

MINUTE ITEM

4/24/74
RCH

31. STATUS OF MAJOR LITIGATION.

During consideration of Informative Calendar Item 31 attached, Mr. E. N. Gladish, Executive Officer, State Lands Commission, presented a brief status report on the case entitled People v. Simon, concerning the legality of price control regulations. He informed the Commission that the trial was completed in the Los Angeles District Court and a decision by the court is expected soon.

Attachment:

Informative Calendar Item 31 (4 pages)

INFORMATIVE CALENDAR ITEM

4/74
RCH

31.

STATUS OF MAJOR LITIGATION

As of March 31, 1974, there were 249 litigation projects involving the Commission, down two from last month.

1. U. S. v. 1164.34 Acres
U. S. District Court Case No. 2274

W 503.696

(U. S. condemnation action for wildlife refuge of all the mud flats between the Sears Point Highway and San Pablo Bay boundary by Mare Island Navy Yard on the east and Sonoma Creek on the west.)

Tract 12 in the condemnation take is the subject of a stipulation for judgment approved by the Commission at its January 1973 meeting. Said judgment will establish the 1923 U. S. Government Land Office meander line as the permanent and fixed boundary line between the privately owned uplands and the sovereign lands of the State. The case is still under negotiation.

2. City of Albany v. State
Alameda Superior Court Case No. 428396

W 503.726

(Plaintiff seeks declaratory relief with regard to the State Lands Commission finding that the 1961 tideland grant to the City of Albany had not been substantially improved.)

The Court of Appeals modified its injunction to prohibit any further fill within the waters of San Francisco Bay. The new order, however, allows the additional piling of material on the existing fill.

On January 21, 1974, the Court of Appeals ruled on the merits of the case before it. The court ruled that the formation of the State Lands Commission at the meeting terminating the Albany grant was proper. The case is remanded to the Superior Court for trial on the issue of substantial improvement. The date of trial is not yet determined. The City of Albany petitioned the California Supreme Court for a hearing on the matter and the petition was denied.

INFORMATIVE CALENDAR ITEM NO. 31. (CONT'D)

3. Pariani v. State of California
San Francisco Superior Court Case No. 657291

W 503.737

(Plaintiff seeks to quiet title to three parcels of land in Sonoma and Lake Counties. State patented said land into private ownership in 1953, reserving all mineral rights. Plaintiff now seeks to determine whether geothermal energy was reserved to the State under the 1953 patent.)

The Attorney General's Office filed a cross-complaint in July 1973, and in October 1973 a demurrer was filed to certain answers filed by one group of plaintiffs. On December 4, 1973, the Court upheld the State demurrer, thereby eliminating three of the plaintiff's defenses in the case.

Plaintiffs have filed a motion for summary judgment and for judgment on the pleadings. Their arguments and the counter arguments of the Attorney General will be heard at a hearing scheduled for April 18, 1974.

4. Union Oil of California v. Houston I. Flournoy, et al.
U. S. District Court, Central District
Civil No. 732486

W 503.747

(An action by Union Oil Company to prevent the State from selling royalty oil.)

Under State Oil and Gas Lease PRC 3033.1 entered into with Union Oil Company, the Commission had the right to receive royalty payments in kind. At its July 1973 meeting, the Commission announced its intention to receive bids for this royalty oil and for royalty oil for other Orange and Los Angeles County leases. Bids were subsequently received for this royalty oil. The contract for the purchase of this oil was to be awarded at the October 25, 1973, Commission meeting, but this award was prevented by Union's filing and obtaining on October 24, 1973, an order to show cause and temporary restraining order. Union alleged that the sale was in violation of the Federal Government "Phase IV" price controls and was hence illegal. On November 5, 1973, the preliminary injunction obtained by Union was denied and the temporary restraining order was dissolved.

On November 29, 1973, the Commission awarded the contract to purchase the oil. That same day, Plaintiff applied for another temporary restraining order to prevent the sale, which order was denied. Plaintiff's second application for preliminary injunction was heard and denied on December 17, 1973. Matter is now in abeyance pending outcome of People v. Simon.

INFORMATIVE CALENDAR ITEM NO. 31. (CONTD)

5. People v. William E. Simon, et al.
U. S. District Court, Central District of California
Civil No. 74-661-JWC

(Action to declare invalid Federal Energy Office revocation of State crude oil exemption issued February 21, 1974.)

Trial court issued temporary restraining order against enforcement of FEO ruling against State, City of Long Beach, City of Newport Beach, and State of Louisiana and on April 8, 1974, issued a preliminary injunction. Final hearing on the merits is scheduled for April 22, 1974.

6. State of California v. County of San Mateo, et al. W 1839.28
San Mateo Superior Court Case No. 144257 W 6987

Suit seeking Declaratory Judgment to protect the public property rights in land covered by the open waters of South San Francisco Bay westerly on the deep draught ship channel, the area of which has been substantially increased with the filing of a cross-complaint by Westbay Community Associates to be an approximate 10,000 acres and 21 miles of shoreline including most of the westerly portion of the Bay between the San Francisco International Airport and the southerly San Mateo County line. Titles to other adjacent substantial areas of salt ponds have been brought into the case with the filing of a complaint in intervention by Leslie Salt Co. Pretrial and discovery proceedings are now in progress, with factual investigation, relating to substantial and complex issues, continuing.

7. State of California v. Dart Industries, Inc., et al. W 503.743
Nevada County Superior Court Case No. 18595

(Ejectment action to compel removal of purprestures from Donner Lake.)

On July 2, 1973, the State filed complaint in ejectment for damages, and to compel the removal and prevent the maintenance of purprestures which obstruct navigation and interfere with the exercise of the public trust over navigable waters of Donner Lake. The purprestures are in the form of a landfill, a concrete boat launching ramp, and a water intake pipeline which encroach waterward into the lake.

Defendants in this action have been served with summons and complaint and have been granted an indefinite extension of time in which to answer, contingent upon their application for and attainment of the appropriate leases and permits. The joint draft EIR between Tahoe Donner Public Utility District and Dart is currently being prepared. The lease applications have been received. The BLA and exchange agreement are to be considered by the Commission at its April 24 meeting.

INFORMATIVE CALENDAR ITEM NO. 31. (CONTD)

8. Construction Aggregates Corporation v. State of California, W 503.756
et al.
San Francisco Superior Court No. 669-359

Plaintiff sued the State claiming that the State Lands Commission has breached its mineral extraction lease (PRC 709.1). Plaintiff claimed they have an exclusive right to dredge sand from San Francisco Bay in the area described under their lease. Plaintiff claimed that the State Lands Commission, by allowing the City and County of San Francisco through the San Francisco Port Commission, to dredge materials from San Francisco Bay for the construction of piers and wharves as part of the renovation of San Francisco, violates the exclusive rights of their lease.

The Attorney General's office is preparing an answer to the complaint.