

MINUTE ITEM

29. CONSIDERATION OF SUBSIDENCE COSTS - L.B.W.O. 10,083(335); L.B.W.O. 10,115(370); L.B.W.O. 10,115(457); AND L.B.W.O. 10,124(405).

After consideration of Calendar Item 23 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 NUMBERS 335, 370, 405, AND 457 THAT ARE 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 23 (3 pages)

CALENDAR ITEM

23.

CONSIDERATION OF SUBSIDENCE COSTS - L.B.W.O. 10,083(335); L.B.W.O. 10,115(370); L.B.W.O. 10,115(457); AND L.B.W.O. 10,124(405).

On January 10, 1957 (Minute Item 17, page 2982), on July 15, 1957 (Minute Item 26, page 3354), on June 11, 1958 (Minute Item 20, page 4104), on June 11, 1958 (Minute Item 21, page 4107), and on June 25, 1959 (Minute Item 24, page 4969), the Commission approved the costs expended by the City of Long Beach for contractor and force account payments on subproject "Pier 'A' East, Street System," AFE-335.

On July 30, 1959 (Minute Item 39, page 5111), on February 25, 1960 (Minute Item 22, page 5676), on March 24, 1960 (Minute Item 25, page 5800), and on June 23, 1960 (Minute Item 14, page 6069), the Commission approved the costs expended by the City of Long Beach for contractor and force account payments on subproject "Pier 'A', Fill, Miscellaneous Areas," AFE-370.

On March 7, 1961 (Minute Item 28, page 6780), the Commission approved the costs expended by the City of Long Beach for contractor and force account payments on subproject "Pier 'A' East, Oil Drainage Area," AFE-457.

On August 25, 1960 (Minute Item 8, page 6207), the Commission approved the costs expended by the City of Long Beach for contractor and force account payments on subproject "Move Building No. 157 to Pier 'B'," AFE-405.

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., would be determined by the Commission upon an engineering review and final audit subsequent to the time when the work under any of these items was completed.

For the above-listed projects, the work has been completed, final costs have been collected and transmitted to the staff by the Long Beach Harbor Department, and the final engineering reviews and audits 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 the engineering review and final audit as shown on Exhibit "A" attached.

The Long Beach Harbor Department was informed of the results of the subject studies, and more detailed discussion was invited, following which agreement was reached with representatives of that Department, as confirmed by their letter of October 15, 1964.

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 NUMBERS 335, 370,

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405, AND 457 THAT ARE 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"

EXHIBIT "A"

SUBSIDENCE COST DETERMINATION

RESULTS OF ENGINEERING REVIEW AND FINAL AUDIT UPON COMPLETION

OF THE WORK

AFE NO.	LBWO NO.	TITLE	TOTAL SUB- SIDENCE DEDUCTIONS FROM RE- MITTANCE OF OIL REVENUE*	DETERMINA- TION OF ALLOWABLE SUBSIDENCE DEDUCTIONS	CREDIT DUE	
					STATE	or CITY
335	10,083	Pier "A" East, Street System	\$28,439.33	\$27,979.15	\$ 460.18	
370	10,115	Pier "A" Fill, miscellaneous Areas	\$27,979.99	\$25,522.50	\$2,457.49	
405	10,124	Move Building No. 157 to Pier "B"	\$ 323.13	\$ 635.57		\$ 312.44
457	10,115	Pier "A" East Oil Drainage Area	\$ 8,375.29	\$ 8,375.29	-	-

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