

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

TRANSCRIPT OF

MEETING

of

STATE LANDS COMMISSION

SACRAMENTO, CALIFORNIA

June 22, 1967

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

MEETING OF
STATE LANDS COMMISSION
Sacramento, California
June 22, 1967

PARTICIPANTS:

THE COMMISSION

Hon. Houston I. Flournoy, Controller, Chairman

Hon. Gordon P. Smith, Director of Finance

(Absent: Hon. Robert H. Finch
Lieutenant Governor)

F. J. Hortig, Executive Officer

OFFICE OF THE ATTORNEY GENERAL

Warren J. Abbott, Deputy Attorney General

I N D E X
(In accordance with Calendar Summary)

ITEM CLASSIFICATION	ITEM ON CALENDAR	PAGE OF CALENDAR	PAGE OF TRANSCRIPT
1 Call to order			
2 Confirmation of minutes of meeting May 25, 1967			1
3 PERMITS, EASEMENTS, AND RIGHTS-OF-WAY, NO FEE:			
(a) Dept. Gen. Services	20	1	1
(b) " " "-Architect.	22	3	1
(c) Dept. Pub. Wks - Div. Highways	23	4	5
(d) " " " " "	35	6	7
(e) " " " " "	37	8	1
(f) Reclamation Board	50	11	1
(g) Dept. Water Resources	40	13	1
(h) " " " "	51	15	16
4 PERMITS, EASEMENTS, RIGHTS-OF-WAY, LEASES -- FEE:			
(a) Paul Telemeco dba Alpine Helicopters	7	17	1
(b) Charles P. Byers	5	19	1
(c) Belle Haven Realty Co.	48	21	1
(d) Herbert Estabrook	49	22	1
(e) U.S. Dept. of Agric. Forest Service	17	24	1
(f) Humble Oil & Refining Co.	47	26	1
(g) Wm. D. Bogard, Jr. and Raymond E. Berg dba Anchor Marina	16	27	1
(h) Leonard Elsbree & R.E. Elrod	6	29	1
5 OIL-AND-GAS AND MINERAL LEASES AND PERMITS:			
(a) Phillips Petroleum	25	30	2
(b) Union Oil Co. of Calif.	4	31	2
(c) Union Oil Co. of Calif.	27	32	2
(d) Humble Oil & Refining	33	33	2
(e) Redwood City Gen. Imp. Dist.	39	37	2
(f) Marin County Flood Contr. & Water Cons. District	30	45	2
(g) Atlantic Richfield Co.	24	49	2
(h) Great Basins Petr. Co.	21	51	2

continued

I N D E X(In accordance with Calendar Summary)
continued

<u>ITEM CLASSIFICATION</u>	<u>ITEM ON CALENDAR</u>	<u>PAGE OF CALENDAR</u>	<u>PAGE OF TRANSCRIPT</u>
5 OIL-AND-GAS AND MINERAL LEASES & PERMITS cont'd:			
(i) Getty Oil Company	1	53	2
(j) Utah Constr. & Mining	29	54	2
(k) Texaco Inc.	9	56	2
(l) Humble Oil & Refining	10	57	2
(m) Humble Oil & Refining	11	58	2
(n) Atlantic Richfield Co.	12	59	2
(o) " "	13	60	2
(p) Modified form Prosp. Permt	34	61	2
(q) Oil & Gas Lease form as amended	3	63	2
(r) Offer for lease 105 acres San Joaquin River - pursuant applic. Thomsen and Peterson	26	64	2
(s) Offer of reserved mineral interest Sec. 16, T11S, R 10 E, SBEM Imperial Cy.	2	66	2
6 CITY OF LONG BEACH			
(a) Subsidence studies	31	67	2
(b) Subsidence maintenance	32	70	2
7 LAND SALES - (a) Merced Irrigation District	8	73	2
8 BOUNDARY AGREEMENTS, ETC.			
(a) Simon & Helen L. Zimmerman	36	75	2
(b) City of Seal Beach, Dept. Water & Power, L.A. and State of California	43	79	2
(c) Lease City of Seal Beach	44	86	2
9 ADMINISTRATION			
(a) Price Waterhouse contract	52	89	2
(b) Computer program for Long Beach operations	41	91	2
(c) Services to Reclam. Board	38	92	3
(d) Agreement with Dept. Gen. Services, Arch. & Constr.	28	93	3

continued

I N D E X

(In accordance with Calendar Summary)

<u>ITEM CLASSIFICATION</u>	<u>ITEM ON CALENDAR</u>	<u>PAGE OF CALENDAR</u>	<u>PAGE OF TRANSCRIPT</u>
9 ADMINISTRATION continued			
(e) Agreement Dept. Justice concerning decree U.S. Supreme Court 382 US 448	19	94	3
(f) Agreement Dept. Justice for services re Long Beach	14	95	3
(g) Agreement Metrop. Blueprint	18	96	3
(h) not on calendar			
(i) Control Data Corp. contract	14	97	3
(j) Internat'l Bus. Mach. "	45	98	3
(k) SCM Corp. - Coronostat	55	99	3
10 MAJOR LITIGATION			
(a) Natomas Co. vs. State	42	100	3
(b) Informative report	53	101	4
11 NEXT MEETING			
<u>14 SUPPLEMENTAL ITEMS:</u>			
Proposed Annexation 67-1, City of Seal Beach	54	104	4
Disciplinary Action - State Lands Employee	55	105	5

I N D E X

(In accordance with item numbers)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53

ITEM ON CALENDAR	PAGE OF CALENDAR	PAGE OF TRANSCRIPT
1	53	2
2	66	2
3	63	2
4	31	2
5	19	1
6	29	1
7	17	1
8	73	2
9	56	2
10	57	2
11	58	2
12	59	2
13	60	2
14	95	3
15	99	3
16	27	1
17	24	1
18	96	3
19	94	3
20	1	1
21	51	2
22	3	1
23	4	1
24	49	2
25	30	2
26	64	2
27	32	2
28	93	3
29	54	2
30	45	2
31	67	2
32	70	2
33	33	2
34	61	2
35	6	1
36	75	2
37	8	1
38	92	3
39	37	2
40	13	1
41	91	2
42	100	3
43	79	2

ITEM ON CALENDAR	PAGE OF CALENDAR	PAGE OF TRANSCRIPT
44	86	2
45	98	1
46	97	1
47	26	1
48	21	1
49	22	1
50	11	1
51	15	1
52	89	2
53	101	4

SUPPLEMENTAL ITEMS:

54	104	4
55	105	5

NEXT MEETING:

3

1 JUNE 22, 1967 - 10:08 A.M.

2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

MR. FLOURNOY: The Lands Commission will come to order. Now that we have a quorum, let's proceed.

It is the understanding of the Chair that there are no applications from anyone in the audience to speak to any particular item on the agenda today and, therefore, we will go through it with a certain amount of dispatch.

Number 2 is confirmation of minutes of meeting of May 25, 1967. Unless there is objection, the minutes will be confirmed.

Item Number 3 -- Permits, easements, and rights-of-way to be granted to public and other agencies at no fee, pursuant to the statutes -- some eight items. If there is no discussion and no objection, those items will be approved as indicated.

Number 4 -- Permits, easements, leases and rights-of-way issued pursuant to statutes and the established rental policies of the Commission -- some eight items. Unless there is discussion on any of the items or objection, they will be approved as indicated.

Item Number 5 -- Oil-and-gas and mineral leases and permits issued pursuant to statutes and established policies of the Commission -- some fifteen -- a lot of items on the last count there. Unless there is discussion or objection they will be approved as indicated under the proposed

1 authorization.

2 Item Number 6 -- the City of Long Beach -- two
3 items of approval of subproject expenditures for subsidence
4 studies and maintenance. If there is no discussion or objec-
5 tion, those items will be approved.

6 Item Number 7 -- Land sales, which have been cleared
7 with all the State agencies, one item there. Is there any
8 discussion or objection on that? (No response) Without
9 objection, that is approved.

10 Item Number 8 -- Boundary agreements and related
11 applications, three items there. Is there any discussion or
12 objection? (No response) Without objection, that item is
13 approved.

14 Item Number 9. Mr. Hortig, would you explain
15 item (a) there and some modification in the calendar?

16 MR. HORTIG: Mr. Chairman, you and Director Smith
17 will recall that you and the Commission authorized at the
18 last meeting, as summarized here, that the Executive Officer
19 obtain from interested certified public accountants with oil
20 industry experience proposals to conduct an extensive audit
21 of the field contractor and its operating company, Long Beach
22 Unit, and to report the estimated costs and benefits, together
23 with proposed financing and recommendations.

24 Today, on your agenda on pages 89 and 90, is the
25 report of the proposals received from three of the preeminent
26 accounting firms. You also have, as an exhibit, copies of the

1 proposals and the staff recommendation is that the contract
2 for conduct of the study and report to the State Lands Commis-
3 sion on this matter be awarded to Price Waterhouse & Company
4 at a total cost not to exceed \$22,000.

5 MR. FLOURNOY: Without objection, that item will
6 be approved.

7 We have a number of other items -- nine -- in the
8 administration section of the calendar. Is there any discus-
9 sion on any of those items, or objections to them? (No
10 response) Without objection, they will be approved.

11 Item Number 10 --

12 MR. HORTIG: If I may, Mr. Chairman, I would like
13 to amplify on item 10(a) in that this will resolve what
14 could have been potentially a very laborious, very costly
15 piece of litigation, in that a portion of the bed of the
16 Feather River was moved by artificial means, namely by dredg-
17 ing a new location for it over privately owned lands; and the
18 question before the house is as to the mineral values and
19 land values in the former bed of the Feather River, which is
20 still under the jurisdiction of the State Lands Commission,
21 and the entire matter is up for resolution by approval of the
22 stipulation with the owners of the present bed of the Feather
23 River -- who are in agreement with the State Lands Commission
24 to transfer the bed of the new stream, which is approximately
25 of the same area and same value, to the State Lands Commission
26 in exchange for the abandoned channel.

4
1 We think this is an eminently equitable and speedy
2 and efficient solution and, therefore, recommend that the
3 Commission approve the stipulation on behalf of the State of
4 California.

5 MR. FLOURNOY: It also saves a continuing law suit.

6 MR. HORTIG: Yes, sir.

7 MR. FLOURNOY: Very good. Without objection, then,
8 we will approve item 10(a).

9 Is there any discussion on the informative report
10 with regard to the status of other major litigation?

11 MR. HORTIG: Informative only for the records of
12 the Commission. There is no action required at this time.

13 MR. FLOURNOY: I just wanted to inquire if there
14 was any question Mr. Smith might have on any of those items.
15 If not, I think you indicated there were couple of supple-
16 mentary items to the agenda that have to be acted upon.

17 MR. HORTIG: Yes, sir. As a matter of completing
18 the record for the Commission, the first item is entitled:
19 "Proposed annexation No. 67-1 to the City of Seal Beach,
20 Orange County; and the City is proceeding in accordance with
21 established statutory procedures to annex an area in which the
22 State Lands Commission probably does not have any jurisdiction
23 or interest.

24 However, to be certain that the Commission was
25 informed that an application was submitted, and since the time
26 is running under the statute, and so that there can be a

1 record for the local agency formation commission, it is
 2 recommended that the Commission acknowledge receipt of the
 3 proposed annexation, Number 67-1 to the City of Seal Beach,
 4 and that the offshore boundaries included therein be deemed
 5 approved on July 3, 1967 by operation of law -- not under
 6 authorization of the State Lands Commission.

7 MR. FLOURNOY: We shall so act and recognize we
 8 have received this, et cetera.

9 MR. HORTIG: The final item

10 MR. SMITH: Just a minute, Mr. Hortig, on the
 11 final item, before we get into the specifics on it having
 12 to do with the disciplinary action on a specific individual
 13 named.

14 Mr. Chairman, although I understand we have a rul-
 15 ing from the Attorney General that this should be conducted
 16 in an open meeting, this concerns me.

17 MR. FLOURNOY: Is this a requirement of the law?

18 MR. ABBOTT: Mr. Chairman, the problem is this:
 19 The State Lands Commission by statute is given all the author-
 20 ity and only the State Lands Commission can act.

21 MR. FLOURNOY: And the State Lands Commission can
 22 only act in a public meeting.

23 MR. ABBOTT: And they can ~~only~~ act on and adopt a
 24 resolution in an open public meeting. In such circumstances
 25 as this, it is probably difficult and perhaps the legislature
 26 will call for a change; but until there is such a change, we

1 recommend that the decision be made in a public meeting.

2 MR. SMITH: Is that decision made under the Brown
3 Act?

4 MR. ABBOTT: No, sir. The State Lands Commission
5 has open meetings. That has no exceptions at all.

6 MR. FLOURNOY: Is the authority lodged in the State
7 Lands Commission and nondelegable to anybody else?

8 MR. ABBOTT: There is no authority to delegate.
9 I think a statute could authorize a delegation.

10 MR. FLOURNOY: What about the delegation of the
11 Commission? Could the State Lands Commission authorize the
12 Executive Officer to act?

13 MR. ABBOTT: Perhaps that would be too broad. That
14 would be delegating all your authority.

15 MR. FLOURNOY: Just as a matter, I think, of infor-
16 mation for the members of the Commission, I share Mr. Smith's
17 feeling in this matter. Would the Executive Officer and the
18 Attorney General's Office see if there is some way consistent
19 with the present statute that the State Lands Commission
20 could act in a manner which would delegate this authority,
21 or hand it over in some way so we wouldn't have this embarrass-
22 ing proposition. If we need a statute, let's consider moving
23 in that direction, Mr. Hortig. I think it would be a desir-
24 able thing to see if we couldn't in some way avoid this kind
25 of a situation, either by action of the Commission -- or by
26 legislation if that is unavoidable.

1 MR. SMITH: Not that we disagree with the action,
2 only the process. It is a very personal thing. I think the
3 spirit of public meetings in California, in all of our
4 governmental agencies, permits this type of action to be
5 decided in an executive session or to be delegated to the
6 Executive Officer, rather than be discussed in a public
7 meeting.

8 MR. ABBOTT: I agree with you, Mr. Smith, but
9 the statute for this Commission is only for open meetings.

10 MR. SMITH: Pending that, Mr. Chairman, I suggest
11 that we delay this action. There should be a simple piece of
12 legislation that could be passed.

13 MR. FLOURNOY: We are a little late for introduction
14 of anything at this time.

15 MR. HORTIG: This is inextricably intertwined with
16 a large amount of problems the Commission has. I would
17 recommend, as a proposal, that the staff bring a complete
18 legislative program for the next session to the Commission;
19 but I believe this should be a subject of delegation in this
20 specific instance.

21 MR. FLOURNOY: Do you think we could do that and
22 not unduly delay the action you have recommended? What is
23 your feeling with regard to this case and the necessity for
24 action?

25 MR. HORTIG: I would feel a decision can be arrived
26 at expeditiously as to the ability to delegate for a particular

1 instance. I am not seizing upon the Attorney General's
2 objection that a broad delegation might be a problem. I
3 would hope that a narrow specific delegation would not be a
4 problem.

5 MR. FLOURNOY: Would this be a possibility?

6 MR. ABBOTT: Mr. Chairman, may I recommend we call
7 a brief recess?

8 MR. FLOURNOY: We will recess for a few minutes.

9 (Short recess)

10 MR. FLOURNOY: The Commission will reconvene.

11 MR. SMITH: Mr. Chairman, I propose that Calendar
12 Item 55 be approved.

13 MR. FLOURNOY: Without objection, it is so approved.

14 That concludes, I believe, the calendar and the
15 supplemental items with only one exception -- the time, date
16 and place of the next Commission meeting.

17 It is indicated that the next meeting will be in
18 Los Angeles. I think that with regard to the fact that the
19 Legislature will be in the final throes of concluding its
20 work, I hope, at that time in Sacramento, perhaps we should
21 reschedule that in Sacramento for July.

22 Does that meet with your approval?

23 MR. SMITH: Yes.

24 MR. FLOURNOY: Without objection, we will alter the
25 place of the next meeting to Sacramento in the month of July
26 and confirm that date and time.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

There being no further business, the meeting is
adjourned.

(Adjourned 10:24 A.M.)

CERTIFICATE OF REPORTER

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

I, Louise H. Lillico, reporter for the Office of Administrative Procedure, hereby certify that the foregoing pages, one through nine, contain a full, true and accurate transcript of the shorthand notes taken by me in the meeting of the STATE LANDS COMMISSION held in Sacramento, California, on June 22, 1967.

Dated: Los Angeles, California, June 26, 1967.

/s/ Louise H. Lillico