay not negligence, but the magnitude of the problem.

Mr. Carr then asked for specific discussion of questions relative to time limitations:

1. The vital concern of both the City of Long Beach and the State in the repressurization program from the standpoint of salvaging the Long Beach Naval Shipyard.
2. The halting of subsidence, which, although a local problem, affects the economy of the State as a whole.

3. The necessity for a determination of the boundary line in Long Beach because of a mandate from the Legislature.
4. Why would a lawsuit at this time impede unification of Fault Blocks II and III?

Mayor Kealer, Mr. Harold A. Lingle, Deputy City Attorney, Mr. Joe Ball, Mr. Ridings, and Mr. Roberts, all representing the City of Long Beach, discussed the questions with the Commissioners and the Executive Officer as related to various legal problems and injection-volume targets and deadline dates satisfactory to the Navy.

Mr. Carr requested a status report on the Navy damage suit and the effect upon it because of delays in concluding arrangements for repressurization. Mr. Howard S. Goldin, Deputy Attorney General, explained that of the two aspects of the case (1) the injunctive and (2) the damages, the latter or damage aspect has never been off calendar, and to his mind the United States Government intends to pursue this aspect of the case with due diligence.

The amount of damages sought is still indeterminate. Mr. Goldin continued by saying that keeping the injunctive aspect of the suit off calendar is the best evidence of satisfaction with the repressurization; conversely, dissatisfaction would result in reactivation of this aspect of the suit.

UPON MOTION MADE BY MR. CRANSTON, SECONDED BY MR. CARR, AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED THAT, IN VIEW OF IMPENDING DECISIONS TO BE MADE BY OTHERS REGARDING THE LONG BEACH NAVAL SHIPYARD AND IN VIEW OF SINCERE REPRESENTATIONS BY MAYOR KEALER AND OTHERS FROM LONG BEACH THAT THEY WILL UNDERTAKE TO COMPLETE NEGOTIATIONS AS QUICKLY AS POSSIBLE, THE REPRESENTATIVES OF THE OFFICE OF THE ATTORNEY GENERAL ARE TO BE INSTRUCTED TO CONTINUE TO CARRY ON NEGOTIATIONS WITH THE CITY OF LONG BEACH IN AN EFFORT TO RESOLVE THE DISPUTE REGARDING THE TIDELANDS BOUNDARY, AND THAT, WHILE NO FINAL TARGET DATE IS SET FOR NEGOTIATIONS AT THIS TIME, THE DATE OF THE NEXT MEETING OF THE COMMISSION WOULD BE THE TARGET DATE FOR A REPORT TO THE COMMISSION.

Attachment

Calendar Item 16 (1 page)

CALENDAR ITEM

16.

LONG BEACH BOUNDARY DETERMINATION, CHAPTER 2000/57 - W.O. 2716.

At the October 5, 1959 meeting the Commission granted a further extension of time for negotiations until its next scheduled meeting. This extension was predicated upon the condition that the Commission would have presented to it at today's meeting:

1. A proposal for settlement;
2. Or very convincing evidence that negotiations are close to settlement, and that the City of Long Beach is doing all it can to expedite the negotiation and bring it to a conclusion.

Representatives of the Attorney General's office and of the Commission's staff will report on the status of the negotiations.

It is also expected that representatives of the City of Long Beach will report to the Commission.