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TRANSCRIPT OF
MEETING
of
STATE LANDS COMMISSION
SACRAMENTO, CALIFORNIA
JANUARY 21, 1960 - 9:00 A. M.

PARTICIPANTS:

THE COMMISSION:

Messrs. Glenn M. Anderson, Lieutenant Governor, Chairman
Alan Cranston, Controller
T. H. Mugford, Deputy Director of Finance
(for Mr. Carr)

F. J. Hortig, Executive Officer
Fred Zweiback, Executive Secretary to
Lieutenant Governor Anderson
Fred Kreft, Assistant Executive Officer

OFFICE OF THE ATTORNEY GENERAL:

Assistant Attorney General Dan Kaufmann
Deputy Attorney General Jay L. Shavelson

APPEARANCES:

(In the order of their appearance)

Mr. Harold A. Lingle, Deputy City Attorney,
City of Long Beach

Mr. H. E. Ridings, President, Board of Harbor
Commissioners, City of Long Beach

Mr. Jim Short, Landowner on Tuolumne River

Mr. Charles D. Warner, Charles D. Warner & Sons

Reporter: Louise H. Lilloco
Division of Administrative Procedure

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(In accordance with Calendar Summary)

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1 GOV. ANDERSON: The meeting of the State Lands
2 Commission will come to order. First item is the confirma-
3 tion of minutes of the November 10 meeting. Is there a
4 motion to dispense with their reading?

5 MR. CRANSTON: I so move.

6 MR. MUGFORD: Second.

7 GOV. ANDERSON: Moved and seconded. If there is no
8 objection, so ordered.

9 Second item is the special order of business -- Long
10 Beach tide and submerged lands boundary determination pursuant
11 to Chapter 2000/57. Mr. Hortig?

12 MR. HORTIG: Mr. Chairman, as the Commissioners will
13 recall, at the meeting of December 17, 1959 the Commission
14 continued further consideration with respect to possible
15 bases for resolution of the Long Beach boundary problem and
16 deferred this further consideration until the next regular
17 meeting, which is today and currently. It is intended that
18 verbal reports will be given to the Commission this morning,
19 with questions to follow. A report is to be given by Deputy
20 City Attorney Lingle of the City of Long Beach; and Assistant
21 Attorney General Kaufmann is here to present the report on
22 behalf of the Attorney General's office. The gentlemen are at
23 the bar, apparently anxious to speak to you.

24 GOV. ANDERSON: Which one do you want?

25 MR. HORTIG: Under the circumstances, I don't see any
26 reason why we might not defer to Mr. Lingle, as our visitor.

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MR. LINGLE: Mr. Ball was unable to come. As you may know, he is engaged in a lengthy trial in Los Angeles and was unable to be excused.

Since your last meeting, our City Council has held still another meeting. I was not personally at all of that meeting. I got there late and I understand from those that were there for all of it that they are still working diligently and attempting to find some suitable bases -- suitable to all of them -- to discuss with all of you. I have nothing further than that to report, however.

GOV. ANDERSON: No progress? That is the progress?

MR. LINGLE: That is the progress. They are still working on it.

GOV. ANDERSON: Mr. Kaufmann?

MR. KAUFMANN: From our point of view, following the meeting of the Commission in October, when Mr. Ball and Mayor Kealer indicated there was still room for negotiation and the Commission instructed us again to continue the negotiations, we haven't really heard from the City. We had one meeting with them prior to your November meeting, which was called at our request in anticipation of the November meeting, and at that time the counsel for the City indicated that they would go back to the City Council and get instructions. That's been almost two months ago and we have heard nothing since, except from time to time -- I would say on several occasions Mr. Ball has indicated to me that the matter would be taken

1 up with the City Council. That's all we have heard -- so
2 there have been no meetings of any kind for approximately two
3 months.

4 GOV. ANDERSON: Any questions?

5 MR. CRANSTON: I'd like to ask the representatives of
6 Long Beach if there has been any information on the Navy Yard
7 decision.

8 MR. LINGLE: Not that I know of.

9 MR. RIDINGS: I might say, Mr. Cranston, unofficially ...

10 GOV. ANDERSON: Would you like to identify yourself?

11 MR. RIDINGS: H. E. Ridings, President of the Board
12 of Harbor Commissioners. There has been no official word.
13 Unofficially, we understand favorable recommendation was made
14 for something less than the total sum necessary for the final
15 remedial work in the Navy Yard. They are still awaiting, I
16 believe, the finalization of the unit agreement and the various
17 contracts necessary to implement it, expecting to make a
18 report to the Congress either the very last of this month or
19 the first part of February. It is unofficial, however. There
20 is no word from the Navy Department.

21 GOV. ANDERSON: Mr. Mugford, anything?

22 MR. MUGFORD: No.

23 MR. CRANSTON: I move the matter be continued to the
24 next meeting.

25 MR. MUGFORD: Second.

26 GOV. ANDERSON: Moved and seconded - no objection,
so ordered.

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GOV. ANDERSON: Next item will be the permits, easements, leases, and rights-of-way issued pursuant to statutes and established rental policies of the Commission. First item, (a) - Leonard Elsbree and Roland E. Elrod - Any of these, if you have any comments, fine; if not, I will go through the list.

MR. HORTIG: Mr. Chairman, I would like to make a comment on the first item. In line with Mr. Carr's suggestion at the last meeting that, in relation to similar operations on privately owned lands, we be assured that such operations would integrate and be at least unobjectionable to the Small Craft Harbors Commission of the State of California -- since that last meeting we have arranged for staff meetings for a review of such types of operations with the Small Craft Harbors Commission; and the items which henceforth (including those today) appear on your agenda, will have been reviewed by the Small Craft Harbors Commission and when there is no representation by that agency, they feel the operation is compatible and nonobjectionable to any operations they have in view. If they feel additional comment should be given to the Commission, representatives of that division will appear before the Commission to give their view with respect to the item to the Commission.

We have two items on the agenda today and these have both been reviewed and are satisfactory with the Small Craft Harbors Commission.

1 GOV. ANDERSON: Item (b) Myco Mining Corp. -- Accept-
2 ance of quitclaim; item (c) Natural Gasoline Corporation --
3 approval of assignment of compensatory agreement; item (d)
4 Roscoe F. Oakes -- approval of extension on easements;
5 item (e) Karl Pierce -- approval of deferment of operating
6 requirements; item (f) S. A. Tanner -- issuance of four two-
7 year prospecting permits.

8 MR. CRANSTON: On item (f), I'd like to inquire as to
9 those prospecting royalty rates. What is the formula on that?

10 MR. HORTIG: The formula has been established in the
11 past by the State Lands Commission by sliding scales and depend-
12 ing upon the value and types of minerals which may be dis-
13 covered and produced under a preferential mineral lease and
14 these have been applied uniformly to all prospecting permits
15 issued since that time. The statutes that provide for
16 issuance of a prospecting permit provide that any minerals
17 removed during the term of the prospecting permit carry a
18 royalty of twenty per cent, which for most minerals is pro-
19 hibitive. However, the statutes also provide that in the
20 event of discovery of commercially valuable deposits of
21 minerals, the permittee is entitled to a preferential lease
22 at rates which the Commission will determine -- which must
23 be prior to the time there has been any discovery or identi-
24 fication of any commercially valuable minerals. Hence, the
25 royalty rates set out have to be broad enough and profitable
26 enough to cover whatever minerals might be discovered.

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GOV. ANDERSON: Item (g) Tornell-Malone Company -
issuance of 15-year lease. I think we might go through
items (a) through (g) because there might be some discussion
of (h).

MR. MUGFORD: So move.

MR. CRANSTON: Second.

GOV. ANDERSON: Moved and seconded -- no objection,
so ordered.

Item (h) -- Charles D. Warner and Sons, Inc. --
Application for 15-year easement for low-level bridge,
Tuolumne River, Stanislaus County.

MR. HOETIG: As noted on your calendar summary,
there has also been a protest, which you have heard of previ-
ously from Mr. Jim Short. As of yesterday, we received a
call from Mr. Short's attorney, Mr. Gant, requesting that
this item be placed off calendar until the next meeting of
the Commission for the reason that Mr. Gant had a conflict
that he couldn't reconcile and he couldn't possibly be
present at this meeting today to represent Mr. Short. We
replied to Mr. Gant that equitably, in view of the fact that
the applicant was to be represented here today and had indi-
cated he would be (On behalf of Charles D. Warner and Sons)
that the staff under those circumstances could not undertake
to simply remove the item from the agenda; that the decision
for deferment would have to come properly from the Commission;
and it was felt if the Commission heard from the applicant's

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representatives as to whether or not such deferment were desirable -- Mr. Short is also present here this morning to request this deferment -- the staff certainly has no objection to deferment if the Commission wishes to grant it on his application.

I might simply add to complete the record, of course, that one of the primary premises of objection which has heretofore been filed by Mr. Short is that the time that it is taking the staff and the Commission to consider this matter could be detrimental and repeated postponements which have been necessary because of considerations by other State agencies might have made this operation more hazardous depending on whether or not there is a flood or bad weather. Therefore, I want to be sure the Commission recognizes in the consideration of the delays, that Mr. Short is now suggesting this be laid aside until the next meeting -- this request is now coming from Mr. Short.

I would suggest, Mr. Chairman, on the request for deferment, either hearing further on this from Mr. Short and then hearing from the representatives of Charles D. Warner and Sons before the Commission decide the action to be taken.

GOV. ANDERSON: Mr. Short.

MR. SHORT: Mr. Chairman, members of the Commission, my name is Jim Short. It is I who protested to this bridge of Warner Sand and Gravel in the Stanislaus River -- I should say over the Tuolumne River. We are (the wife and I) owners

1 of lands on the south bank of the river. We have also
 2 suffered damage from the Warners' operations. This is in
 3 the Superior Court in Modesto. There has been quite a long
 4 delay there owing to a crowded calendar, but they have now
 5 appointed a new judge -- which we hope will speed up the
 6 matter; and I would request - - I expected to have my attorney
 7 here to plead my case but he was unable to be present --
 8 I would request the Commission that they delay authorization
 9 of this bridge in order that they can wait until the courts
 10 have decided as to whether I have a right to accuse Mr. Warner
 11 of damage or not.

12 I might point out to the Commission this bridge has
 13 been across the river for some time without authorization
 14 and it was postponed for a while in order that I could see
 15 whether the courts can speed up the trial and render judgment.

16 GOV. ANDERSON: How long would this be?

17 MR. SHORT: Sir, I don't know how long that would be.
 18 They have appointed a new judge. We met with Mr. Warner's
 19 attorneys around Christmastime -- a pretrial arrangement.
 20 We both asked questions, so from that I gather it's moving
 21 along; but as to giving you an exact date, that I cannot do.

22 MR. HORTIG: Mr. Chairman, I should like to bring to
 23 the attention of the Commission that while both the bridge
 24 and the damage alleged to have occurred to the Short property
 25 are associated with the operations of Charles D. Warner and
 26 Sons, I believe I am correct, am I not, Mr. Short, it is not

1 your allegation that this bridge as such, or even its pre-
 2 decessors, were the cause of the damage on which you are now
 3 having your libigation, but rather other operations of Warner
 4 and Son on the river you allege have caused the damage?

5 MR. SHORT: Mr. Hortig, I would not like to confirm
 6 that completely. As I say, this is something my attorney is
 7 working on with engineers. I have my own opinion -- but for
 8 me to give an opinion without the authority of the engineers
 9 on our side, I don't think I am qualified.

10 GOV. ANDERSON: Would our action either way influence
 11 the court case?

12 MR. HORTIG: I think I would almost have to para-
 13 phrase what Mr. Short just said. We can't imagine what inter-
 14 relationships might be alleged. I would say a reasonable
 15 delay in order to permit Mr. Short to have his attorney here
 16 to plead his case might be the optimum procedure because
 17 until this moment the staff had not been aware of the fact
 18 the two actions were inter-related -- that is, the bridge
 19 and damage action. They had been considered separate issues
 20 and, therefore, it did not appear appropriate to suggest that
 21 the bridge determination -- the feasibility and desirability
 22 of the bridge -- should be delayed until such time as a separate
 23 damage action relating to separate operations would be deter-
 24 mined.

25 In other words, the staff analysis is that the only
 26 common point these two issues have is that Charles D. Warner

1 and Sons, who desire to operate the bridge, are involved in
2 both actions.

3 MR. SHORT: Another confusing point, sir, is that the
4 original attorney, Warner Gant's father, was our attorney and
5 passed away -- which left the suit in the hands of his son.
6 That is another point that has delayed the case.

7 GOV. ANDERSON: There is a gentleman back there --
8 were you seeking the floor?

9 MR. WARNER: I am Charles Warner of Charles Warner
10 and Sons and I think this is so -- the bridge has no connec-
11 tion whatsoever to what they consider damages. I don't
12 consider they're damages anyway -- either case is a matter of
13 opinion. The bridge hasn't anything -- it is above the
14 property. I have permission from both properties there.
15 The Lands Commission, when they come, investigated; they were
16 satisfied the bridge would do no damage, had nothing to do
17 with his property; and I don't see why the bridge should enter
18 into the picture as to anything he has, to cause any damage.
19 We have cleaned it all up on the bypass and we can move this
20 bridge off with a drag iron in a few hours.

21 They talk about flash floods. They have a million
22 acres of storage above. I have been there twenty years and
23 there has never been a flood I didn't know about three or four
24 days ahead of time, so I can't see any reason to delay the
25 bridge action.

26 GOV. ANDERSON: I think it would be your recommendation

1 to delay this for a meeting or two?

2 MR. HORTIG: It might be reasonable to defer the
3 decision until the next meeting in Sacramento.

4 MR. CRANSTON: Do you have any objection to a defer-
5 ment of this matter to the next meeting?

6 MR. WARNER: Well, I don't know any particular reason
7 for it because the Lands Commission, after they checked it,
8 they approved it; and the Reclamation Board has approved it;
9 and the engineer of the district that I supply has been
10 checking us out and they are satisfied we are not doing any
11 damage; and any engineer I take up there is the same;

12 MR. CRANSTON: But the deferment of the action would
13 cause you no damage -- the bridge is there?

14 MR. WARNER: Well, it would cause me no damage so
15 long as I can continue to use the bridge.

16 GOV. ANDERSON: There will be no jeopardy there. Is
17 there a motion to defer to the next meeting in Sacramento?

18 MR. CRANSTON: I so move.

19 MR. MUGFORD: Second.

20 GOV. ANDERSON: That will be the second meeting
21 from now.

22 MR. ZWEIBACK: That could be construed a special
23 meeting.

24 GOV. ANDERSON: No, the next regular meeting in
25 Sacramento. Our next meeting date actually was ...

26 MR. HORTIG: The last item on the summary -- Thursday,

42
1 February 25, 1960 -- location and time to be set by the
2 Commission.

3 GOV. ANDERSON: We will proceed to Item 4 -- City of
4 Long Beach projects -- approvals required pursuant to Chapter
5 29/56: (a) Pier B - Storm drain system in Mitchell Avenue.
6 Do you want to comment on these, Mr. Hortig?

7 MR. HORTIG: This item, appearing on calendar page
8 20, is the normal type of development in connection with
9 subsidence alleviation and protection operations in Long Beach;
10 and the Commission has heretofore conditionally approved costs
11 to be expended by the Harbor Department, but it has developed
12 that additional costs will have to be disbursed by the Harbor
13 Department to complete the project in an estimated additional
14 amount of \$20,000 -- to which it is recommended the Commission
15 give advance approval, subject to the standard reservations
16 that the amount ultimately to be allowed will be determined
17 on final engineering review and audit after the work is com-
18 pleted.

19 GOV. ANDERSON: Any further comments or questions?

20 Item (b) - Pier A East, South Main Avenue Improvement.
21 Mr. Hortig?

22 MR. HORTIG: This is one of the infrequent recommenda-
23 tions, which will become more numerous as time progresses,
24 relating to projects heretofore approved by the Commission
25 which have now been completed. From the magnitude of the
26 dollars, the Commission will realize this was a minor project

1 and an additional amount of \$21.45 of unallowed subsidence
2 costs is due the State, upon payment of which the project
3 will have been completed and accounted for.

4 GOV. ANDERSON: Any questions or comments? If not,
5 a motion to approve both items in Number 4

6 MR. CRANSTON: So move.

7 MR. MUGFORD: Second.

8 GOV. ANDERSON: Moved and seconded. No objection,
9 so ordered.

10 Item 5 -- Sale of vacant school lands. First
11 application is James P. Corbin; item (b) Jerome Eisen and
12 Albert C. Eisen; (c) Robert E. Johnson; (d) Guy Magri and
13 Virginia Magri; (e) George R. O'Connor; (f) Floyd Lester
14 Patterson and Jessie Lee Patterson; (g) John F. Schmitt and
15 Elise S. Schmitt. Any comment? If not, a motion to approve
16 item 5 is in order.

17 MR. MUGFORD: I'll move.

18 MR. CRANSTON: Second.

19 GOV. ANDERSON: Moved and seconded. No objection,
20 so ordered.

21 Item 6 -- Approval of selection and listing for sale
22 of Federal lands -- 560 acres in San Bernardino County.

23 Mr. Hortig?

24 MR. HORTIG: The item appears before the Commission
25 because the original applicant did not desire to proceed with
26 the acquisition of the land. It is felt selection of the

1 particular land and addition to the vacant school land list
2 would be in the interest of the State. Therefore the recom-
3 mendation is that the Commission permit completion of the
4 selection procedure and acquisition of the land on motion
5 of the Commission rather than following through with the
6 application from an original potential purchaser.

7 MR. MUGFORD: I'll so move.

8 MR. CRANSTON: Second.

9 GOVERNOR ANDERSON: Moved and seconded. No objection,
10 so ordered.

11 Item 7 -- Mineral extraction lease offer pursuant to
12 application from Russell A. Donnelly, 40 acres vacant school
13 land in Inyo County. Mr. Hortig?

14 MR. HORTIG: The requested authorization is for the
15 staff to be permitted to proceed with an advertisement for
16 bids for a mineral extraction lease to be issued to the highest
17 competitive bidder, if in the judgment of the Commission
18 issuance of such a lease is in the State's interest. This
19 current recommendation is simply to initiate the proceeding
20 which ultimately may result in the staff bringing to the Com-
21 mission bids with a recommendation for consideration of
22 acceptance.

23 (Moved by Mr. Cranston, seconded by Mr. Mugford)

24 MR. HORTIG: I might amplify, Mr. Chairman, this
25 item was placed on the agenda that the Commission might be
26 aware that we have a potentially interested prospector for

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a gold lease, gold being virtually at a standstill, apparently.

GOV. ANDERSON: No objection -- it will be approved.

Item 8 -- Grant deed to the Responsible Realty Investment Co. for mineral reservation made by the State Controller in conveyance of Lot 25, Block 45, Tract 4983, City and County of Los Angeles. Mr. Hortig?

MR. HORTIG: The situation which necessitates this type of action by the State Lands Commission was inherited from earlier procedures from the Controller's office, which have since been changed by statute. Up to approximately ten years ago, lands escheated to the State - that were under disposition and control of the Unclaimed Properties Office of the State Controller's Office - were sold with a mineral reservation to the State. The statutes then authorized the Controller to make a sale without the mineral reservation. There were, in preceding sales, mineral reservations which in most instances were useless, as in this instance, where a single mineral reservation is in a residential area. So the Lands Commission was also authorized to make disposal of these mineral reservations after investigation.

The Commission has, as a matter of policy, established that it would be equitable to dispose of the reservation (where there are no commercially known minerals and it is commercially unfeasible to produce them) at a set fee plus a specific cost for making inspection. This is the specific recommendation in this item and it is recommended that the Commission

1 authorize this.

2 MR. SHAVELSON: Just a slight typographical error
3 in the Code Section - 6406. So it doesn't get in the minutes,
4 it says 4606.

5 GOV. ANDERSON: Where is this?

6 MR. KEPT: Second paragraph.

7 MR. ZWEIBACK: My curiosity is aroused. Why would
8 anybody want to buy this reservation?

9 MR. HORTIG: Because lending agencies, and particu-
10 larly those who deal with the Housing Administration, and so
11 forth, are reluctant to even authorize an improvement loan on
12 a house which has this type of reservation to the State. I
13 think its highest value is nuisance.

14 GOV. ANDERSON: Is there a motion to approve?

15 MR. CRANSTON: So move.

16 MR. MUGFORD: Second.

17 GOV. ANDERSON: Moved and seconded -- no objection,
18 so ordered.

19 Item 9 -- authorization for execution of service
20 agreement with City of Richmond, Contra Costa County, providing
21 for surveying services to be rendered the City for a cost not
22 to exceed \$7500. Mr. Hortig?

23 MR. HORTIG: The proposed surveying service will be
24 required to map a grant of tide and submerged lands by the
25 Legislature to the City of Richmond. This type of operation
26 would be covered under delegation of authority to the Executive

1 Officer if the contract did not exceed \$2,000. This is an
2 extensive survey job, so approval of the service contract
3 to be entered into, under which the Commission's cost will be
4 borne by the City of Richmond, requires Commission approval.

5 (Approval moved by Mr. Mugford, seconded by Mr.
6 Cranston)

7 GOV. ANDERSON: Moved and seconded -- no objection,
8 so ordered.

9 Item 10 -- Pacific Gas and Electric Company, San Mateo
10 Bay. Mr. Hortig?

11 MR. HORTIG: Regarding the calendar item on page 35,
12 the summary indicates that from 1944 until 1951 easements
13 which were issued to the larger utilities such as Pacific Gas
14 and Electric Company required also a performance bond to
15 insure proper performance under the easement.

16 As of 1951, the Lands Commission concluded that,
17 except in cases where the installation is of such a nature as
18 to result in a substantial severance cost, the requirement
19 of the performance bond was superfluous because in most
20 instances the value of the utility corporation was many times
21 that of the surety corporation who were writing the bonds in
22 the first place.

23 We now have one lease remaining that is covered by an
24 original \$50,000 blanket bond and all current easements do
25 not require a bond therewith. Therefore, it is recommended
26 that the Executive Officer be authorized to amend the one

1 earlier remaining lease to delete the bond requirement, all
 2 other terms and conditions of the lease to remain in full
 3 force and effect -- which will put this one remaining lease
 4 in the same category as all which have been issued since 1951,
 5 it being felt it is inequitable to require a \$50,000 bond for
 6 one lease when other leases have been issued since without
 7 any bond requirement under the same physical requirements.

8 GOV. ANDERSON: Is there a motion to approve?

9 (Motion to approve by Mr. Cranston, seconded by
 10 Mr. Mugford)

11 GOV. ANDERSON: Moved and seconded -- no objection,
 12 so ordered.

13 Item 11 - Approval for withdrawal from lands from
 14 public sale pursuant to request of State Department of
 15 Water Resources; rejection of application of James R. Corbett
 16 for purchase of said land, with right reserved to Mr. Corbett
 17 to file first application at such time land may be restored
 18 to entry.

19 MR. HORTON: As the Commission will recall, on
 20 application of various State agencies in the past, the same
 21 situation has been authorized. In this instance, the Commis-
 22 sion has previously authorized the withholding from sale of
 23 certain described public lands in order to permit the Depart-
 24 ment of Water Resources to investigate the necessity of in-
 25 cluding these lands within any project that that Department
 26 felt it was going to construct.

1 Subsequent to the initial withdrawal approved by the
2 Commission, the withdrawal was extended until December 31,
3 1961 and in connection with a recent appraisal of vacant
4 State school lands in the area of the withdrawal, which was
5 for the benefit of a dam to conserve waters of Cache Creek,
6 it was also discovered an additional site lies within the
7 proposed site of the damsite and reservoir.

8 Therefore, the recommendation is, in effect, that the
9 prior withdrawal include this newly discovered parcel and
10 it is recommended to the Commission that we withdraw ^{it} from public
11 sale pursuant to request of the Department of Water Resources
12 pending determination of use by that agency; (2) to reject
13 the purchase application of James R. Corbett for the purchase
14 of the withdrawn lands and direct the return of all deposits
15 except the statutory \$5 filing fee; and, third, to establish
16 in the records of the Commission a right in James R. Corbett
17 to file the first application on the withdrawn land at any
18 such time that it may be restored to public entry.

19 GOV. ANDERSON: Any questions?

20 (Motion to approve by Mr. Mugford, seconded by
21 Mr. Cranston)

22 GOV. ANDERSON: No objection, so ordered.

23 Item 12 -- Authorization for issuance of patent in the
24 name of Samuel Simon, Tulare County. Mr. Hortig?

25 MR. HORTIG: Rather than read the historical novel
26 that appears on Pages 37 and 38, I will summarize that it all

1 comes down to the fact that because of the processing of
 2 the records and interpretation of the records of a sale which
 3 was made in 1874, it has finally been determined that there
 4 is delinquent interest in the amount of \$21.40 -- well,
 5 actually an unpaid balance of \$2.55, accumulated interest of
 6 \$7.85, and patent fees in the amount of \$11, for a total of
 7 \$21.40 which is needed and which is being offered by the
 8 people who are successors in interest to the title; and
 9 upon payment of which the Attorney General's office tells us
 10 we can clear the record title to the purchasers of the land.

11 It is recommended that the \$21.40 be accepted and
 12 all the necessary clerical actions and notations be taken.

13 (Approval moved by Mr. Mugford, seconded by Mr.
 14 Cranston)

15 GOV. ANDERSON: Moved and seconded. No objection,
 16 so ordered.

17 Item 13 -- Confirmation of transactions consummated
 18 by the Executive Officer pursuant to authority confirmed by
 19 the Commission at its meeting on October 5, 1959, Mr. Hortig?

20 MR. HORTIG: The tabulations appearing on pages 39
 21 through 42 of the Commission's calendar are tabulations of
 22 documents issued -- standard forms of permits and easements
 23 issued by the Executive Officer in the standard form previously
 24 approved by the Commission, and in accordance with delegation
 25 of authority by the Commission.

26 In order to assure all permit holders that they have

1 a fully valid document authorized by the State Lands Commis-
2 sion, it is recommended that the Commission confirm the trans-
3 actions so tabulated.

4 MR. CRANSTON: So move.

5 MR. MUGFORD: Second.

6 GOV. ANDERSON: Moved and seconded. No objection -
7 so ordered.

8 Item 14 -- Informative report on application from
9 Richard Grant and T. Jack Foster for mineral extraction lease,
10 submerged lands, San Bruno Shoal, San Francisco Bay. Mr.
11 Hortig?

12 MR. HORTIG: San Bruno Shoal, as the name indicates,
13 is a shoal area in San Francisco Bay approximately five miles
14 east of San Francisco International Airport in San Mateo
15 County, which has suddenly become of public interest as a
16 potential source of sand for construction and building purposes.
17 Almost immediately after the receipt of an application from
18 Richard Grant and T. Jack Foster, general contractors, request-
19 ing that the area be offered for mineral extraction lease in
20 order that they may use it for that purpose, the South Bay
21 Planning Commission, Public Utility Commission, supervisors,
22 State Division of Highways all expressed similar interest
23 in the future and disposition of this particular area as a
24 source of building material.

25 Therefore, we are informing you gentlemen today that
26 all interested parties will be invited to attend and express

1 their views to the Commission at the next meeting where the
2 Commission feels this would be appropriate. I would recommend
3 again, in view of the fact that it is a San Francisco Bay
4 problem primarily, that this matter be considered at the next
5 regular meeting of the Lands Commission in Sacramento.

6 GOV. ANDERSON: If there is no objection, the recommen-
7 dation of the Executive Officer will be ordered.

8 Item 15 -- report on status of major litigation.
9 Mr. Hortig?

10 MR. HORTIG: There have been no substantial changes
11 in the status of major litigation since last reported to the
12 State Lands Commission. However, the current status is sum-
13 marized on pages 44 and 45 of the Commission's calendar for
14 the Commission's records.

15 GOV. ANDERSON: That takes no action. Is there anything
16 more before we take up the confirmation of the day of the next
17 Commission meeting?

18 MR. REDINGS: Mr. Anderson, I wonder if I might
19 summarize briefly the situation in Long Beach. At the present
20 time, the unit agreement and the unit operating agreements for
21 Fault Blocks II and III are due within possibly the next day,
22 maybe the next two or three days, from the printers. As you
23 know, the General Petroleum Corporation signed the proof
24 documents prior to close of the year and their change to
25 Mobil Oil Corporation.

26 There was extreme interest expressed in behalf of the

1 representatives from the Office of the Secretary of the Navy
2 that these documents be consummated at the earliest possible
3 date -- particularly by the private companies, but by the
4 City as well.

5 The Attorney General's office has had the preliminary
6 draft copies and the earlier printer's proof copy of the Fault
7 Block Agreements I and II for several weeks now. We will
8 have these in their hands at the earliest possible moment.
9 To the best of our knowledge, because they have been working
10 with us right along, there will be no difficulties in gaining
11 their approval.

12 We would like to ask that the Commission give considera-
13 tion to a meeting at the earliest possible date after these
14 documents are available, somewhere around two weeks from now,
15 shortly after the first of the month, in the belief that we
16 can get approval from the Attorney General's office and with
17 the view in mind that we can move this as rapidly as possible.

18 We will report to you at that time on a more or less
19 simple temporary interim LBOD contract already in the hands
20 of the staff, permitting, after this unit is formed, but after
21 we are members of it, some extra accounting practice to be
22 taken by them at our cost -- so later, after we join, we will
23 have the figures kept in a manner required by the unit but
24 different than that which is done under ordinary contract
25 procedures.

26 Finally, we expect to have back from the LBOD office

1 in a day or so a final draft of the general contract amend-
 2 ment that will be acceptable to them and we hope to you, as
 3 well, that will permit joining in of these contracted proper-
 4 ties into the unit itself. This is a complicated and detailed
 5 agreement and we will have it in the hands of the Attorney
 6 General's office as soon as possible. It may not be possible
 7 to have that studied out at the same time the unit agreement
 8 and the accounting agreement will be given to the Attorney
 9 General's office, but we would ask for the earliest possible
 10 date on that.

11 GOV. ANDERSON: When could this be done? Could this
 12 be done during the week of - - the fourth or fifth of
 13 February? Most of us will be here.

14 MR. ZWEIBACK: February 1st, 2nd

15 GOV. ANDERSON: I was thinking on the 4th and 5th we
 16 would be here.

17 MR. HORTIG: Actually, the primary difficulty is
 18 picking a date when all the documents will have been in the
 19 hands of the State Lands Commission staff and the Attorney
 20 General's office for a reasonable and sufficient time to
 21 permit review, so that a complete review and a valid series
 22 of recommendations for approval can be granted.

23 As Mr. Ridings has suggested, printer's proof copies
 24 of the most important - - and I think we shuddered when he
 25 included the classification (he may not have intended it) of
 26 "the relatively simple unit plan," -- it is relatively complex

1 of necessity; it's the only one of its type and magnitude in
 2 the United States. We have been in a day-to-day contact
 3 with the Attorney General's office on the printer's proof
 4 and even prior to that time on drafts, before the printer's
 5 proof was developed; but I don't think we can say with cer-
 6 tainty when we will be in a position to have the approval and
 7 recommendations of the Attorney General's office for possible
 8 supplementary documentation in a form where it can be presented
 9 to the Commission by the first week in February.

10 We are certainly, from a staff standpoint, doing
 11 everything that can be done to reach conclusions and bring
 12 this to the Commission at the earliest date that is possible;
 13 but I would feel that the first week in February would be
 14 impractically optimistic -- we would certainly be shooting
 15 for not later than the second week of February.

16 MR. CRANSTON: Wouldn't it be better to see when
 17 the agreements would be ready?

18 MR. RIDINGS: I think we fully concur with Mr. Hortig's
 19 problems and we haven't the documents in hand. I might say
 20 this is a \$20,000 printing job. The attorneys have proofread
 21 and reproofread and even third-proofread, to be sure it is
 22 complete. The documents are this high (indicating). On top
 23 of this the flu bug hit the printing firm and they lost hundreds
 24 of man hours. We do think it will be out certainly by the
 25 first or second day of next week and we would like to have you
 26 meet at the earliest possible date after they are ready.

1 MR. CRANSTON: We will certainly meet when they are
2 ready. The simple one is the accounting one, Frank.

3 MR. HORTIG: I understood this was all of the
4 documents.

5 MR. ZWEIBACK: I'd like to ask this question, Mr.
6 Hortig, the answer to which I have never heard discussed:
7 Is there anything in the statutes that requires the Commission
8 give a certain amount of notice prior to its meetings?

9 MR. HORTIG: Reasonable notice -- and this has at all
10 times been considered as long as through the standard news
11 media at least on the day prior to the Commission meeting
12 that there has been public notice to all and sundry that
13 might be affected.

14 MR. ZWEIBACK: This wouldn't upset this, bringing
15 this up early.

16 MR. CRANSTON: No -- the members need that much notice.

17 GOV. ANDERSON: Last item -- confirmation of date of
18 next Commission meeting, which is here Thursday, February 25,
19 1960 -- and I am assuming in Los Angeles.

20 MR. HORTIG: Yes sir. The alternate schedule which
21 the Commission has adhered to approximately would indicate
22 that the time has come again for a meeting in the southern
23 area.

24 GOV. ANDERSON: Is there a motion that our next meeting
25 will be February 25th in Los Angeles?

26 MR. CRANSTON: So move.

MR. MUGFORD: Second.

GOV. ANDERSON: Moved and seconded. If there is nothing more, the meeting stands adjourned.

ADJOURNED 10:00 A.M.

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CERTIFICATE OF REPORTER

I, LOUISE H. LILICO, reporter for the Division of Administrative Procedure, hereby certify that the foregoing twenty-seven pages contain a full, true and correct transcript of the shorthand notes taken by me in the meeting of the STATE LANDS COMMISSION at Sacramento, California on January 21, 1960.

Dated at Sacramento, California, January 22, 1960.

Louise H. Lilico