

MINUTE ITEM

24. CONSIDERATION OF SUBSIDENCE COSTS - L.B.W.O. 10,022(280); L.B.W.O. 10,061(327); AND L.B.W.O. 10,061(329).

After consideration of Calendar Item 5 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. 280, NO. 327 AND NO. 329, 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 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 5 (3 pages)

CALENDAR ITEM

5.

CONSIDERATION OF SUBSIDENCE COSTS - L.B.W.O. 10,022(280); L.B.W.O. 10,061(327); AND L.B.W.O. 10,061(329).

On November 8, 1956 (Minute Item 13, page 2884), on December 5, 1956 (Minute Item 16, page 2949), and on February 2, 1957 (Minute Item 15, page 3013), the Commission approved the costs expended by the City of Long Beach for contractor and force account payments on subproject "Diversion Dike Remedial", AFE 280.

On March 10, 1958 (Minute Item 20, page 3919), and December 11, 1958 (Minute Item 22, page 4405), the Commission approved the costs expended by the City of Long Beach for contractor and force account payments on subproject "Diversion Dike Remedial", AFE 327.

On March 10, 1958 (Minute Item 20, page 3917), and on October 14, 1958 (Minute Item 31, page 4331), the Commission approved the costs expended by the City of Long Beach for contractor and force account payments on subproject "Berth 3-7, Temporary Dike Wall", AFE 329.

The approvals on the above-listed projects were made subject to the condition, in part, that the amounts, if any, of each of the items to be allowed ultimately as subsidence costs, deductible under Section 5(a) of Chapter 29, Statutes of 1956, 1st E.S., will be determined by the Commission upon an engineering review and final audit subsequent to the time when the work under any of these items is completed.

For the above-listed projects, the work has been completed, final costs collected and transmitted to the staff by the Long Beach Harbor Department, and the above stated final engineering review and audit have been made by the staff with results summarized in Exhibit "A" attached hereto.

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.

Long Beach Harbor Department was made aware of the results of the subject studies and more detailed discussion was invited, if desired. Agreement with the amounts set forth in the attached Exhibit "A" is indicated in letter from the General Manager of the Port of Long Beach dated February 26, 1962.

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. 280, NO. 327 AND NO. 329, 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

CALENDAR ITEM 5. (CONTL.)

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"

EXHIBIT "A"

SUBSIDENCE COST DETERMINATION

RESULTS OF ENGINEERING REVIEW AND FINAL AUDIT UPON COMPLETION

OF THE WORK

<u>AFE NO.</u>	<u>L.B.W.O. NO.</u>	<u>TITLE</u>	<u>TOTAL SUB- SIDENCE DEDUCTIONS FROM RE- MITTANCE OF OIL REVENUE*</u>	<u>DETERMINA- TION OF ALLOWABLE SUBSIDENCE DEDUCTIONS</u>	<u>CREDIT DUE</u>	
					<u>STATE</u>	<u>OR CITY</u>
280	10,022	Pier A, Diversion Dike Remedial	\$ 9,768.07	\$ 9,092.61	\$ 675.46	
327	10,061	Pier A, Diversion Dike Remedial	\$ 7,657.00	\$ 7,854.51		\$ 197.51
329	10,061	Pier A, Berths 3-7 Temporary Dike Wall	\$ 6,795.91	\$ 6,808.90		\$ 12.99

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