

MINUTE ITEM  
This Calendar Item No. C78  
was approved as Minute Item  
No. 78 by the State Lands  
Commission by a vote of 3  
to 0 at its 02/12/97  
meeting.

CALENDAR ITEM  
**C78**

A 66

02/12/97

S 36

W40695

Frey

**CONSIDERATION OF SETTLEMENT AGREEMENT BETWEEN  
THE CALIFORNIA STATE LANDS COMMISSION AND  
GRANITE CONSTRUCTION COMPANY**

**BACKGROUND:**

In 1992 Granite Construction Company purchased a quarry in Section 34, T4S, R7E, SBM near Indio in Riverside County. The parcel is former school lands which had been sold in 1928 and 1931. The patents reserved to the State one-sixteenth of the minerals. A dispute arose between Granite and the California State Lands Commission over how Granite must account for its one-sixteenth share of the sand and gravel mined from the quarry. The Commission filed litigation. Settlement talks were initiated.

**THE SETTLEMENT:**

Prior to the Settlement negotiations, Granite began to make quarterly payments to the Commission without prejudice to its rights in subsequent litigation. In the Settlement, the Commission agrees to accept those payments in satisfaction of its claims. Commencing January 1, 1997 Granite will continue those quarterly payments but at a higher rate.

**PERMIT STREAMLINING ACT DEADLINE:**

N/A

**OTHER PERTINENT INFORMATION**

Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Reg. 15061), the staff has determined that this activity, is exempt from the requirements of CEQA because it is not a project.

Authority: Public Resources Code section 21065 and 14 Cal. Code Regs. 15378.

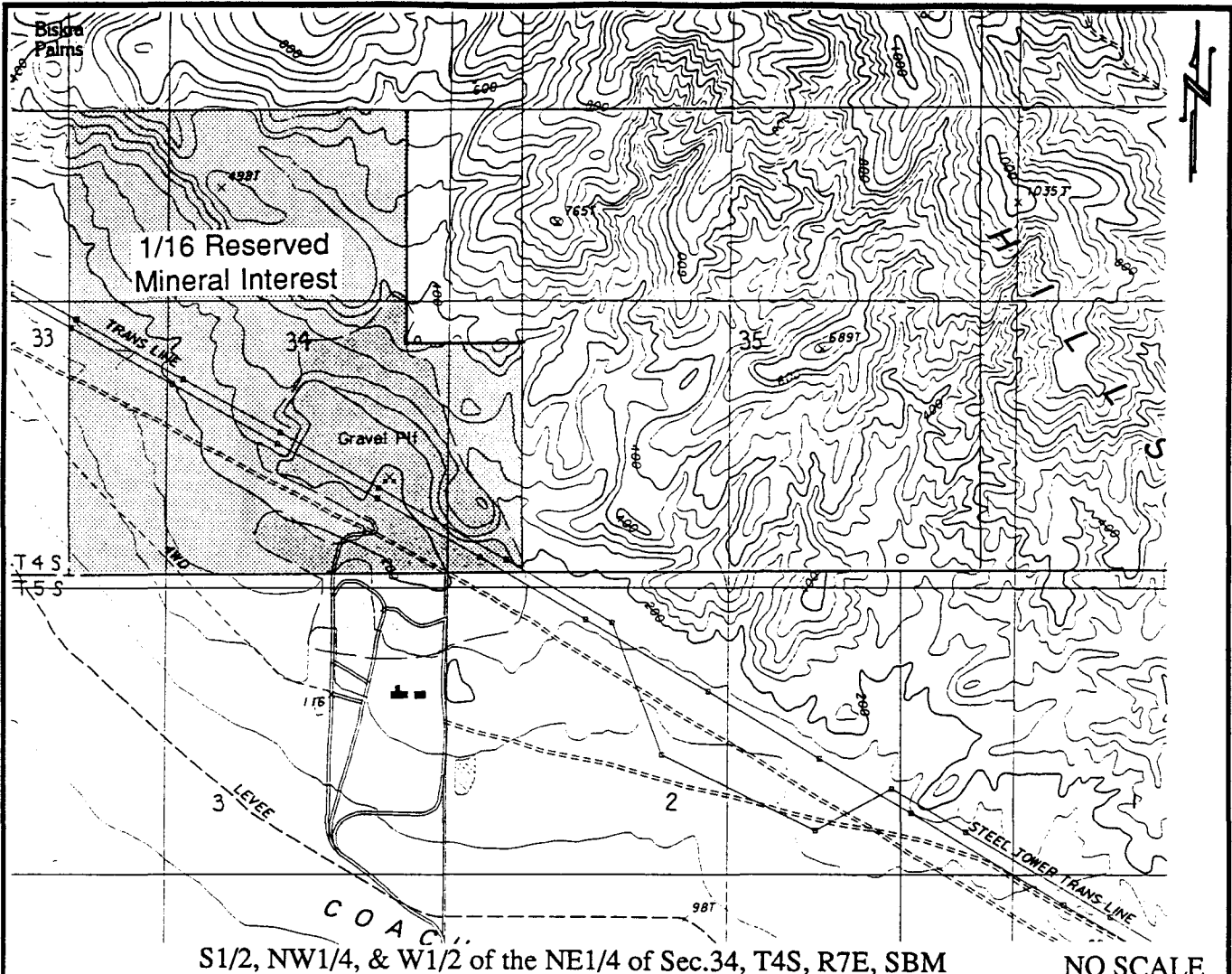
**EXHIBIT:**

A. Land Description

CALENDAR ITEM NO. C78 (CONT'D)

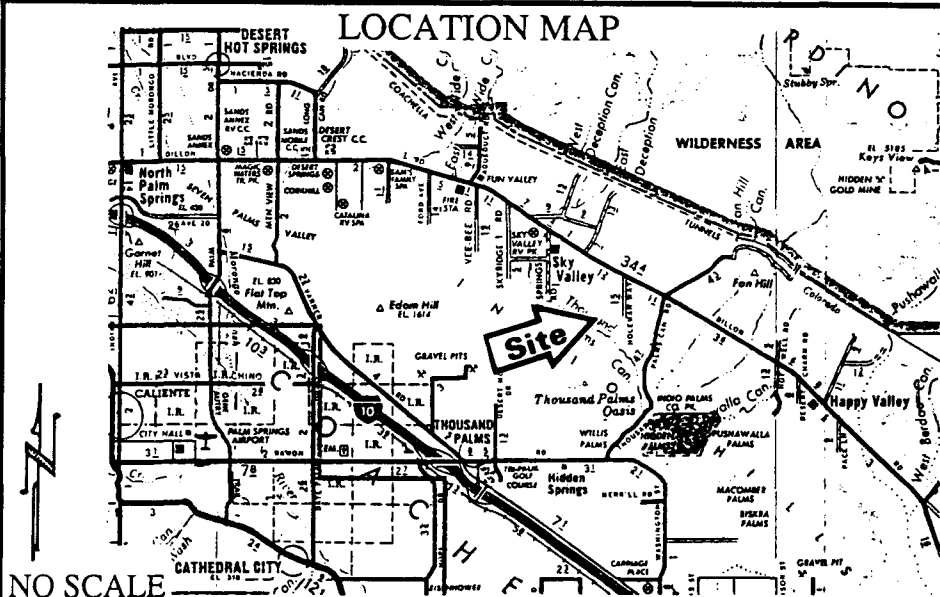
**IT IS RECOMMENDED THAT THE COMMISSION:**

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 AS A STATUTORILY EXEMPT PROJECT PURSUANT TO PUBLIC RESOURCES CODE SECTION 21065 AND 14 CAL. CODE REGS. 15378 BECAUSE IT IS NOT A PROJECT.
  
2. APPROVE THE SETTLEMENT AGREEMENT BETWEEN THE CALIFORNIA STATE LANDS COMMISSION AND GRANITE CONSTRUCTION COMPANY RESOLVING LITIGATION FILED BY THE COMMISSION AGAINST GRANITE CONCERNING THE VALUATION OF THE STATE'S RESERVED ONE-SIXTEENTH INTEREST IN THE PRODUCED SAND AND GRAVEL AND AUTHORIZE THE EXECUTIVE OFFICER TO EXECUTE THE SAME.



S1/2, NW1/4, & W1/2 of the NE1/4 of Sec.34, T4S, R7E, SBM

NO SCALE



NO SCALE

**EXHIBIT "A"**  
 W 40695  
 APNs 747-430-5; 747-440-8,  
 21,22,24,26,27,29,31,32,33  
 RIVERSIDE COUNTY



This Exhibit is solely for purposes of showing the area affected by the Settlement Agreement, and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.