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TRANSCRIPT OF
MEETING
of
STATE LANDS COMMISSION

SACRAMENTO, CALIFORNIA
November 3, 1965

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PARTICIPANTS:

THE STATE LANDS COMMISSION:

Hon. Alan Cranston, Controller, Chairman

Hon. Hale Champion, Director of Finance

Mr. F. J. Hortig, Executive Officer

APPEARANCES:

(In the order of their appearance)

ON CALENDAR ITEM 1 -- APPLICATION FOR
ADDITIONAL RIGHT-OF-WAY OVER STATE
SOVEREIGN LANDS OF SONOMA CREEK -
W. O. 5504:

Mr. John G. Meyer, District Engineer,
District 10, Division of Highways

Mr. Ignacio A. Vella, Vice Chairman of
Board of Supervisors, Sonoma County

I N D E XCalendar ItemPage

- | | | |
|----|---|----|
| 1 | Application for additional right-of-way | |
| 2 | over State sovereign lands of Sonoma | |
| 3 | Creek, Solano and Sonoma counties; State | |
| 4 | Department of Public Works, Division of | |
| 5 | Highways -- W.O. 5504 | 1 |
| 6 | | |
| 7 | | |
| 8 | 2 Application for footbridge right-of-way | |
| 9 | easement over submerged land of | |
| 10 | American River in Sacramento, Sacramento | |
| 11 | County; City of Sacramento - W.O. 5867 | 16 |
| 12 | | |
| 13 | 3 Plan of development and operations and | |
| 14 | budget for 1966 for the Long Beach Unit, | |
| 15 | Wilmington Oil Field, Los Angeles | |
| 16 | County -- L.A.W.O. 5200.301 and 5200.311. | 17 |
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NOVEMBER 3, 1965 - 10:10 a.m.

MR. CRANSTON: The meeting will please come to order. Governor Anderson has started to launch the Senate and will be with us shortly.

The first item is application for additional right-of-way over State sovereign lands of Sonoma Creek, Solano and Sonoma counties; State Department of Public Works, Division of Highways - W. O. 5504.

Frank?

MR. HORTIG: Mr. Chairman, as the Commission will recall, this item -- as reported on your agenda page 1 -- appeared on the April 29, 1965 calendar of the State Lands Commission. It developed that there were problems to be resolved with respect to the feasibility and applicability of the bridge construction program as proposed by the Division of Highways, which were considered inadequate or inappropriate by representatives of Sonoma County.

After that discussion, the Lands Commission suggested to Supervisor Vella of Sonoma County, who presented the County position on the matter, and the Division of Highways that those two groups should undertake a resolution of their problems and in due course, and as expeditiously as possible, report back to the State Lands Commission the basis which would be satisfactory to both agencies, under which circumstances the State Lands Commission should grant

1 the necessary right-of-way easement for the construction.

2 The State Highway Engineer of the Division of
3 Highways has reported to staff that they feel that the
4 problems, the questions that were raised, have a solution,
5 have been disposed of -- but they have been unable to reach
6 an agreement with Supervisor Vella.

7 Under those circumstances and because of require-
8 ments for contract, and requirements and requests for this
9 construction on behalf of the using public and even the Navy
10 Department that this project go forward, they felt that the
11 only way to possibly break the impasse would be for the Lands
12 Commission to again schedule a review of this matter and con-
13 sider what further action could be taken; or whether the
14 right-of-way easement should be granted in the light of the
15 resolution or elimination of the problems as will be report-
16 ed by the Highway Division here today.

17 As you gentlemen are aware, Supervisor Vella is
18 here and the Division of Highways is also represented, as a
19 result of this request from the State Highway Engineer.

20 MR, CRANSTON: Does someone wish to appear on this
21 from the Highway Department?

22 MR. MEYER: I am John Meyer, District Engineer
23 with the Division of Highways in Stockton. We have District
24 10, as we are called, and have jurisdiction over this Sonoma
25 Creek bridge.

26 As Mr. Hortig said, this is principally a problem

1 of trying to replace an old and shaky bridge. The present
2 bridge we built in 1927. It is timber construction with a
3 concrete deck and bascule span; and the timbers are in bad
4 shape and the bascule span is in shaky condition. We are
5 doing our best to maintain it, but it is becoming more dif-
6 ficult every day.

7 We don't say the bridge is going to fall down to-
8 morrow, but this is a possibility, definitely. These old
9 bridges, for no reason at all in spite of the best of main-
10 tenance, with the amount of deterioration involved can col-
11 lapse without any warning; and in this case there would be a
12 twenty-one-mile detour through either Napa or through the
13 Richmond-San Rafael bridge. So this, in effect, would add
14 a user cost of some six million dollars, considering the
15 amount of traffic using it, particularly the trucks, and
16 also the Navy installation.

17 We started thinking about this bridge in 1962 and
18 reached the conclusion it couldn't be replaced in time. We
19 had a design for a four-lane revision and were proposing to
20 build this to the south of the present bridge. The Army
21 Engineers in 1963 gave it a thorough investigation, consider-
22 ing the water traffic and recreational aspects and height
23 for levee maintenance equipment and over-all development.

24 They sent out a public notice on April 25, 1963 to
25 all interested parties and some nine protests were received,
26 but they were entirely from people maintaining levees; and

1 the Army Engineers pointed out later that these protests were
 2 on the basis of change of equipment, and there was sufficient
 3 equipment in the Bay area to perform this maintenance work
 4 with only slight additional cost to the drainage district.

5 So the Corps went ahead with the bridge on a twenty-
 6 foot height and, in the mean time, we went ahead with acquisi-
 7 tion of right-of-way easements.

8 The Army granted authority in 1963; and in 1964, the
 9 Board of Supervisors passed a resolution opposing this fixed
 10 span bridge. I should point out this must be a fixed span --
 11 with nine thousand cars and trucks a day, a lift span would
 12 not be acceptable.

13 The County also pointed out in their resolution
 14 that it would adversely affect public boating in that area.

15 The Corps considered the recreational and boating
 16 aspects, and pointed out that the proposed twenty-foot clear-
 17 ance would not hinder any such use or development. They also
 18 pointed out, as I stated before, this would be no particular
 19 hindrance and only slight additional expense for dredging for
 20 levee maintenance.

21 During 1962-'64, the Corps of Engineers were con-
 22 sidering a recreational project in the Sonoma Basin and they
 23 have since published a report to the Chief of Engineers and
 24 the Secretary of Commerce which points out that the recrea-
 25 tional aspects of this proposed plan should be dropped because
 26 the boating is such a small part of the total water recreational

1 envisioned.

2 In addition to that, the Corps in all of their re-
3 ports have never pointed out or included the need of dredg-
4 ing of the channel. The mouth of Sonoma Creek is still about
5 six or seven miles from deep water in San Pablo Bay and in
6 order to make it usable for any type of boating, yachts or
7 cruising would require dredging in the channel probably in
8 the order of four or five hundred thousand dollars, which
9 expense was never mentioned in the report.

10 The forty-foot height indicated by the County and
11 the additional recreational groups of Sonoma County would be
12 an added \$1,400,000 and, moreover, it would delay the project
13 because of the additional time required and the requirement
14 of additional rights-of-way. This would delay us two years
15 further. In other words, it would be four years before we
16 could get rid of this bridge.

17 A thirty-foot bridge, sometimes talked about,
18 would cost \$600,000 more, but, again, we would lose two
19 years' time in construction.

20 So, generally, our conclusion is that the responsi-
21 bility for any further delay and the added risk and expense
22 is just something that we would have a difficult time accept-
23 ing and, in addition, we have no public record that would
24 justify the additional cost of the higher bridge.

25 So we respectfully recommend your approval of our
26 application for granting the sovereign land.

1 MR. CRANSTON: Thank you very much.

2 Is there a representative of the County?

3 MR. VELLA: Mr. Chairman, members of the State
4 Lands Commission, I am Ignacio A. Vella, Vice Chairman of
5 the Sonoma County Board of Supervisors, and again their offi-
6 cial representative at this hearing regarding 7.68 acres at
7 the mouth of Sonoma Creek on Highway 37.

8 If I might, prior to my launching into my present
9 reasons to the continued opposition to the granting of these
10 acres to the Division of Highways, I would like to express
11 my heartfelt and sincere thanks -- and I do not say this if I
12 do not mean it -- to your Chairmen, because I owe the absent
13 Governor Anderson a vote of thanks and the present Chairman,
14 Mr. Cranston, for having delayed this particular hearing be-
15 cause I was in Eureka at the time of the last meeting.

16 I would also like to note into the record certainly
17 the efficiency and fairness of your Executive Officer, Mr.
18 Hortig, who has kept me and my county apprised of just exact-
19 ly what has gone on; and for this I am genuinely thankful and
20 I will say that this is a somewhat refreshing experience in
21 this particular profession.

22 Being new at the task of government, if you wish
23 to call it that, and also having been raised to do what you
24 are directed to do by both my parents and the Air Force --
25 and the latter one had a fixation on what you were supposed
26 to do -- I'd like to take as my first point the admonition

1 to myself and the representatives of the Division of High-
2 ways on April 29, 1965, and I am fairly sure that all of us
3 understood it, because in a letter from Mr. Hortig of July
4 14th which I'd like to quote, and I won't quote it out of
5 context because it is a very short letter, he said:

6 "Dear Mr. Vella:

7 As requested today by telephone
8 by Mr. Jack Prather, Executive Officer of
9 the Sonoma County Planning Commission, you
10 will be notified at such time as the appli-
11 cation of the State Division of Highways for
12 a right-of-way easement over State sovereign
13 lands, in connection with building a bridge
14 as shown on Map No. 10,04-Sol., Son.,-37, is
15 again placed on the agenda for action by the
16 State Lands Commission. Also, at that time
17 a copy of the calendar item will be sent to
18 you.

19 You will recall....."

20 and this is the portion I certainly don't want to quote out
21 of context:

22 "... that at the meeting of the State Lands
23 Commission in Sacramento on April 29, 1965,
24 which you attended, action on this matter
25 was deferred pending further negotiations
26 between the County of Sonoma and the Division
of Highways. We are awaiting word that the
Division of Highways and the County of Sonoma
have resolved their problem before taking
further action."

I mention this as the admonition and the direction
that I understood -- that we were to get together as reason-
able people get together, and sit down and see what could be
worked out.

Accordingly -- and I have these things documented

1 and I would take them under oath if you wish -- in May, Mr.
 2 C. D. Moffatt from District 10 and I tried to get together
 3 and I was told -- and I have only his telephonic conversa-
 4 tion -- that it would be impossible during the month of May.

5 On the 22nd of June, I again had a telephonic con-
 6 versation and Mr. Moffatt asked me if the position of my
 7 Board was exactly the same as it had been, and I said, "Yes,"
 8 and he said, "Would you mind getting a resolution of affirma-
 9 tion in continued opposition to the twenty-foot height?"

10 So I did; and the resolution is dated June 22, 1965.
 11 I'll just read the preamble to it, rather than all the
 12 "whereas's":

"RESOLUTION REAFFIRMING POSITION OF THIS BOARD
 STATED IN RESOLUTION 11566-1 OF THIS BOARD
 ADOPTED JANUARY 12, 1965 OPPOSING AND REJECTING
 PLANS FOR A LOW LEVEL SKAGGS ISLAND AND HIGHWAY
 37 SONOMA CREEK BRIDGE."

16 I sent this along with a covering letter to Mr.
 17 Moffatt, copy to Mr. John Erreca of the Department of Public
 18 Works and to Senator Rattigan of my own county; and I would
 19 ask that my letter to Mr. Moffatt be made a part of this
 20 record because this is what I said, and it is dated June 28,
 21 1965:

"Enclosed you will find a copy of our
 resolution reiterating opposition to the
 low level bridge across Sonoma Creek. I
 trust this will confirm my telephone con-
 versation with you in regards to this
 particular matter.

"You may rest assured that I will cooperate
 in any way I can on this bridge; but you

1 "may also rest assured that I will oppose
2 it to the bitter end so long as there is
3 no spirit of compromise on the part of
4 your department."

5 I do not wish to say I have anything personal
6 against Mr. Moffatt. I feel I was going against what I would
7 like to call "the establishment" here. The establishment
8 is sort of arrayed against you. Someone calls you and you
9 don't go along with it and you go back and back again.

10 It was July 19th before I received a letter from
11 Mr. O'Gara of the State Highway Department. This is some
12 three weeks later:

13 "Mr. Erreca has asked me to thank you for
14 your letter of June 28, 1965 and the accom-
15 panying resolution of the Board of Supervisors
16 regarding the planned bridge across Sonoma
17 Creek."

18 All of a sudden the bridge is going to fall down,
19 gentlemen, and there is need for unseemly haste today.

20 Finally, in August I attempted to do something and
21 I tried to see Mr. Moffatt and this is the first gentleman
22 with whom I got a real confrontation. We had a meeting set
23 for the third Friday of August. On Thursday afternoon I re-
24 ceived a telephone message from Mr. Moffatt that Mr. O'Gara
25 and Mr. Womack would not be able to make the Friday meeting,
26 so consequently "Don't bother to come to Sacramento."

On September 24th, I felt something had to be
done about this and I perhaps inadvertently wrote a letter
to my congressman, Mr. Clausen; and in it I included everything

1 I could as far as making up a brief goes, so he might be able
 2 to take this, read it, and turn it over to the Corps of En-
 3 gineers because I felt in fairness to everyone -- your Commis-
 4 sion, my county, and the State, this matter had to be brought
 5 to a head. It could not go on ad infinitum.

6 I'd like to read this because it very succinctly
 7 states our case. This is dated September 24, 1965:

8 " Our yesterday's conversation regarding
 9 the ancient question of bridge height at the
 10 mouth of Sonoma Creek certainly evoked a host
 11 of memories; just how many memories and how
 12 much correspondence has passed from me to
 13 various agencies even I did not realize until
 14 the composition of this letter began. At any
 15 rate, after due deliberation and diligent re-
 16 search, the enclosed 'brief' resulted. Please
 17 note that it all began with a conversation and
 18 a letter from you on December 16, 1964.

14 The particular reason that I am
 15 writing to you at this moment is the fact that
 16 (as the 'brief' will bear out) we can get
 17 nowhere with our Highway Commission. Perhaps,
 18 to be more precise, as well as more charitable,
 19 I should more properly say, "nowhere with the
 20 bureaucrats who advise both the Highway Com-
 21 mission and the Director of Public Works."
 22 Thus I find myself in the position of the Ameri-
 23 can Colonies in 1776 -- that of having peti-
 24 tioned, having remonstrated, having reasoned,
 25 having discussed and debated, but having re-
 26 ceived only vague, evasive answers or implied
 pressures and direct rebuffs from the parties
 concerned.

22 I then am appealing to you to ask
 23 the United States Corps of Engineers to re-
 24 open public hearings on the subject of this
 25 bridge height in order that the facts as they
 26 stand in the year of our Lord, 1965, may be
 properly examined -- not as the Highways wish,
 those of 1962 and 1963 being the basis for
 their decision.

1 " As the representative of Sonoma County
2 in this matter, I would even ask my fellow Super-
3 visors that should you and the Corps of Engineers
4 find it more feasible to do so, that in lieu of
5 a re-opened public hearing, that the County of
6 Sonoma, the Department of the Navy, the City of
7 Sonoma, the Sonoma Valley Chamber of Commerce,
8 and any other agencies who might have new facts
9 to submit be allowed to officially present
10 written statements describing the 1965 situation
11 in the Lower Sonoma Creek area as soon as the
12 Corps might wish.

13 Perhaps I am assuming too much con-
14 tinued patience on the part of the above-
15 mentioned parties (in truth, patience is a
16 commodity presently in rather short supply on
17 this question), but I would be willing to
18 dedicate myself to this approach if you re-
19 quested me to do so.

20 At any rate, I have explained our
21 problem and I shall leave the mechanics of
22 its solution in your very capable hands.
23 The 'brief' is in chronological order be-
24 ginning with your letter and all pertinent
25 passages are underlined to aid in your rapid
26 assimilation of the facts.

Trusting both to your proven good
judgment and sense of justice in this, our
great matter, I am, as ever,

Your friend,

Ignacio A. Vella"

On the 21st of October, as I have noted, this item
was to come up. It was rescheduled in a letter to me, very
kindly sent to me by Mr. Hortig and in the calendar item
included with this particular letter is the thing I am un-
able to understand and I am attempting to attack at this
time. That is, the statement:

1 "Although negotiations between representatives
2 of the Division of Highways and Sonoma County
3 have continued since April, no agreement has
4 been reached. The Division of Highways re-
5 ported by letter dated September 13, 1965,
6 that reviews by that Division and by the Corps
7 of Engineers do not indicate any need for a
8 change in design of the bridge. It is staff's
9 opinion that no evidence has been offered
10 which would support a denial of the application."

11 I take issue with "negotiations between representa-
12 tives of the Division of Highways have continued since April."
13 If this is negotiating, I think we have a real good chance of
14 settling things with the Red Chinese in the very near future
15 because we don't even recognize them as an entity; and I feel
16 that I was not recognized and my county was not recognized
17 as an entity in this whole matter.

18 Be that as it may, after your October postponement,
19 there was a call from Mr. Allen Hart of District 4 to Dis-
20 trict 10, in which Mr. Hart attempted to play the honest
21 broker. Mr. Moffatt, Mr. Venturini and Mr. Meyer, whose
22 testimony you heard, agreed to come up to Sonoma. It wasn't
23 an agreement we insisted upon -- we would have gone to Tulare
24 if necessary to talk about this. My road commissioner, Mr.
25 Don Head, met with them for an aggregate total of thirty-six
26 hours, and this thirty-foot compromise was discussed. Mr.
Head, incidentally is an engineer who received his degree
and has built three bridges in Sonoma County.

These three gentlemen, who were all engineers,
worked out what they felt was an agreeable compromise and the

1 very next day they did come up here, and I have no reason to
2 doubt it, attempted to sell this compromise. It got as far
3 as Mr. Womack and thumbs were turned down on it.

4 So that brings us to today. I would also point out
5 as a mere transgression, while I do not dispute the Corps of
6 Engineers and the report quoted to you, I do wish to note that
7 last week President Johnson signed an omnibus bill and the
8 recreation for Sonoma County was in it. If the recreational
9 benefits were so unimportant, I don't feel we would have
10 predicated an eleven-million-dollar project .

11 I feel it is no use badgering you people and taking
12 your time without offering something constructive, and what
13 I would respectfully suggest is the following: That we con-
14 tinue this, but that we put a time limit on it; that the
15 Division of Highways and the County of Sonoma are admonished
16 and directed with a time limit, perhaps at the December meet-
17 ing, to come up with either a compromise or two letters that
18 say we cannot compromise and consequently there is no middle
19 ground, and we throw ourselves upon your mercy and your dis-
20 cretion.

21 I feel here, as in many other cases dealing with
22 this Department -- and I will be very candid about this --
23 that the image of the State of California suffers greatly
24 from the fact of lack of communication, whether it be inad-
25 vertent or advertent lack of communication.

26 I will stand up before God and anyone else and

1 affirm it -- that I tried my best. I have a reputation for
2 being temperamental, and perhaps for being an s.o.b., but the
3 fact remains on this one I felt that the stakes were much too
4 high for personal egotism and temperament.

5 In conclusion, I wish to thank you for the oppor-
6 tunity to have my say here. I feel no matter what your
7 decision, I have been treated exceedingly fairly by you people.

8 Last Sunday, the Sermon in the Latin rite of the
9 Catholic church was taken from the beatitudes: "Blessed are
10 the peace makers for they shall be called the children of
11 God." Gentlemen, I am asking for only one of the beatitudes:
12 "Blessed are they who suffer persecution for justice's sake."

13 I am asking not for myself, but the people of my
14 county and their future.

15 Thank you very much.

16 MR. CRANSTON: Is there anyone else who wishes to
17 comment? (No response)

18 Thank you very much.

19 MR. CHAMPION: I have a suggestion -- suggested
20 by the beatitude you started with on the peacemakers.

21 I'd like to suggest that Senator Rattigan knows
22 the county, knows the State's problem, and I haven't talked
23 to him about it so I don't know whether he would be willing
24 to do it -- but I'd like to see whether Senator Rattigan
25 couldn't meet with the Highway people and with you and dis-
26 cuss this problem.

1 I'd like to see it go over a month. I'd like to
2 see an effort made, and I'd like to see an effort made with
3 a third party, and I am sure our staff would be glad to sit
4 in such a meeting and discuss the local problems -- the
5 recreation problem, and so on -- and then have a report back
6 to us from that meeting, so we would not be faced, if there
7 is no agreement, simply with a letter from you saying you
8 can't agree but we would also have the further information
9 both from our own staff and anything Senator Rattigan might
10 suggest as a possible solution to the problem.

11 The recreation problem in California is such that
12 you cannot afford to pass up, really, any reasonable oppor-
13 tunity to develop a recreational situation -- particularly
14 within reasonable distance of major centers of population.
15 I haven't had a chance to review this factually. I think we
16 might take a different attitude on the importance of recrea-
17 tion than the Army Engineers, so we are not totally guided
18 by them.

19 So if this is satisfactory, I'd like to suggest
20 that solution. If Senator Rattigan is not available, I
21 still would like to have our staff meet with you gentlemen.

22 MR. CRANSTON: That is certainly satisfactory to
23 me, and I certainly would like to take recreation into con-
24 sideration.

25 MR. CHAMPION: If anyone can make peace, I would
26 trust Senator Rattigan.

1 MR. CRANSTON: I don't know that a formal motion is
2 in order. The substance of what we are doing is putting this
3 over to take up with Senator Rattigan and putting it back to
4 the December meeting.

5 Next item is Number 2 -- Application for foot-
6 bridge right-of-way easement over submerged land of American
7 River in Sacramento, Sacramento County, City of Sacramento --
8 W.O. 5867. Frank?

9 MR. HORTIG: As shown on the map following the
10 numbered page of your agenda item, in connection with the
11 development of the facilities for the Sacramento State Col-
12 lege, particularly the proposed campus commons development
13 which is located on the northerly side of the American River,
14 to provide access from the present Stage College campus site
15 over in the Horst Ranch property, it would be necessary to
16 construct a foot bridge.

17 This foot bridge will cross the American River at
18 a location which is sovereign land of the State and, there-
19 fore, an easement for it must be authorized by the State
20 Lands Commission.

21 The State Reclamation Board has approved plans for
22 the construction of the bridge as not affecting the flood
23 control capacity or stability of the levee; and the Corps of
24 Engineers of the Department of the Army, this being outside
25 of any navigation project, have no objection to the erection
26 of this bridge for this public purpose.

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Therefore, it is recommended that the Commission authorize the issuance to the City of Sacramento of a forty-nine-year easement which will permit construction of this bridge at the location designated across the American River, and the consideration for this easement will be the public use and benefit in having the bridge so located.

MR. CRANSTON: Is there any problem or opposition to this?

MR. HORTIG: We know of no opposition.

MR. CHAMPION: Move its approval.

MR. CRANSTON: Approval of the granting of the easement is moved, seconded, and so ordered.

Item 3 -- Plan of development and operations and budget for 1966 for the Long Beach Unit, Wilmington Oil Field, Los Angeles County - L.A.W.O.'s 5200.301 and 5200.311.

MR. HORTIG: In brief summary to refresh the Commission's memory, the provisions of Chapter 138, Statutes of 1964, which authorize the procedure for the development of the Long Beach Unit of the Wilmington Oil Field, provide that annual budget and operating programs shall be submitted by the City of Long Beach to the State Lands Commission for consideration and approval.

Such submittals must be placed one hundred days in advance of the time that any approved project is to go into effect, and pursuant to that requirement the City did submit one hundred days prior to January 1, 1966, a budget entitled

1 "Proposed Plan of Development and Operations and Budget,
2 Long Beach Unit," which is attached as Exhibit A to the
3 agenda you gentlemen have before you.

4 Additionally, Chapter 138 provides that the Lands
5 Commission has forty-five days after submittal in which to
6 consider the proposal, consider it for approval; or, if there
7 are elements that cannot be approved or on which further modi-
8 fications might be considered to be necessary, to call for a
9 public hearing on this matter and resolve the format of the
10 budget to be approved, which will still then be effective
11 after the one hundred days.

12 The budget proposal before you will become effect-
13 ive, if approved, for all operations to be conducted on and
14 after January 1, 1966. In addition, on those projects which
15 were already approved in the 1965 budget and for which
16 funds were budgeted and approved but where funds were not
17 actually expended in 1965, they can be expended in succeed-
18 ing years to accomplish the original budget purpose.

19 The proposed expenditures total \$49,781,000, broken
20 down in categories as detailed in the calendar item before
21 you -- providing generally grossly for the drilling of one
22 hundred nineteen wells. However, as to the total number of
23 wells, it is only feasible to select twenty-three locations
24 to be drilled during the first quarter of 1966. The balance
25 of the well locations, as well as a final determination of
26 optimum location for a fourth drilling island and other

1 developmental features, can be resolved best during the
2 forthcoming year in the light of the additional experience
3 and information which will be achieved as a result of the
4 drilling program as it is carried on during the year.

5 So for those items where specific approval as to
6 particular locations, particular rates of injection, loca-
7 tion of facilities, and so forth, cannot be made categori-
8 cally or recommended categorically at this date, there is a
9 letter of proposal and agreement on the part of the City --
10 and which has been reviewed by the Office of the Attorney
11 General and is felt to be legally satisfactory under the
12 provisions of Chapter 138 -- that such items will be devel-
13 oped in the optimum program approved concurrently and co-
14 operatively as between the City Manager of Long Beach and
15 the Executive Officer of the Lands Commission, subject, of
16 course, to ratification by the Lands Commission as required
17 by the statute, as the information is developed during 1966
18 as necessary to make the best judgments as to final deter-
19 mination of how the final program should be carried out.

20 In view of this agreement and the complete staff
21 review and the review by the consultants to the Commission
22 for the program proposed that is before you, it is recom-
23 mended, as set forth on page 3 of your agenda item, that
24 the Commission:

25 First, mutually agree with the City, as permitted
26 by subdivision (a) of Section 5 of Chapter 138, for the

1 present time to waive:

2 (a) Specification of the surface....

3 MR. CHAMPION: Frank, are you in any way changing
4 your recommendation?

5 MR. HORTIG: No, sir. The recommendation as it is
6 before you in writing is the staff recommendation.

7 MR. CHAMPION: Let me just ask you two questions:
8 One -- Is this shipping pump thing all settled now? Every-
9 body agrees, that is, on the handling of that expense item?

10 MR. HORTIG: No, sir. The City Council, in con-
11 nection with considering this budget, approved this budget
12 for submittal to the State Lands Commission with the excep-
13 tion of proposed expenditures for shipping pumps; and, also,
14 as you will see in the recommendation to the Commission, it
15 is again recommended that this budget be approved by the
16 Lands Commission substantially in the form as approved by
17 the City Council and with the same reservation excluding
18 the pumps.

19 MR. CHAMPION: We are in agreement with the City
20 on this point and this is enforceable on THUMS? THUMS has
21 no recourse on that kind of decision?

22 MR. HORTIG: Whatever method they have for object-
23 ing, they have not indicated they are dissatisfied with this
24 decision on the part of the City and expectedly on the part
25 of the Lands Commission.

26 MR. CHAMPION: What is the next action? We have

1 agreed with the City on how this should be handled. What
2 is next? THUMS says, "We don't like it," or "We accept it"?

3 MR. HORTIG: All I am saying is that the three
4 parties, in effect, -- the City and the State and the Field
5 Operator -- are in agreement.

6 The City and State are. The Field Contractor has
7 not reported assent and willingness to continue without con-
8 sidering possibility of securing relief in whatever manner
9 it may be available to them; but, in the interim, on the
10 basis of the budget, if it is approved today, the Field
11 Operating Contractor will not be authorized to spend any
12 moneys for this unapproved purpose.

13 MR. CHAMPION: The other thing I wanted to ask:
14 Are you satisfied - - and I think this probably sets forth
15 that you are, but I just want to phrase it slightly dif-
16 ferently - - are you satisfied that with regard to what we
17 regard as the intent of the Legislature, that is, that the
18 State should have the prime voice in areas that involve the
19 economics of the development, that this budget protects our
20 ability to so do?

21 MR. HORTIG: Yes, sir.

22 MR. CHAMPION: All right. I move its approval.

23 MR. CRANSTON: Second the motion. No further
24 discussion, so ordered.

25 We will stand in recess until the next meeting,
26 which will be November 18th in Los Angeles.

1 MR. HORTIG: And may I call to the attention of
2 you gentlemen that due to the numerous other public hearings
3 that are taking place at the State level in Los Angeles, we
4 were unable to secure any State facilities for the conduct
5 of the State Lands Commission meeting and it will be in
6 Room 150, which is the Board of Public Works in the City
7 Hall, directly across the street from the State Building.

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ADJOURNED 11:00 A.M.

CERTIFICATE OF REPORTER

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I, LOUISE H. LILLICO, hearing reporter for the Office of Administrative Procedure, hereby certify that the foregoing twenty-two pages contain a full, true and accurate transcript of the shorthand notes taken by me in the meeting of the STATE LANDS COMMISSION held at Sacramento, California, on November 3, 1965.

Dated: Los Angeles, California, November 12, 1965.

Louise H. Lillico