

MINUTE ITEM

9. CONSIDERATION OF SUBSIDENCE COSTS, LONG BEACH - L.B.W.O. 10,019(28); L.B.W.O. 10,019(57); L.B.W.O. 10,057(253).

After consideration of Calendar Item 9 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE COMMISSION DETERMINES THE SUBSIDENCE COSTS SUBSEQUENT TO APRIL 1, 1956 AND THE STATE'S SHARE OF SUCH SUBSIDENCE COSTS IN THE PORT OF LONG BEACH AUTHORIZED FUND EXPENDITURES NO. 28, NO. 57 AND NO. 253, DEDUCTIBLE FROM THE OIL REVENUE PAYABLE TO THE STATE UNDER THE PROVISIONS OF SECTION 5(a) (1) OF CHAPTER 29, STATUTES OF 1956, 1ST E.S., TO BE AS SHOWN ON EXHIBIT "A" ATTACHED HERETO AND HEREBY MADE A PART HEREOF; AND THE EXECUTIVE OFFICER, THE ASSISTANT EXECUTIVE OFFICER, OR THE SUPERVISING MINERAL RESOURCES ENGINEER ARE AUTHORIZED ON THE BASIS OF THIS DETERMINATION TO EXECUTE APPROPRIATE WRITTEN INSTRUMENTS REQUIRING THAT ADJUSTMENTS TO EXISTING ACCOUNTS ON THE WORK CONSIDERED HEREIN BE MADE IN FAVOR OF THE STATE OF CALIFORNIA OR THE CITY OF LONG BEACH AS MAY BE NECESSARY TO FINALLY CLOSE SUCH ACCOUNTS.

Attachment

Calendar Item 9 (2 pages)

CALENDAR ITEM

9.

CONSIDERATION OF SUBSIDENCE COSTS, LONG BEACH - L.B.W.O. 10,019(28);
L.B.W.O. 10,019(57); L.B.W.O. 10,057(253).

The following projects were considered by the Port of Long Beach to contain elements of subsidence costs within the provisions of Chapter 29, Statutes of 1956, 1st E.S.:

AFE 28, Pier B, Berths 17-18 Transit Shed
AFE 57, Pier A, East Drainage
AFE 253, Pier E, Berth 118-120, Bulkhead and Wharf Development

The above-listed projects were not carried to completion, and total costs expended to the time of termination have been charged against "Abandoned Planning" accounts. Current accounts have been maintained during the progress of the work on each of these projects by allowing deductions of estimated subsidence costs from monthly oil revenue remittances to the State. Such approximate existing accounts will be adjusted and closed on the basis of results of an engineering review and final audit as shown on Exhibit "A" attached.

A letter from the Harbor Department, dated October 7, 1959, is in agreement with the allowable subsidence deductions set forth in attached Exhibit "A".

In order to clear the records of these accounts, the following recommendation is made.

IT IS RECOMMENDED THAT THE COMMISSION DETERMINE THE SUBSIDENCE COSTS SUBSEQUENT TO APRIL 1, 1956 AND THE STATE'S SHARE OF SUCH SUBSIDENCE COSTS IN THE PORT OF LONG BEACH AUTHORIZED FUND EXPENDITURES NO. 28, NO. 57 AND NO. 253, DEDUCTIBLE FROM THE OIL REVENUE PAYABLE TO THE STATE UNDER THE PROVISIONS OF SECTION 5(a) (1) OF CHAPTER 29, STATUTES OF 1956, 1ST E.S., TO BE AS SHOWN ON EXHIBIT "A" ATTACHED HERETO AND HEREBY MADE A PART HEREOF; AND THAT THE EXECUTIVE OFFICER, THE ASSISTANT EXECUTIVE OFFICER, OR THE SUPERVISING MINERAL RESOURCES ENGINEER BE AUTHORIZED ON THE BASIS OF THIS DETERMINATION TO EXECUTE APPROPRIATE WRITTEN INSTRUMENTS REQUIRING THAT ADJUSTMENTS TO EXISTING ACCOUNTS ON THE WORK CONSIDERED HEREIN BE MADE IN FAVOR OF THE STATE OF CALIFORNIA OR THE CITY OF LONG BEACH AS MAY BE NECESSARY TO FINALLY CLOSE SUCH ACCOUNTS.

Attachment
Exhibit "A"

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EXHIBIT "A"

SUBSIDENCE COST DETERMINATION

RESULTS OF ENGINEERING REVIEW AND FINAL AUDIT UPON COMPLETION OF THE WORK.

<u>AFE</u> <u>No.</u>	<u>L.B.W.O.</u> <u>No.</u>	<u>Title</u>	<u>Total Subsidence</u> <u>Deductions from</u> <u>Remittance of</u> <u>Oil Revenue *</u>	<u>Determination</u> <u>of Allowable</u> <u>Subsidence</u> <u>Deductions</u>	<u>Credit</u> <u>Due State</u>
28	10,019(28)	Pier B, Berths 17-18, Transit Shed	\$ 15.27	\$ 0.00	\$ 0.00**
57	10,019(57)	Pier A East, Drainage	57.21	0.00	57.21
253	10,057(253)	Pier E, Berths 118-120	64.00	0.00	64.00

* Actual deductions made on the basis of estimates by the Long Beach Harbor Department of the amount of subsidence costs in the project.

** For AFE 28, \$15.27 has been returned to the State.