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MEETING  
STATE LANDS COMMISSION

STATE CAPITOL  
Room 2170  
Sacramento, California

MONDAY, SEPTEMBER 29, 1975

10:00 A.M.

ORIGINAL

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MEMBERS PRESENT

- Hon. Kenneth Cory, State Controller, Chairman
- Hon. Mervyn M. Dymally, Lieutenant Governor, Commissioner
- Hon. Roy Bell, Director of Finance, Commissioner

MEMBERS ABSENT

NONE

STAFF PRESENT

- William F. Northrop, Executive Officer
- Robert C. Hight, Staff Counsel
- James F. Trout, Manager, Land Operations
- David K. Hayward, Assistant Manager, Long Beach Operations

ALSO PRESENT

- N. Gregory Taylor, Deputy Attorney General

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P R O C E E D I N G S

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CHAIRMAN CORY: Call the meeting to order.

We will note the presence of the entire membership.  
Confirmation of the minutes of the meeting of  
August 21st; any corrections?

COMMISSIONER BELL: I have no problem with the  
minutes.

COMMISSIONER DYMALLY: I move their adoption.

CHAIRMAN CORY: Without objection, such will be  
the order.

Mr. Northrop, your report.

EXECUTIVE OFFICER NORTHROP: Thank you,  
Mr. Chairman.

Mr. Chairman, Commissioners, within the last week,  
there have been some significant developments in the energy  
field which will affect and intensify the Commission's  
programs.

The first one is the geothermal resources. As  
Chairman of this Commission's Subcommittee on Alternate  
Energy Sources, the Lieutenant Governor has recently conducted  
geothermal conferences in San Francisco and Los Angeles.  
It would be an immense help to the staff if the Lieutenant Governor  
could review some of the items discussed in these sessions.

COMMISSIONER DYMALLY: Could we pass for a minute,

1 my notes are being brought up.

2 EXECUTIVE OFFICER NORTHROP: Okay, fine.

3 The second item, Mr. Chairman, is that the U. S.  
4 Department of Interior has just rescheduled its leasing  
5 program on the Outer Continental Shelf Lease Sale No. 35,  
6 offshore Southern California, from October to December.

7 We would be pleased if the Chairman would care to  
8 comment on these developments for the staff at this time.

9 CHAIRMAN CORY: I think all of the Commissioners  
10 have been concerned with the speed with which the Department  
11 of Interior has been attempting to proceed. Apparently the  
12 Governor's suggestions, the local city officials' suggestions,  
13 are perhaps finally being listened to.

14 The two-month delay is something I think that the  
15 staff should be not lulled into sleep about. There has been  
16 no indication of a fundamental change in policy in Washington,  
17 and the real key is to make sure that, one, our posture is  
18 not against the offshore development per se, but that we are  
19 against a giveaway of a publicly-owned natural resource, and  
20 that we have tried again as we have tried in the past, to  
21 put an end to the Federal Government monologues and engage  
22 in a realistic dialogue on problems confronting the  
23 development of offshore here along the California Coast.

24 The concerns that we have as to how that oil is  
25 going to come ashore, the question of liability which has not

1 been dealt with at all, is one that I think, at the staff  
2 level, you should continue to pursue, and we should also try  
3 to coordinate the activities among all people in California  
4 who are concerned about an orderly, rational, regional,  
5 development plan, because I can see not having any specific  
6 dialogue yet taking place.

7 If we get lulled to sleep and relax, the Christmas  
8 rush will be upon us and there will be another giveaway at  
9 Christmas to the oil industry.

10 I think it's high time that we keep that from  
11 happening and be aware that it's happened before on  
12 Christmas for those people and I think they have had enough  
13 Christmases.

14 COMMISSIONER DYMALLY: While on that subject, could  
15 you or the staff tell us what effect decontrol or noncontrol  
16 or, I don't know what date --

17 CHAIRMAN CORY: November 15th?

18 EXECUTIVE OFFICER NORTHROP: Right.

19 CHAIRMAN CORY: Okay. If you decontrol, we are at  
20 like four twenty-one?

21 EXECUTIVE OFFICER NORTHROP: Four twenty-one.

22 CHAIRMAN CORY: Four twenty-one a barrel.

23 The world price has probably been eleven to twelve --

24 EXECUTIVE OFFICER NORTHROP: It went up ten percent  
25 last week. They voted themselves a ten percent increase, so



1 it's about \$13 now.

2 CHAIRMAN CORY: So our revenues would increase like  
3 eight dollars a barrel, Roy. You could live with that, huh?  
4 As long as the Legislature isn't in session.

5 [Laughter.]

6 COMMISSIONER BELL: That's right.

7 CHAIRMAN CORY: But there we wait on what Congress  
8 and the President agree to do.

9 COMMISSIONER BELL: Actually, is there any  
10 agreement at the present time?

11 EXECUTIVE OFFICER NORTHROP: There seems to be  
12 pretty much of a consensus in the Senate and the President  
13 has indicated he would accept a compromise extension of  
14 controls until November 15th. The Senate has already voted  
15 that. It's passed the House, so I think we are stuck with  
16 that.

17 CHAIRMAN CORY: But that is an extension until the  
18 15th, with the understanding that they will try to negotiate  
19 something out; either a phase-out or the present position  
20 publicly is still elimination of control.

21 EXECUTIVE OFFICER NORTHROP: The President is par  
22 for elimination of control, so that's going to be a problem.

23 MR. TAYLOR: Mr. Chairman, while we are on the  
24 OCS matter, there was a notice in Saturday's paper that the  
25 Department of Interior has now adopted its proposed

1 regulations on joint bidding. It was in the Saturday paper,  
2 the recent development.

3 CHAIRMAN CORY: Which paper was that in?

4 MR. TAYLOR: The Los Angeles Times, the Financial  
5 Section Summary.

6 COMMISSIONER BELL: Would that be printed in the  
7 Federal Regs.?

8 MR. TAYLOR: Yes. We wouldn't have time to check  
9 it, and I don't know whether they made any changes in the  
10 proposed regulations or not, but it's pretty interesting  
11 since they indicated previously they would not adopt the  
12 proposed regulations. But suddenly and very quietly they  
13 adopted them on Saturday.

14 CHAIRMAN CORY: It's awfully hard to trust them,  
15 isn't it?

16 Governor, would you give us a rundown on the --

17 COMMISSIONER DYMALLY: Mr. Chairman, so far we  
18 have had two hearings on the question of geothermal  
19 development, in the North and in the South. We held one in  
20 Los Angeles the week before last and one in San Francisco.  
21 We heard over 35 witnesses representing developers, the  
22 public, and environmentalists.

23 There are about three proposals which were suggested  
24 for possible legislative or administrative enactment, and  
25 they will be discussed further at a Task Force meeting which

1 will take place in Sacramento by the middle of this month.

2           The first one is a proposal for an environmental  
3 appeals board modeled after the Workmen's Compensation  
4 Appeals Board to handle appeals from agencies and the public,  
5 and to confine those appeals to the substance of the  
6 application, and those who appeal would have access to the  
7 Court if their constitutional rights are violated.

8           The second one is to establish a lead agency, either  
9 in the county or in the State, to avoid a duplication of the  
10 several agencies now which require environmental impact  
11 reports, in some counties as many as six agencies. And the  
12 delays have increased from three months to three years to  
13 drilling in the well.

14           The third one is to limit the E.I.R. requirements  
15 or negative declaration for exploratory geothermal wells  
16 followed by a full report only if the wells seem promising  
17 of production.

18           The Task Force will consist of government, industry,  
19 and environmental groups and the purpose of the Task Force  
20 is to make recommendations to the Legislature and to the  
21 Administration, to see if we can expedite the development  
22 of geothermal energy.

23           EXECUTIVE OFFICER NORTHROP: Thank you very kindly.

24           CHAIRMAN CORY: Any questions of the Governor?

25           Okay, thank you, Governor.

1 COMMISSIONER DYMALLY: I must add that they were  
2 very productive meetings and we have had very fruitful  
3 discussions on the subject.

4 EXECUTIVE OFFICER NORTHROP: Thank you.

5 The next item on my report, Mr. Chairman and  
6 Commissioners, in front of you is a resolution passed without  
7 dissent before the Western States Land Commissioners  
8 Association Convention.

9 This resolution proposes that ownership and  
10 jurisdiction of public domain lands under the management  
11 of the Bureau of Land Management to the States be returned  
12 to the States in which they are located and, further, that  
13 management of these lands be administered by the States in  
14 accordance with the public trust.

15 This resolution also proposes that Federal  
16 legislation be drafted to accomplish such a transfer and that  
17 the Congressional Delegations be contacted for support.

18 If the Commissioners agree, I would propose that  
19 the staff be authorized to assist in drafting such legisla-  
20 tion and the Commissioners work with the California  
21 Delegation to accomplish the return of California's public  
22 lands to State jurisdiction.

23 There's approximately 16 million acres involved.

24 COMMISSIONER BELL: In California?

25 EXECUTIVE OFFICER NORTHROP: Yes.

1 CHAIRMAN CORY: It's a modest proposal.

2 EXECUTIVE OFFICER NORTHROP: So it would pass  
3 without dissent by all Western States. I'll add that --  
4 or with the exception of Hawaii has no BLM lands in Hawaii.  
5 That's all owned by private people.

6 CHAIRMAN CORY: The natives got that squared away  
7 before they came into the Union.

8 EXECUTIVE OFFICER NORTHROP: So did Texas, as  
9 matter of fact. Texas, a condition of entering the Union,  
10 they got to keep Texas. So I think maybe it's well that we  
11 give California back to California. Half of the lands are  
12 approximately owned by the Feds. and a good portion of that  
13 is managed by the --

14 CHAIRMAN CORY: Have you thought about making a  
15 trade on the retrocession on the rest of the land?

16 Do we agree with the request? It's a modest  
17 proposal.

18 Who in the Congressional Delegation do you anticipate  
19 to approach?

20 EXECUTIVE OFFICER NORTHROP: Well, the entire  
21 delegation. This was -- all of the Western States are  
22 proposing that we act in some kind of concert on this; the  
23 various Lands Boards and Lands Commissions in the Western  
24 States and there is less than ten percent of the land -- I  
25 believe the number is something like less than six percent of

1 the land east of the Mississippi belongs to the Feds.

2 But, while over half of the lands west of the  
3 Mississippi belongs to the Feds., and there's a great  
4 inequity here in this management of the State Lands.

5 And again we have the same problem in land manage-  
6 ment in asking for in-lieu lands from the Feds. as we have  
7 in getting agreement from the other part of the Department  
8 of the Interior on where we go in offshore drilling. We have  
9 to read the financial recap section of the Los Angeles Times  
10 to find out what's going on there, so I think it's the same  
11 situation.

12 CHAIRMAN CORY: All right.

13 COMMISSIONER BELL: In California, how much is  
14 federally-owned and how much is controlled by the Bureau of  
15 Land Management of the federally-owned land?

16 EXECUTIVE OFFICER NORTHROP: Roughly, sir, about  
17 two-thirds to three-quarters -- well over three-quarters.

18 COMMISSIONER BELL: The Bureau of Land Management.

19 EXECUTIVE OFFICER NORTHROP: Yes. I think  
20 Mr. Trout can give us some hotter numbers than that.

21 MR. TROUT: There is, I think right in that  
22 neighborhood -- I can't give you the exact figures.

23 EXECUTIVE OFFICER NORTHROP: Somewhere around 75 or  
24 80 percent is owned by BLM. The rest of it is in parks and  
25 that sort of thing.

1           COMMISSIONER BELL: Is this primarily a local  
2 autonomy feeling of the states or is there some feeling that  
3 the Federal Bureau of Land Management has not been doing a  
4 good land management job?

5           EXECUTIVE OFFICER NORTHROP: The latter, sir. It's  
6 not the fact that we are making a land grab, but it's the  
7 fact that the management of this has not taken the requests  
8 of the states into consideration. They have been doing it on  
9 their own and I don't think it's really -- if we could  
10 get response from the Department of Interior, this would not  
11 be called for, but this resolution is an outgrowth of over  
12 15 years of frustration by Western States Land Commissioners  
13 to get the BLM to cooperate. The BLM has just not  
14 cooperated.

15           COMMISSIONER BELL: That certainly makes sense.

16           CHAIRMAN CORY: Nothing ventured, nothing gained.  
17 What do you do if they offer you half?

18           [Laughter.]

19           EXECUTIVE OFFICER NORTHROP: The next item  
20 concerns a Western LNG Terminal application. At the August  
21 meeting, Mr. Chairman, the calendar contained an application  
22 from Western LNG Terminal Company to lease two parcels of  
23 submerged land offshore Point Conception for the deployment  
24 and maintenance of monitoring buoys.

25           The Commissioners put over this item, requesting

1 more information as to what the lands would be used for,  
2 and whether or not --

3 CHAIRMAN CORY: You don't want to talk about spoil  
4 removal royalty?

5 I've got something here on mine that says something  
6 about policy changes, spoil removal royalty. Do you want to  
7 do that?

8 EXECUTIVE OFFICER NORTHROP: Yes, I might just as  
9 well.

10 The staff proposes -- Excuse me, Mr. Chairman.

11 The staff proposes that the Commission consider a  
12 change in policy to apply royalty fees for the removal of  
13 silt, sand, and gravels which are located on tide and  
14 submerged lands, or on any State-owned lands wherein the  
15 mineral rights are reserved to the State.

16 This material is a valuable mineral resource and  
17 a possible source of revenue -- of revenue to the State,  
18 which has never before been realized. Historically, for  
19 example, no royalty fee has been charged if such spoils are  
20 removed from and deposited on State lands.

21 However, the staff feels that private parties who  
22 remove the accreted material in the process of performing  
23 maintenance dredging, or construction of new facilities, are  
24 receiving benefit to themselves. Furthermore, depositing  
25 such material in deep disposal sites, even if they are



1 State-owned, prevents any possible recovery for revenue or  
2 future beneficial use.

3 Therefore, the staff feels that the State's  
4 mineral rights are being denied or subverted under the  
5 present policy and that some royalty consideration is due  
6 the State.

7 This is prompted by an application for dredging  
8 and we asked that, even though the material -- there was  
9 benefit to the owner of the Long Wharf which was getting  
10 depth and he should pay for the removal of the material.

11 So we are suggesting some nominal fee of ten or  
12 15 cents a yard for that.

13 CHAIRMAN CORY: The rule of law is that -- if  
14 decretion is natural, the State owns the resulting land,  
15 is that right, Greg?

16 MR. TAYLOR: No, it's artificial.

17 EXECUTIVE OFFICER NORTHROP: It's artificial.

18 MR. TAYLOR: It would become the owner's property  
19 if it was natural.

20 EXECUTIVE OFFICER NORTHROP: So what we have here  
21 is that in some areas there are terminals which silt up and  
22 they want to go out, they want to dredge, and they are  
23 dredging. In order to make it, they have to not only  
24 dredge their property -- their leased area, but an adjoining  
25 area as well. So sometimes it's mud and other times it well

1 could be material that we could recover later. So they  
2 thought we'd have some kind of a policy that we charge for  
3 this sort of thing.

4 CHAIRMAN CORY: You will be coming back to us with  
5 a specific sort of a proposal?

6 EXECUTIVE OFFICER NORTHROP: Yes, sir, we probably  
7 will. We really were looking at a minimal -- at a minimum  
8 now of -- we have not set that minimum. We just wanted to  
9 get a policy decision out of the Commission.

10 COMMISSIONER BELL: We have private parties.

11 EXECUTIVE OFFICER NORTHROP: Yes. We have a  
12 disposal fee now which we --

13 CHAIRMAN CORY: Merv?

14 COMMISSIONER DYMALLY: It's okay.

15 COMMISSIONER BELL: I think it makes sense.

16 [Thereupon a brief discussion was held off  
17 the record.]

18 EXECUTIVE OFFICER NORTHROP: Now, Western LNG.

19 At the August meeting, Mr. Chairman, the calendar  
20 item contained an application from Western LNG Company to  
21 lease two parcels of submerged land offshore Point  
22 Conception, for the deployment and maintenance of monitoring  
23 buoys.

24 The Commissioners put this item over, requesting  
25 more information as to what the lands will be used for, and

1 whether or not this was the first step in establishing an  
2 LNG terminal in an extremely sensitive area. We have  
3 developed the information the Commission requested, and, in  
4 fact, we have gone on with some recommendations of our own,  
5 and I will ask Mr. Trout to make a presentation to the  
6 Commission on this subject.

7 MR. TROUT: Gary Horn has been working in some  
8 detail on the Western LNG and the other LNG terminals and  
9 has done quite an extensive amount of work. What we'd like  
10 to do is show you a few slides of the Western LNG site  
11 itself, that particular proposal, and then Gary will discuss  
12 some three foot of E.I.R.'s, resource documents and other  
13 things that he's been through over the past several months  
14 in preparing for this.

15 Gary, I think you can sit up there.

16 MR. HORN: These slides were given to us by  
17 representatives of the Western LNG Terminal Company. The  
18 first slide shows three sites that the Western LNG Terminal  
19 Company has proposed to locate LNG terminals. They have  
20 made application to the Federal Power Commission for these  
21 sites in September of 1974. This site is the proposed site  
22 for the Point Conception Terminal; it's approximately four  
23 miles east of Point Conception.

24 [Next slide.]

25 This is an aerial photograph showing that section

1 of the coastline where the Point Conception facilities will  
2 be located. The cross-hatched area shows the actual plant.  
3 The other is a larger parcel that the company will maintain,  
4 mainly for buffer zone purposes.

5 [Next slide.]

6 And this is a plot. It's details showing the  
7 type of facilities that will be located there; the trestle  
8 extends out into the ocean approximately 4600 feet and will  
9 accommodate two LNG tankers displacing approximately  
10 165,000 cubic meters each.

11 On the upland is proposed to be located four tanks  
12 that would hold 550,000 barrels of liquefied natural gas  
13 that would be regasified and shipped off into the interior  
14 of the State.

15 [Next slide.]

16 This is a rendering of a LNG Terminal Plant that  
17 is proposed to be located at Oxnard, just approximately two  
18 miles south of the Oxnard Harbor, Port Hueneme. In the  
19 upper left-hand corner is the Southern California Edison  
20 Electric Generating Plant. This facility approximates the  
21 type of facility that is proposed to be located at Point  
22 Conception although there are some physical changes in the  
23 plant.

24 CHAIRMAN CORY: Pardon me. The same size --

25 MR. HORN: Yes.

1 CHAIRMAN CORY: -- in terms of the four tanks?

2 MR. HORN: In ultimate capacity, yes.

3 CHAIRMAN CORY: As shown in the rendering?

4 MR. HORN: Yes.

5 CHAIRMAN CORY: And the length of the trestle?

6 MR. HORN: The trestle in this case is 6,000 feet.

7 The company proposes to use, in their regasification process,  
8 the warm discharge water from the Edison Plant and thereby  
9 eliminating cold water discharge back into the environment  
10 of the ocean.

11 The incremental production of regasification  
12 proposed to Oxnard is 525,000 -- 525 million cubic foot a  
13 day.

14 EXECUTIVE OFFICER NORTHROP: Could you tell us  
15 what LNG stands for?

16 MR. HORN: LNG stands for liquefied natural gas.

17 The gas proposed for use to come into the Point  
18 Conception Terminal will originate -- the original application  
19 is by El Paso Natural Gas Company, who proposes to build a  
20 parallel natural gas pipeline from the fields parallel with  
21 the oil line. They will build a liquefaction plant at  
22 Gradena which is very near Valdez, and then ship it down  
23 to Point Conception via this terminal.

24 COMMISSIONER DYMALLY: If the Congress approves  
25 the --

1 MR. HORN: If the Federal Power Commission issues  
2 the necessary certificates.

3 COMMISSIONER DYMALLY: What's the status of that  
4 now?

5 MR. HORN: They are still having hearings. There  
6 are some more hearings proposed for this month and the  
7 beginning of next month. They have amended their original  
8 applications to provide for a little less incremental  
9 production from these facilities.

10 EXECUTIVE OFFICER NORTHROP: Governor, in response  
11 to your request, we are now attempting to -- we are putting  
12 together a presentation for next month on where these  
13 Alaskan lines go and where they are.

14 COMMISSIONER DYMALLY: The Artic Gas Company has  
15 proposed a line that comes down the western part of Canada  
16 and the eastern part of Alaska.

17 MR. HORN: That's correct.

18 COMMISSIONER DYMALLY: Why could they not -- one  
19 of the things I wanted to explore -- why could they not  
20 come down to Valdez and then go across. If they have this  
21 great desire to go across Canada, why can't they come down  
22 to Valdez and turn east and go down and avoid having to  
23 build a whole new plant?

24 MR. HORN: That's something that hasn't been  
25 discussed in their documents that they have presented so far.

1           MR. TROUT: I think the terrain is very rugged  
2 across that lower part there and we have suggested from our  
3 staff analysis that the Point Conception site as proposed  
4 would use regular sea water for the revaporization or  
5 vaporization of the liquefied gas.

6           We believe that there are perhaps opportunities  
7 which should be looked into further about perhaps looking  
8 at that site compared to, say, P.G. & E.'s Diablo Canyon  
9 Nuclear site. Wherever these power plants are, there are  
10 tremendous amounts of hot water coming into the ocean.  
11 This is of concern to several wildlife agencies and others  
12 and we think there's more work that can be done in that  
13 area.

14           But the proposal that was before you last month,  
15 and with your approval would be on again for your  
16 consideration next month, would just be to collect data at  
17 the Point Conception site, but this is obviously the first  
18 step moving towards the possibility of an LNG Terminal in the  
19 Santa Barbara Coast.

20           CHAIRMAN CORY: But the Western LNG is now aware  
21 that we have some concerns as to the significance of what  
22 they are proposing to do and that we would anticipate having  
23 full hearings in depth before anything goes on and there is  
24 no implied approval.

25           MR. TROUT: Yes, we met with them last week and

1 they understand that, should the Commission approve the  
2 monitoring buoys, that that would not in any way be an  
3 endorsement of the project, but simply recognition of the  
4 need to collect data.

5 EXECUTIVE OFFICER NORTHROP: I just got some  
6 information that I think you would be interested in.

7 CHAIRMAN CORY: All right.

8 COMMISSIONER BELL: I guess I'm a little fuzzy  
9 as to how this ties into the Arco and Exxon problems that  
10 the PUC is struggling with in terms of natural gas lines  
11 down from Alaska to California. Is this over and above that?

12 EXECUTIVE OFFICER NORTHROP: I believe one of the  
13 alternatives on the Alaska National Gas was, as the  
14 Lieutenant Governor's suggesting now, that there is the  
15 possibility, I think yet, of a line that would come from  
16 MacKenzie Valley and come into California overland. But this  
17 Western LNG is a proposal to go to Valdez, have a Pyrogenic  
18 plant reduce the natural gas to a liquid state, and bring it  
19 down by tanker.

20 COMMISSIONER DYMALLY: It might be helpful for this  
21 Commission because I find we don't understand the issue  
22 raised by the public about the PUC and P.G. & E. arrangement.  
23 Could you at least brief us informally?

24 EXECUTIVE OFFICER NORTHROP: We plan on a full-scale  
25 presentation on that -- the alternatives on that -- next --



1 in the October meeting as to where that's all going. That's  
2 why we are trying to set this all up for October.

3 CHAIRMAN CORY: That's all in the LNG?

4 EXECUTIVE OFFICER NORTHROP: That's all in the  
5 LNG.

6 The next item -- we will use the same cast -- but  
7 the recreational pier permit presentation; the discussion on  
8 that was requested by the Governor and we are prepared at  
9 this time to go into that very briefly, where we are with  
10 recreational piers.

11 MR. TROUT: Just for your consideration, I have  
12 three vertical aerial photos showing with the large arrows,  
13 three sites that would, under the present statute, be free  
14 recreational pier permits.

15 Very briefly I'd like to just hit a few slides  
16 of the same areas so you can get the magnitude of the pier  
17 problems.

18 The second vertical photograph that you have shows  
19 this hook-like pier. We couldn't get back far enough to  
20 get it on one slide.

21 [Next slide.]

22 Now this is a hook-like pier and you can see in  
23 the foreground a little white underneath; it's the arm of  
24 the pier. Under present statute, this large facility is  
25 free. This would be a recreational pier permit. These are

1 at Lake Tahoe, these first ones.

2 This one is a trespass which we are going after.

3 [Next slide.]

4 This would be a recreational pier permit; this has  
5 six fingers and this is shown on the last of the vertical  
6 aerial photos that you have. You will recognize the fingers  
7 sticking out on both sides to the left of the photograph.

8 [Next slide.]

9 Then just quickly hitting a couple of more which  
10 also would qualify: this is down -- let's see, this one is  
11 also there.

12 [Next slide.]

13 This one is at Bethel Island; this qualifies as  
14 a recreational pier.

15 [Next slide.]

16 This is at Bethel Island; this qualifies as a  
17 recreational pier, and you can obviously see that that  
18 vessel is suitable for living on over a weekend.

19 [Next slide.]

20 A specific question was asked by the Governor last  
21 time about Donner Lake, and in preface to that I'd like to  
22 just hit two points: one is, as of May, 1975, 24 percent or  
23 almost one-quarter of the active leases issued by the  
24 Commission are recreational permits. That's 556 of 2300  
25 outstanding permits. Of the land operations, in other words,

1 of the non-mineral activities, 55 percent are free  
2 recreational pier permits. The estimated annual rent, were  
3 they brought under present leasing, would be \$30,000 a year  
4 and I'd just like to briefly answer the Governor's question  
5 and I think perhaps Commissioner Bell about Donner Lake.

6           There are at present, on Donner Lake, a hundred  
7 forty-two shoreline ownerships or individual parcels. There  
8 are already 120 piers in existence. The surface area of the  
9 lake is 840 acres, and the area occupied by the present  
10 piers is 2.7 acres, or 3200ths of one percent. The longest  
11 pier is a hundred sixteen feet.

12           So I think any impact as far as water skiing and  
13 other kinds of things, we really don't have a significant  
14 problem from that aspect. The real problem is the lack of  
15 success with the Legislature, especially the Senate, in  
16 getting our legislation through.

17           [Thereupon a brief discussion was held off  
18 the record.]

19           COMMISSIONER DYMALLY: I just wanted to ask a  
20 question, please.

21           I'm amazed. You mean people just build structures  
22 on the lakefront and the riverfront without permits?

23           MR. TROUT: Yes, sir.

24           COMMISSIONER DYMALLY: And if I jaywalk, I get a  
25 ticket?

1           MR. TROUT: That's about it, and with this  
2 Commission and Mr. Northrop's direction, we have gotten a  
3 number of these trespassers under lease and you will find  
4 later in the calendar that we are asking for the authority  
5 to go sue some more, so we are able to move in that  
6 direction now.

7           But some of them --

8           CHAIRMAN CORY: I have a comment. From the  
9 pictures that you showed of the piers, the recreational  
10 piers, I somehow don't feel any great empathy to the  
11 financial status of those who came by those piers.

12           I mean, it seems to me if we are going to  
13 subsidize people in our society, we probably should not  
14 start there. I don't know, somewhere I seem to run into  
15 people that seem to have more pressing needs.

16           MR. TROUT: If you get these piers under lease,  
17 you still don't get any revenue in, you know, significant  
18 ones like that.

19           CHAIRMAN CORY: But the cost of issuing permits,  
20 that's staff cost. And what we are talking about in  
21 recreational pier costs is that they should pay their share  
22 of the overhead, as opposed to having the people -- the  
23 retired people who are paying sales tax in Johnny Burton's  
24 Hotel International funding them, and the people that have  
25 those permits, they should be able to pay a few dollars a

1 year to have that, I think.

2 COMMISSIONER DYMALLY: I don't know if that would  
3 be any more convincing. But I would like to testify on this  
4 measure when it comes up.

5 EXECUTIVE OFFICER NORTHROP: The last two items,  
6 Mr. Chairman and Commissioners, deals with changes in the  
7 Agenda before you.

8 Item 4(A), ceding of concurrent jurisdiction:  
9 The Attorney General will bring that action to your  
10 attention and on Item 6(A), application by the Department  
11 of Transportation for a public agency permit to construct  
12 and maintain a bridge, the Department is not required at  
13 all. It's CEQA's responsibility in providing the  
14 Commission with notice of determination.

15 Therefore, it was necessary to withdraw it from  
16 there.

17 This is the Antioch -- they didn't get everything  
18 done they were supposed to on their CEQA, and we were  
19 advised Friday afternoon they had not done it, and we would  
20 have to pull it.

21 COMMISSIONER BELL: So we can take care of it  
22 next time?

23 EXECUTIVE OFFICER NORTHROP: Yes, we will have it  
24 next time.

25 CHAIRMAN CORY: Greg, on retrocession, you'd like

1 time?

2 MR. TAYLOR: Yes.

3 Are we going to do that item this time now?

4 CHAIRMAN CORY: Yes.

5 MR. TAYLOR: Mr. Chairman, we delivered to you  
6 this morning, and we have for you on Friday, a copy of the  
7 letter. At the last -- July meeting, when you asked that  
8 this matter be deferred, you requested that our office  
9 look into the problem. We have been working with your  
10 staff counsel and with several sections of our office.  
11 And, while we have not reached a conclusion as to what our  
12 ultimate position will be on the questions you have asked,  
13 it appears we have a more immediate problem and that is that  
14 we think there is serious doubt as to whether or not you  
15 can act on these applications by the National Parks Service  
16 under Section 126 of the Government Code, as it presently  
17 exists.

18 The staff counsel and our office have concluded  
19 that the safest course of action -- both because of the  
20 potential harm to the State if it's not carefully handled  
21 and also to our citizens who find themselves in the  
22 impossible position of wandering from one jurisdiction to  
23 another arguing over it -- would be to defer this action  
24 until we can get amendments to Chapter 126 to make it clear.

25 You also expressed some concern at that time about

1 having discretion. For instance, only criminal jurisdiction  
2 is being sought and yet the effect of your action would be  
3 to confer both criminal and civil jurisdictions. Some of  
4 those things can be taken care of, but not under this  
5 present statute, so the recommendation is that this matter  
6 be put over and that the staff be instructed to work on an  
7 urgency basis with the Legislature to get an amendment of  
8 Section 126 of the Government Code.

9 CHAIRMAN CORY: I have a question, though.

10 I'm not sure that we want to do it. I mean,  
11 there are questions in my mind and before we go changing  
12 the statute, it seems to me we ought to have the question  
13 thrashed out as to whether or not it is good public policy  
14 or bad public policy.

15 MR. TAYLOR: There is some debate in our office  
16 on that subject at the present time.

17 CHAIRMAN CORY: We would like to participate in  
18 that before we approach the Legislature in changing the law  
19 because it may be an easy out for us to say the law doesn't  
20 allow us to do it. And thank you kind park people, but  
21 we just can't.

22 MR. TAYLOR: The way the public parks have been  
23 handled in the past has been by special statutes for  
24 particular parks. The cession statute was appealed and we  
25 are acting under a consent-to-acquire statute.

1           It's a very complicated area; it's an area that  
2 is considerably liberalized in recent years and I think  
3 there is more discretion that could be exercised.

4           If the matter is deferred, the suggestion would  
5 be that we work on a package between the staff counsel and  
6 our office and present it to you with a brief explaining  
7 all the various alternatives and then ask for your direction  
8 as to which way you would go.

9           CHAIRMAN CORY: Yes, I think that is the way you  
10 should proceed. I also, in looking into another matter,  
11 became aware that the Indians of this nation, and particularly  
12 of California, are concerned about this concept. In  
13 essence, some local areas are causing them some grief --  
14 not in the criminal side -- but in civil land-use planning  
15 and that area, and they are looking upon retrocession as a  
16 way to get out from under local -- what they feel are  
17 discriminatory regulations.

18           And I think you ought to crank that into the  
19 formula.

20           MR. TAYLOR: We have several pieces of litigation  
21 pending in the resources section, with regard to Indian  
22 rights and section problems connected with Indians, and  
23 that would be involved in any analysis that is prepared.

24           CHAIRMAN CORY: And I would just as soon not get  
25 blind-sighted on that one so explain that one to us before



1 we vote.

2 MR. TAYLOR: There could be some significant  
3 tax consequences to some of this, although there are  
4 reservations, and we are just trying to get the whole  
5 package together, but in any event we feel there is grave  
6 doubt about proceeding to approve it at this time.  
7 And that is the only message we would like to convey to you  
8 today.

9 The others that we have done have been military  
10 reservations and Federal Buildings and so on. This is the  
11 first time that, under Chapter 126, we can find in your  
12 records that there has been application for the National  
13 Parks Service.

14 CHAIRMAN CORY: We will put it over and wait for  
15 your staff reports so we can go into our options.

16 EXECUTIVE OFFICER NORTHROP: Mr. Chairman, Ralph  
17 G. Mihan, Attorney at Law, Field Solicitor for the U. S.  
18 Department of Interior, is here and has requested time to  
19 speak to this issue.

20 MR. MIHAN: Excuse me for taking up the  
21 Commissioners' time at this point, but the last time I  
22 really didn't get a chance to emphasize or explain what we  
23 were after with the National Parks Service. As was  
24 mentioned, my name is Ralph Mihan, Attorney with the  
25 Department of the Interior.

1 I ask you to trust me. I'm representing --

2 [Laughter.]

3 MR. MIHAN: -- I'm representing the National Parks  
4 Service --

5 CHAIRMAN CORY: Let me say, very seriously, that  
6 that is not a facetious comment. The Department of the  
7 Interior's monologue -- repeated and continued monologue --  
8 and refusal to listen makes it very difficult to take at  
9 face value anything that you say, and I hope you take that  
10 back that it is one of the things that we have to look some-  
11 what suspiciously at because if the Department of the  
12 Interior -- at least in offshore oil drilling -- has the  
13 upper hand in any area, you put it to us pretty hard, and  
14 it's no backing up. It's the hell with you, we've got the  
15 power; we are going to do it.

16 And right here you are asking for us to give you  
17 some more power and the track record hasn't been too good  
18 and I think we ought to, you know, lay it on the table for  
19 what it is.

20 MR. MIHAN: I can appreciate that.

21 CHAIRMAN CORY: So go ahead and take your best  
22 shot.

23 MR. MIHAN: The reason I didn't want to emphasize  
24 our position here is that I was hoping that the action or  
25 inaction of our sister agencies -- our sister agency is the

1 National Parks Service -- wouldn't overshadow the serious  
2 problem that the National Parks Service is now confronted  
3 with. As was recommended, there would be some remedial  
4 legislation. We don't object to that, but we urge that  
5 such legislation be given top priority.

6 We'd be glad to provide any support we might be  
7 able to lend.

8 Our application is, of necessity, in great urgency  
9 because the National Parks, with everybody with their leisure  
10 time and everybody is descending on the parks, so we've got  
11 a lot of law enforcement problems, and we are willing to  
12 work with the local officials, as I think has been  
13 demonstrated. We applied with respect to Death Valley,  
14 which is in Inyo County, and San Bernardino and Riverside,  
15 and both of those generated opposition and we quickly  
16 withdrew them.

17 Now with respect to the counties that we still  
18 have an application on, why with respect to Point Reyes  
19 in Marin County, we have the Board of Supervisors' unanimous  
20 resolution and also a letter from the District Attorney,  
21 the County Counsel, and the County Administrator. In Lava  
22 Beds, Modoc Board of Supervisors endorsed it, as in  
23 Siskiyou. In Pinnacles National Monument, the Sheriffs of  
24 both San Benito and Monterey Counties have endorsed it.  
25 With respect to Whiskeytown, the Board of Supervisors in

1 Shasta County endorsed it also.

2           What we are up against at this particular point is  
3 that in these areas, the National Parks Service, an arm of  
4 the United States, owns the property and all we have by way  
5 of law enforcement authority is administrative regulations  
6 which usually lead to illegal camping and dog-off-leash and  
7 this type of situation. All other major crimes that occur  
8 in there; generally it's been pretty obvious that in the  
9 past when the Federal Government owns this land, the  
10 counties usually withdraw -- deputy sheriffs -- since there  
11 is no tax base or anything there, there is no reason to  
12 send the protection out there.

13           Consequently, the Rangers are left to enforce the  
14 laws, and without any jurisdiction to enforce criminal laws,  
15 they are left to citizen's arrest possibilities which opens  
16 them to all kinds of exposure, either if they get hurt  
17 themselves they may not be covered by Federal Workmen's  
18 Compensation, or if they hurt somebody, then the Federal  
19 Government may not stand behind them.

20           Also they are subject to false arrest, assault and  
21 battery suits, and again they are not protected. We have  
22 explored other possibilities such as deputization but that  
23 also leads to serious questions about coverage of the  
24 Ranger and also somebody to pay off an injured party that is  
25 a result of his action.

1           What is more difficult in that situation is that  
2 the sheriffs in many counties are reluctant or, in fact, do  
3 not deputize because they assume the responsibility of the  
4 actions of these Rangers and consequently don't want to  
5 deputize. Some of them have advised us that, even if they  
6 did deputize, their insurance wouldn't cover the actions of  
7 the Rangers also.

8           We have got concurrent jurisdiction in many other  
9 states. One that is close at hand is in Washington, and  
10 another in Nevada. Nevada has a very similar statute to the  
11 one that California has. We applied for concurrent  
12 jurisdiction at Lake Mead, it went before the Nevada State  
13 Tax Commission, and they granted it to us and now we work  
14 hand in hand with the Clark County Sheriff's Department.

15           The Rangers are --

16           CHAIRMAN CORY: Can you explain your question of  
17 false arrest?

18           I thought that if a deputy sheriff, under  
19 California law, acted in an arbitrary, capricious manner in  
20 arresting someone, he is subject to false arrest prosecution  
21 in State Courts. If a Federal Officer acts in an arbitrary  
22 and capricious manner and without probable cause because he  
23 doesn't like him or he doesn't like his facial hair or some-  
24 thing, are they immune from false arrest charges?

25           MR. MIHAN: No, they are subject to false arrest

1 charges also. But if they are making an arrest without any  
2 collar of authority under Federal and State law, chances  
3 are -- or there is a possibility -- that when the thing is  
4 litigated, the individual may be found to be outside of the  
5 scope of his employment and therefore the United States or  
6 local agency is not responsible.

7 What we are requesting is that we can get them  
8 under the authority of law by concurrent jurisdiction and  
9 make them arrest as federal officers and then the Federal  
10 Government would be responsible for all of their actions.

11 CHAIRMAN CORY: At some point in the presentation  
12 in the future, I -- going over that area of the law because  
13 I know law enforcement has tried here in California to get  
14 some sort of an immunity statute for personal acts outside  
15 of their scope of employment and the Legislature has always  
16 refused that. Those are the kinds of questions that go  
17 through my mind with this retrocession; are we doing some  
18 things that the Legislature has refused to do in terms of  
19 citizen's rights if someone is acting incorrectly.

20 MR. MIHAN: If I might add, the Federal Tort  
21 Claims Act, the Federal Act, provides that individuals  
22 may sue the Government for injuries or whatever occurs, was  
23 amended about three years ago to include suits involving  
24 false arrests, assault and battery, and false imprisonment,  
25 so that if a Ranger or a Federal law enforcement individual

1 is sued on that regard, then the United States is automatically  
2 a defendant.

3 Prior to that time, it was not, but it is now.

4 Well, in summary, the Rangers are very highly  
5 trained and I think at a later time we could go into that  
6 with the staff and explain what the training involves.  
7 But the present situation, although the Rangers are in uniform,  
8 many times they are either declined to act on a citizen's  
9 request for an arrest situation, or they are inclined not  
10 to become involved because of these gray areas as to whether  
11 they are actually protected or covered or whether the  
12 individual is going to be protected also.

13 The counties in the past, as I say, have left a  
14 lot of the responsibility to the Rangers and we would like  
15 to have some legislation to clear up this ambiguity because  
16 we certainly don't want the citizen to get involved in as  
17 to who has jurisdiction. We are willing to work with the  
18 counties and we'd appreciate an expeditious handling of the  
19 legislation.

20 We will work with the State Office, the State  
21 Attorney General's Office, and the State Lands Commission  
22 and staff in this regard. And again I close by adding that  
23 I hope that the inaction or action of the sister agency does  
24 not overshadow the seriousness of the situation that we have  
25 in the parks.

1 Thank you.

2 CHAIRMAN CORY: What time frame do you think you  
3 would be moving in?

4 MR. TAYLOR: We can give -- with your staff, we  
5 can have something back in 30 days.

6 CHAIRMAN CORY: I think we ought to start moving  
7 as rapidly as possible.

8 MR. TAYLOR: Would 30 days --

9 CHAIRMAN CORY: Do you have some doubts, Bill?

10 EXECUTIVE OFFICER NORTHROP: This is the third  
11 month that we have been planning this, and if we can wrap it  
12 up, fine.

13 CHAIRMAN CORY: I'm not so sure we can wrap it  
14 up, but I think we better start delineating what the  
15 problem areas are.

16 MR. TAYLOR: Could we have a report for you by  
17 the November meeting because legislation can't be started  
18 until January anyway, so if we can have it for the November  
19 meeting, that would give us about six weeks.

20 COMMISSIONER DYMALLY: Counsel, what happens in  
21 counties where you have a working arrangement with the  
22 Sheriff?

23 MR. MIHAN: We don't have it right now in  
24 California, but we do in Nevada with the Clark County  
25 Sheriff's Department, and it has been divided with respect



1 to responsibilities and capabilities and the amount of man-  
 2 power. Generally, those crimes that occur in the recreation  
 3 area that involve the visitors and residents are handled by  
 4 the Rangers. Those other crimes that involve activities  
 5 elsewhere in the county, the Sheriff takes care of those.  
 6 But even beyond that, some of the major crimes, such as a  
 7 murder, the Ranger will appear on the scene, make the arrest  
 8 which he has the authority to do so in the concurrent  
 9 jurisdiction, and then the matter is assumed by the Sheriff  
 10 for prosecution.

11 CHAIRMAN CORY: Under State law or Federal law?

12 MR. MIHAN: Under State law.

13 All of these arrangements can be made on a county-  
 14 by-county basis. In some counties that we are dealing with  
 15 right now, in these four areas, the counties would just as  
 16 soon that the Parks take the whole thing. They don't want  
 17 to be bothered; as a matter of fact, Lava Beds National  
 18 Monument sees a deputy about once every two to three weeks.  
 19 Now in other areas, where the counties wish to retain  
 20 responsibility for major crimes or something of this nature,  
 21 we are more than willing to work it out.

22 CHAIRMAN CORY: Okay.

23 MR. TAYLOR: Mr. Chairman, I think on the false  
 24 arrest, if I can clarify it for a minute; the false arrest  
 25 problem is whether or not a deputy is entitled to legal

1 defense, but who covers his actions when he acts as a citizen?  
2 In other words, is he an employee of the State or an employee  
3 of the Federal Government? I think those are the kinds of  
4 problems. I don't think that the problem is one of  
5 employees' actions. Where a police officer, whether Federal  
6 or State, acts unreasonably, he is certainly liable to suit.  
7 The question is what kinds of additional protections do you  
8 have that he's going to have some defense and also that there  
9 is going to be someone to look to for damages in addition to  
10 the deputy or the marshal who probably will not be that  
11 well off to respond to damages. I think that's the question,  
12 isn't it?

13 MR. MIHAN: That's correct, yes.

14 Thank you very much.

15 CHAIRMAN CORY: Thank you.

16 EXECUTIVE OFFICER NORTHROP: The next item,  
17 Mr. Chairman, is the termination of a non-commercial lease  
18 with Decon Corporation. There are some legal ramifications  
19 involved in essence, so Mr. Taylor's --

20 CHAIRMAN CORY: Is this the item that was before  
21 us last time, Greg?

22 MR. TAYLOR: Yes.

23 CHAIRMAN CORY: They weren't able to get together  
24 on the problems?

25 MR. TAYLOR: Katherine Stone handled that in our

1 office.

2 MS. STONE: This item was put over at the request  
3 of Decon in order for Decon to negotiate and present legal  
4 authority to the Attorney General and the staff.

5 We have concluded that while there are two grounds  
6 for determination, one is failure to complete by the January  
7 1st, 1974, and the other a breach on the continuing covenants  
8 to use and maintain small boat slips appurtenant to the up-  
9 land parcels.

10 Now, since the upland parcel has been severed from  
11 the water parcel, Decon doesn't seem to be in a position to  
12 perform unless some arrangements are made with the owner of  
13 the upland parcel. For these reasons, we are recommending  
14 that the 30-day notice be issued in the alternative to  
15 perform the conditions or quit.

16 And Decon has indicated that they will sue us if  
17 we proceed in this manner. They tendered their rent and,  
18 pursuant to a stipulation that this tender will not affect  
19 the rights of the parties, we have accepted the rent.

20 CHAIRMAN CORY: We are right back where we were  
21 a month ago, huh?

22 MS. STONE: Well, we are going on a premise --  
23 another legal premise. A month ago, we were talking only  
24 about the failure to complete construction by January 1,  
25 1974. We believe there is additional grounds, and that's

1 the continuing covenant which has not been waived to not --  
2 to use -- for the purposes specified. It was the only  
3 purpose specified in the lease.

4 CHAIRMAN CORY: Is there anyone here from Decon  
5 that wishes to be heard?

6 All right.

7 COMMISSIONER BELL: We have two items instead of  
8 one?

9 CHAIRMAN CORY: We have two reasons for doing the  
10 same thing. Serving a 30-day notice to terminate.

11 MS. STONE: Right.

12 CHAIRMAN CORY: They either correct the  
13 deficiencies in the lease or in 30 days we will terminate.

14 MS. STONE: Yes.

15 The procedure is that actually they should deliver  
16 back a quitclaim deed that was specified in the lease within  
17 those 30 days, or perform.

18 EXECUTIVE OFFICER NORTHROP: The recommendation is  
19 found on page 25.

20 CHAIRMAN CORY: Okay.

21 COMMISSIONER BELL: Mr. Chairman, I so move.

22 CHAIRMAN CORY: Mr. Bell moves; Mr. Dymally seconds?

23 COMMISSIONER DYMALLY: Yes.

24 CHAIRMAN CORY: Without objection, such will be  
25 the order.

1           Okay. 5(B).

2           EXECUTIVE OFFICER NORTHROP: Mr. Chairman, Item  
3 5(B) is a lease with Connolly-Pacific Company for mooring --  
4 for use of four existing mooring buoys off Catalina Island.  
5 These buoys tether the vessels as they load rock at that  
6 location. This is an increase in rental and a throughput,  
7 should the Commission decide that this commodity is subject  
8 to approval.

9           CHAIRMAN CORY: Anybody in the audience wish to  
10 speak on 5(B)?

11           COMMISSIONER DYMALLY: So move.

12           COMMISSIONER BELL: Second.

13           CHAIRMAN CORY: Without objection, such will be  
14 the order.

15           5(C)?

16           EXECUTIVE OFFICER NORTHROP: 5(C), Mr. Chairman,  
17 is an application by Phillips Petroleum Company to renew a  
18 lease and raise the rent \$500 a year with the possibility  
19 of a throughput by August, '76, if the Commission should  
20 decide on that.

21           CHAIRMAN CORY: This is for what?

22           EXECUTIVE OFFICER NORTHROP: This is for a  
23 terminal in the Sacramento River.

24           CHAIRMAN CORY: Is this Phillips Petroleum or  
25 Tosco Petro?

1 EXECUTIVE OFFICER NORTHROP: Phillips Petroleum at  
2 the present time -- production, I would assume.

3 CHAIRMAN CORY: I was just thinking about the other  
4 Board which we sit on where Tosco Petro comes in and we are  
5 loaning them several millions of dollars because they acquired  
6 all of Phillips' property, but such would be like, I guess  
7 they would be heirs and assigns.

8 Okay, without objection, 5(C) is approved.

9 5(D)?

10 EXECUTIVE OFFICER NORTHROP: This is a use permit  
11 for a parcel in Lake Tahoe, recreational maintenance of one  
12 recreational boating buoy, \$75.

13 CHAIRMAN CORY: Anybody here to speak on this  
14 item?

15 Without objection, it will be approved as  
16 presented.

17 5(E)?

18 EXECUTIVE OFFICER NORTHROP: A 16-inch natural  
19 gas line for P.G. & E., and all of the natural gas lines that  
20 are on -- I believe there are four more -- carry a provision  
21 for a different rental should the Commission decide to fix  
22 it, and dates vary because of the renewal dates. But all of  
23 them are timely enough to allow us to do that if we adopt it  
24 as we planned.

25 CHAIRMAN CORY: Which without objection, such will

1 be the order.

2 (F)?

3 EXECUTIVE OFFICER NORTHROP: Cobon Corporation has  
4 a recreational pier, a request at the rental as described  
5 in the Agenda, in the Laguna Beach area of Southern  
6 California.

7 CHAIRMAN CORY: Laguna Beach. Okay, any questions?  
8 Anybody in the audience?

9 COMMISSIONER BELL: Is this a trailer park?

10 EXECUTIVE OFFICER NORTHROP: Yes, this is a  
11 trailer park.

12 COMMISSIONER BELL: Okay.

13 CHAIRMAN CORY: Without objection, 5(F) will be  
14 approved.

15 5(G)?

16 EXECUTIVE OFFICER NORTHROP: 5(G) is another gas  
17 line that I referred to earlier; an eight, ten, and a four-  
18 inch, through Whiskey Slough at a rental that varies as  
19 listed, from seven dollars to a hundred dollars a year.

20 CHAIRMAN CORY: Anybody in the audience on that  
21 item?

22 Without objection, it will be approved as  
23 presented.

24 (H)?

25 EXECUTIVE OFFICER NORTHROP: (H), Mr. Chairman, is

1 again another Pacific Gas and Electric natural gas line,  
2 a 14-inch line with a proviso for a throughput.

3 CHAIRMAN CORY: Any objections?

4 Without objection, 5(H) will be approved as  
5 presented.

6 EXECUTIVE OFFICER NORTHROP: 5(I), Mr. Chairman,  
7 is an additional gas line for P. G. & E.. The same conditions  
8 exist on the rentals based on the previously approved  
9 method.

10 CHAIRMAN CORY: Without objections, 5(I) will be  
11 approved as presented.

12 EXECUTIVE OFFICER NORTHROP: Mr. Chairman, this is  
13 an authorization of a revision of a rent review for James R.  
14 and Jean Martin, the rent being increased from three  
15 seventeen -- \$317.91 to \$680 per year, effective November  
16 14th. This is a marina in the near areas of Sacramento, on  
17 the river near Freeport. The increase is from \$26 a month  
18 to \$57 a month a five-year basis.

19 However, I understand that Mr. Martin is in the  
20 audience and would care to address the Commission on this  
21 item.

22 MR. TROUT: I'm not Mr. Martin. He left,  
23 apparently being now satisfied with the reasonableness of  
24 the Commission's action on the rental, so we can go ahead  
25 with the item.



1 CHAIRMAN CORY: Mr. Martin really did leave, huh?

2 COMMISSIONER BELL: It's reasonable.

3 COMMISSIONER DYMALLY: Okay.

4 CHAIRMAN CORY: 5(J) will be approved as presented.

5 EXECUTIVE OFFICER NORTHROP: Mr. Chairman, 5(K) is  
6 two overhead transmission towers in the deep water channel.  
7 They are in Stockton, and these towers are in existence and  
8 this is just revising the rent.

9 CHAIRMAN CORY: Any objections?

10 Without objections, (K) and (L) will be approved  
11 as presented.

12 EXECUTIVE OFFICER NORTHROP: 5(M) is a rent review  
13 from Mr. Alvin R. Stults, an increase in rental.

14 CHAIRMAN CORY: Anybody in the audience on this  
15 item?

16 Without objection, it will be approved as  
17 presented.

18 5(N)?

19 EXECUTIVE OFFICER NORTHROP: The next one,  
20 Mr. Chairman, 5(N), Lauren and Colleen Wolter, a rent  
21 review of --

22 CHAIRMAN CORY: Anyone in the audience on Item  
23 5(N)?

24 Without objection, 5(N) will be approved as  
25 presented.

1           6(A) is off the Agenda; 6(B).

2           EXECUTIVE OFFICER NORTHROP: 6(B) is an agency  
3 permit for Fish and Game for some recreational lands and  
4 some management lands and wildlife protection. Assemblyman  
5 Siegler and Assemblyman Dunlap have both indicated they would  
6 like to speak to this issue and Assemblyman Al Siegler  
7 represents the Eighth District in Napa-Sonoma Counties, and  
8 he would like to address the Commission on this.

9           CHAIRMAN CORY: Al?

10          ASSEMBLYMAN SIEGLER: Mr. Cory and Mr. Dymally and  
11 Mr. Bell, I'm very excited about the development work that  
12 the State Lands Commission has accomplished and is  
13 accomplishing.

14                 I say this because, before being here in the  
15 Legislature as an Assemblyman, I was on the Board of  
16 Supervisors in Solano County and I first met my friend Lou  
17 Allen at that time and we were -- he was concerned, as we  
18 were, with the development of the acquisition of Cullinan  
19 Ranch and Coon Island; of course also the work that the  
20 Lands Commission has done with Suisun Marsh, and I am sure  
21 that you are well aware that this specific highway is one  
22 of the greatest areas for wildlife habitat, not only here in  
23 California, but perhaps without exaggeration, maybe we could  
24 say anywhere in the world.

25                 And so this land certainly must be protected and

1 this is why I do applaud the State Lands Commission and the  
2 Attorney General's Office and the Department of Fish and  
3 Game.

4 I do hope that there will be more of an awareness  
5 on the part of the public of what it means to have, say, the  
6 Department of Fish and Game manage this wildlife habitat and  
7 I also applaud the efforts of acquiring the easements and I  
8 understand there are five miles of easements which will  
9 provide public access.

10 And so, both in behalf of Senator Dunlap -- and we  
11 have been apprised right along of what State Lands Commission  
12 is trying to do -- that we also keep going forward on this  
13 so we can save these lands for future generations.

14 I get a little bit emotional about this, but this  
15 is exactly what has to happen, because if it doesn't it would  
16 be more like a desert, wouldn't it? It would end up looking  
17 like the moon rather than the beautiful area that it is.

18 And so, thank you very much for giving me this  
19 opportunity, at least to express myself a moment and  
20 congratulations to all of you.

21 CHAIRMAN CORY: Thank you very much.

22 What we are doing here is taking the 200 plus  
23 acres and leasing so that Fish and Game could be managing  
24 the National areas. And we are reserving the normal mineral  
25 rights and ingress and egress for those purposes.

1 COMMISSIONER DYMALLY: So move.

2 COMMISSIONER BELL: Second.

3 CHAIRMAN CORY: Without objection, 6(B) will be  
4 approved.

5 6(C)?

6 EXECUTIVE OFFICER NORTHROP: Mr. Chairman, 6(C) is  
7 a request from the Contra Costa County Sanitation District  
8 for a public agency permit to replace an existing effluent  
9 outfall line. The consideration is public health and  
10 safety on this issue.

11 CHAIRMAN CORY: That would go through the normal  
12 Water Quality Control --

13 EXECUTIVE OFFICER NORTHROP: Yes, the effluent is  
14 approved by Water Quality Control.

15 CHAIRMAN CORY: Anybody on 6(C)?

16 Without objection, it will be approved as  
17 presented.

18 6(D).

19 EXECUTIVE OFFICER NORTHROP: 6(D), Mr. Chairman,  
20 is the Estero Municipal Improvement District, a storm  
21 discharge outfall structure into the San Francisco Bay.

22 CHAIRMAN CORY: Anybody on 6(D)?

23 Without objection, it will be approved as  
24 presented.

25 6(E)?

1 EXECUTIVE OFFICER NORTHROP: 6(E), Mr. Chairman,  
2 is an application by William Wilson and Emily Taylor Andrews  
3 for a recreational pier permit; one in Huntington Harbor  
4 and one in Lake Tahoe. Two separate individuals.

5 CHAIRMAN CORY: Anybody -- any questions on 6(E)?  
6 Without objection, 6(E) will be approved as  
7 presented.

8 7(A)?

9 EXECUTIVE OFFICER NORTHROP: This is a permit --  
10 or a request by Burmah Oil and Gas Company to drill several  
11 wells -- the wells will be drilled on the surface upland,  
12 but it will be bottomed offshore as part of a secondary  
13 recovery program in this area. The time frame looks like  
14 this in light of our November 15th price freeze, it'll  
15 probably take two months to get the drilling done and it will  
16 be six months to a year before the secondary flood puts  
17 oil to work that there can be any appreciable production.

18 We are looking at a time frame of from eight  
19 months to a year.

20 CHAIRMAN CORY: Okay. Anybody here to speak on  
21 Item 7(A)?

22 Without objection, it will be approved as  
23 presented.

24 (B)?

25 EXECUTIVE OFFICER NORTHROP: 7(B), the City of

1 Pittsburgh asked for a dredging permit and this permit will  
2 allow them to dredge 42,000 cubic yards of material and  
3 their end idea is to construct a 297 unit municipal marina.

4 CHAIRMAN CORY: Anybody on 7(B)?

5 Without objection, it's approved as presented.

6 7(C)?

7 EXECUTIVE OFFICER NORTHROP: The partnership of  
8 Ryerson and Pinner have a lease and they have asked for a  
9 change in partnership so the lease reads, Stanley Ryerson  
10 and the Pinner name be dropped.

11 COMMISSIONER BELL: The name is changed, okay.

12 CHAIRMAN CORY: Without objection, 7(C) will be  
13 approved as presented.

14 7(D) and (E)?

15 EXECUTIVE OFFICER NORTHROP: Mr. Chairman, 7(D) and  
16 (E) are quitclaims; one by Gulf Energy and the other by  
17 American Thermal Resources, to terminate prospecting permits  
18 in the Surprise Valley of Modoc and Lassen Counties. There  
19 has been no work done on these, so we haven't any problem in  
20 putting it back in that order.

21 CHAIRMAN CORY: Without objection, 7(D) and (E)  
22 will be approved as presented.

23 8(A)?

24 EXECUTIVE OFFICER NORTHROP: Mr. Chairman, 8(A) is  
25 an approval of the final modification of the 1974-1975 year

1 Plan of Development. It summarizes the work that's been  
2 accomplished under this plan and the funds are in line.

3 CHAIRMAN CORY: Just as a matter of course, if this  
4 is for the fiscal year '74-'75, Commission approval of a  
5 modification of their development plan, shouldn't that  
6 approval take place before the year ends -- I mean, my good  
7 friends in Long Beach, I know, are honest and all that, but  
8 aren't we a little better off approving all these things --

9 EXECUTIVE OFFICER NORTHROP: This is really just a  
10 summary, Mr. Chairman, of --

11 CHAIRMAN CORY: But it says final modification.

12 [Thereupon a brief discussion was held off  
13 the record.]

14 MR. HAYWARD: Well, no, Mr. Chairman.

15 My name is David Hayward, from the Long Beach  
16 operations.

17 This is a reconciliation of the budget. It really  
18 represents a final audit that the entire budget and the  
19 expenditures --

20 CHAIRMAN CORY: Can you refer to it then in the  
21 future as final audit, rather than final modification?

22 MR. HAYWARD: I believe those words could probably  
23 be used, but it is more than is normally considered to be  
24 an audit. In other words, engineers and technical people  
25 become involved in it to make sure that the money was spent

1 wisely and that the facilities are what they are purported  
2 to be, so it's more of an engineering type of thing as well  
3 as an audit.

4 CHAIRMAN CORY: In terms of the audit function, I  
5 just wanted to make it clear, it looks when you pick up the  
6 Agenda, as if we are going back and correct something that  
7 somebody had done and it was my understanding that we were  
8 getting constant updates on every change you make currently  
9 during the fiscal year rather than after.

10 COMMISSIONER BELL: I'd rather just call it a  
11 final budget.

12 MR. HAYWARD: I'm sure that could be worked out  
13 to the satisfaction of all.

14 COMMISSIONER DYMALLY: So move.

15 COMMISSIONER BELL: I have no problem.

16 CHAIRMAN CORY: 8(A)?

17 EXECUTIVE OFFICER NORTHROP: Mr. Chairman, 8(A) is  
18 a review of the fiscal production and revenue and estimate  
19 of '75-'76 from Parcel "A" in Long Beach -- correction.

20 CHAIRMAN CORY: 8(A) is approved as presented; now  
21 we are on 8(B), okay.

22 EXECUTIVE OFFICER NORTHROP: The parcel raises  
23 a problem, Mr. Chairman. I think while we are looking at  
24 this budget, it's time to discuss where the problems are.  
25 And again it's back to that \$4.19 crude oil price with



1 Parcel "A" and if this continues Parcel "A" is going to become  
2 uneconomic in a period -- we are going to have to start  
3 cutting back production of crude oil very shortly.

4 Dave, do you want to give us some idea where we  
5 are in a time frame as to when we have to start cutting back  
6 and where we are?

7 MR. HAYWARD: I have an exhibit here that I'd like  
8 to --

9 What you are looking at here is 1973 through '75-'76.  
10 Dollars per barrel, the red lines are the total expenditures,  
11 this happens to be Parcel "A," which is one of the tidelands  
12 parcels which the City of Long Beach, State of California,  
13 shares --

14 Total expenditures, you will see climbing on up  
15 here, in dollars per barrel, two dollars a barrel moving on  
16 up to nearly two and a half dollars per barrel, and now it  
17 looks like the year that we are in right now -- the fiscal  
18 year that we are in -- it will be something on the order  
19 of \$3.10 a barrel. Meanwhile, there is a ceiling price that  
20 prevails of \$4.19 a barrel on this particular gravity of oil.  
21 And that ceiling price has been in existence since December  
22 19th, 1973.

23 So it doesn't take very much imagination to see  
24 what's happening here. As the cost comes up and the crude  
25 oil remains at a constant ceiling price, sure, there can be

1 economies in this general area here, so that it probably  
2 will not continue on a straight-line basis. It will  
3 probably curve over like this [indicating], but it does  
4 indicate that --

5 EXECUTIVE OFFICER NORTHROP: May I say here that  
6 the economies that you are talking about, we quit producing  
7 some marginal wells.

8 MR. HAYWARD: That's right. And I might give you  
9 another --

10 CHAIRMAN CORY: What you are saying is that we  
11 are going to decrease the amount of oil coming out of the  
12 ground domestically, and we are going to --

13 EXECUTIVE OFFICER NORTHROP: It's going to be  
14 offset by \$11 and now \$13 of oil imported to offset the  
15 economy of the Government --

16 COMMISSIONER DYMALLY: Question: Would we not  
17 increase our revenue if decontrol goes into effect?

18 EXECUTIVE OFFICER NORTHROP: Yes. The reverse  
19 happens. We would be able to do some things that would give  
20 us more oil because of the higher -- the better price.

21 MR. HAYWARD: We might show you another look at  
22 that. This is the same Parcel "A" which is again one of the  
23 tideland parcels down there, only here this is plotted in  
24 millions of dollars per year, showing the total expenditures  
25 coming up, and showing what's happened to the gross revenue

1 [indicating].

2 This was back at a time when it reflected pre-  
3 December 19th, 1973 price. The price of oil went up at that  
4 time, as you know, but then the decline in the production of  
5 oil fields set in showing a general downward trend in gross  
6 revenue, but upward trend in costs. So we would expect this  
7 to come down like this [indicating] and certainly the costs  
8 we would expect to be controlled and brought down in some  
9 way so that somewhere down the road there is going to be a  
10 coming together of the revenue and the costs.

11 CHAIRMAN CORY: The only way to control costs is  
12 to take out the production of the most expensive oils?

13 MR. HAYWARD: This is one of the ways that it is  
14 done, is an oil-field approach to the end of the line, that  
15 the high-cut wells -- the wells that are making the most  
16 amount of water are shut in.

17 CHAIRMAN CORY: Will this Commission be informed  
18 before a well is shut in?

19 MR. HAYWARD: Normally, that's the business of the  
20 unit operator; it's considered a detail of oil field  
21 operations. Normally that would not come to the Commission's  
22 attention.

23 CHAIRMAN CORY: Well, the reason I raise the thing  
24 in terms of general public policy in a shortage of oil that  
25 gets to, I guess, one side of the rather vexing public policy

1 question; if you allow the operator to make those decisions  
2 based upon his private corporate profit position, as  
3 opposed to that which is maybe a greater public good, and the  
4 question comes up: If you close it in -- as I understand,  
5 if you properly close in a well, you can't open it back up,  
6 is that correct?

7 MR. HAYWARD: It can be opened up, unless it's  
8 permanently abandoned. I might say, Mr. Chairman, that in  
9 this case, the City of Long Beach, as Trustee, is the  
10 operator and it isn't quite -- it might be assumed -- on  
11 a profit-making --

12 CHAIRMAN CORY: Who is the contractor?

13 MR. HAYWARD: The contractor -- the power  
14 contractor on Parcel "A" is Powerine, yes.

15 CHAIRMAN CORY: So it would be Long Beach's  
16 decision; not Powerine's?

17 MR. HAYWARD: Yes, sir. It would be Long Beach's  
18 decision.

19 And that's the situation where the advantage of  
20 leaving a well pumping and obtaining the oil, of course,  
21 would lead to greater recovery of oil, but the advantage of  
22 shutting it in would be to increase the net revenue because,  
23 obviously, that particular well would be one which was not  
24 making money.

25 CHAIRMAN CORY: Well, Director of Finance -- Shall

1 we subsidize the nation?

2 [Laughter.]

3 CHAIRMAN CORY: That's the question.

4 COMMISSIONER BELL: Well, I think it's a beautiful  
5 example of why it should be recognized that California is  
6 like the other 49 states, and we should be given the \$5.25  
7 oil, if nothing else.

8 MR. HAYWARD: Yes, sir.

9 COMMISSIONER BELL: At least we'd be able to keep  
10 some of the present production going for a while.

11 EXECUTIVE OFFICER NORTHROP: A dollar would make  
12 a big difference.

13 COMMISSIONER BELL: Yes.

14 MR. HAYWARD: A similar story here on the other  
15 tideland operation, the Long Beach Harbor Department  
16 Tidelands Parcel which is, oh, five times the size of this  
17 one here. But it also is a tideland parcel that the City of  
18 Long Beach operates.

19 COMMISSIONER DYMALLY: Are we also saying that  
20 this economic situation could possibly change after  
21 November 15th?

22 EXECUTIVE OFFICER NORTHROP: Through November 15th,  
23 it probably could. But the loss now by not getting parity  
24 for our crude oil -- and this is the important part -- we  
25 would probably be resigned to living with an August 31st

1 cutoff. But now that it's gone to November, we are talking  
2 about 100,000 barrels a day, probably at a dollar a barrel.  
3 That's \$100,000 a day that we are not getting.

4 COMMISSIONER BELL: This is just parity?

5 EXECUTIVE OFFICER NORTHROP: This is just parity.  
6 When we lose this oil, it's going to have to be replaced  
7 with \$11.50 oil. I don't understand -- whenever we talk  
8 about it, we say pump prices are going to go up. If we  
9 don't replace it, pump prices are even going to go higher.

10 COMMISSIONER DYMALLY: Why is that resistant; the  
11 dollar increase?

12 EXECUTIVE OFFICER NORTHROP: Because -- I think  
13 it's been articulated by Members of this Commission, and I'll  
14 just go back over it.

15 I agree with the Commission Members that say that  
16 the Federal Government treats California like we are some  
17 kind of West Coast grubs and we don't know any better.

18 COMMISSIONER DYMALLY: Every time I go back to  
19 Washington, I recognize that fact.

20 [Thereupon a brief discussion was held off  
21 the record.]

22 EXECUTIVE OFFICER NORTHROP: It's been very  
23 obvious in legislative hearings that the oil companies have  
24 an inordinate amount of clout in Washington which we don't  
25 have. And they are able to pick up the phone and make phone

1 calls that we have to stand in line to make appointments for.  
2 So I really wanted to bring Parcel "A" budget to the  
3 Commission's attention.

4 CHAIRMAN CORY: That's for (B)?

5 Thank you very much.

6 MR. HAYWARD: Thank you very much, Mr. Chairman.

7 COMMISSIONER DYMALLY: I'm sure the Director of  
8 Finance is going to take that word to the Governor that we  
9 are anxious to see somebody in Washington.

10 CHAIRMAN CORY: Well, we know it would help.

11 8(C)?

12 EXECUTIVE OFFICER NORTHROP: 8(C), Mr. Chairman,  
13 is a review of the subsidence as directed under Chapter 29  
14 and 138. The staff has reviewed the subsidence claims of  
15 Long Beach and finds them in order as listed on the Agenda  
16 item.

17 CHAIRMAN CORY: Without objection, 8(C) will be  
18 approved.

19 9(A).

20 EXECUTIVE OFFICER NORTHROP: Mr. Chairman, 9(A) is  
21 a request for the Commission, the staff, to enter a contract  
22 of Witherspoon and Sharpe and Brandt, for a safety  
23 regulation for offshore drilling for an amount of \$15,000.  
24 It's my understanding that this money will come out of the  
25 FDA funds of some \$110,000 that was granted for study.

1 COMMISSIONER BELL: I recommend.

2 CHAIRMAN CORY: Okay. The record will show that  
3 Mr. Bell was willing to spend somebody else's --

4 [Laughter.]

5 CHAIRMAN CORY: Without objection, 9(A) will be  
6 approved.

7 EXECUTIVE OFFICER NORTHROP: Mr. Chairman, 9(B) is  
8 an authorization for the Executive Officer to enter an  
9 agreement with Exploration Services Company, Incorporated,  
10 to obtain confidential data on a confidential basis on  
11 stratigraphic drilling being done about 90 miles west of  
12 San Diego.

13 This was on the Agenda last time and the Chairman  
14 raised the question of could we keep it confidential.  
15 The Attorney General has an opinion which I believe is  
16 before you and would you care to comment on it, Greg?

17 MR. TAYLOR: Mr. Chairman, since your request at  
18 the last meeting, we have provided you with an opinion that  
19 says you can keep the information confidential under the  
20 existing exceptions of the law.

21 CHAIRMAN CORY: Okay.

22 EXECUTIVE OFFICER NORTHROP: I have reached  
23 agreement with the Administration as to the language.

24 COMMISSIONER BELL: What if we use that informa-  
25 tion in order to go out there and drill?



1 EXECUTIVE OFFICER NORTHROP: The agreement  
2 specifically says that if we go out and drill, you know,  
3 if we form an energy company and we go drill, that we must  
4 then purchase the information as any other drillers, but  
5 the fact we have this information in hand wouldn't preclude  
6 us from using it and that's the agreement that we have been  
7 working out with the Administration.

8 CHAIRMAN CORY: If we use it for profit, we've  
9 got to pay.

10 EXECUTIVE OFFICER NORTHROP: If we use it for  
11 profit, we've got to pay.

12 CHAIRMAN CORY: Okay. Without objection, 9(B)  
13 will be approved.

14 9(C)?

15 EXECUTIVE OFFICER NORTHROP: Mr. Chairman, 9(C)  
16 is the Moss Landing Harbor District, there is a grant, and  
17 we are doing some survey work on it. The cost of the  
18 survey will be borne by the Moss Landing Harbor District.

19 CHAIRMAN CORY: Without objection, 9(C) will be  
20 approved.

21 10(A).

22 EXECUTIVE OFFICER NORTHROP: Mr. Chairman, 10(A)  
23 is a rescission of a boundary line agreement. The parties  
24 involved in the agreement no longer -- have since deceased  
25 and the agreement is --

1 CHAIRMAN CORY: If somebody dies --

2 EXECUTIVE OFFICER NORTHROP: The need for the  
3 agreement no longer exists. The development they were going  
4 to put together --

5 COMMISSIONER BELL: Is the issue moot; is that  
6 the point?

7 EXECUTIVE OFFICER NORTHROP: Yes.

8 COMMISSIONER BELL: There is no longer a  
9 corporation?

10 MR. HIGHT: The parties are now deceased and I  
11 think the land is owned by other parties and this is a  
12 record-keeping kind of thing, just so we cancel the  
13 agreement on our part.

14 CHAIRMAN CORY: But if we entered into an  
15 agreement --

16 MR. HIGHT: We never --

17 CHAIRMAN CORY: We didn't?

18 MR. HIGHT: -- the parties never signed it.

19 CHAIRMAN CORY: All right.

20 MR. TAYLOR: The problem is that your authorization  
21 is out dangling at this point.

22 CHAIRMAN CORY: Without objection, 10(A) will be  
23 rescinded.

24 11(A).

25 EXECUTIVE OFFICER NORTHROP: Mr. Chairman,

1 preliminary approval by the Commission for the acquisition  
2 of some Federal land at Fort MacArthur.

3 On the page following 100 is a map of the sites  
4 that we are proposing, trading for, in the West Channel of  
5 Los Angeles Harbor, next to Point Fermin, and at Whites  
6 Point, some land exchanges we are attempting to put together  
7 with the Feds.

8 [Thereupon a brief discussion was held off  
9 the record.]

10 EXECUTIVE OFFICER NORTHROP: We'd like to start  
11 negotiating on that piece of property if you'd have no  
12 objection.

13 COMMISSIONER BELL: I have no objection.

14 COMMISSIONER DYMALLY: Join the club.

15 [Laughter.]

16 [Thereupon a brief discussion was held off  
17 the record.]

18 CHAIRMAN CORY: 11(A) will be approved, so when  
19 you come back with all of the BLM land --

20 [Laughter.]

21 CHAIRMAN CORY: -- I think I can get a one percent  
22 raise out of Finance for you.

23 [Laughter.]

24 EXECUTIVE OFFICER NORTHROP: In Item --

25 CHAIRMAN CORY: Go ahead; let's keep rolling.

1 I don't want anybody to focus on what you just did.

2 EXECUTIVE OFFICER NORTHROP: 12(A) is another  
3 retrocession. It is the purpose of determining whether it is  
4 in the best interest of the State to cede retrocession  
5 concurrent jurisdiction at the Naval Support Facility at  
6 Terminal Island.

7 I discussed this with the Attorney General and he  
8 feels that it's proper that we discuss it, but it probably  
9 should be weighted with the other areas that we are talking  
10 about.

11 COMMISSIONER BELL: Does this just authorize the  
12 public hearing without action, so you are just getting some  
13 of the preliminaries out of the way.

14 CHAIRMAN CORY: Without objection, such will be the  
15 order.

16 EXECUTIVE OFFICER NORTHROP: The final item --

17 CHAIRMAN CORY: Let's go ahead with our litigation.

18 EXECUTIVE OFFICER NORTHROP: The first one is  
19 the settlement of Long Beach versus Frank W. Butler, which  
20 is part of the Alameda State settlement. The Governor has  
21 recommended that we settle the litigation on that suit.

22 COMMISSIONER DYMALLY: So move.

23 COMMISSIONER BELL: Second.

24 CHAIRMAN CORY: Is there anyone in the audience  
25 who wishes to speak on Item 13(A)?

1           Without objection, authorization is granted as  
2 presented.

3           13(B).

4           EXECUTIVE OFFICER NORTHROP: 13(B) is the  
5 initiation of ejection proceedings against John Walsh for  
6 the unauthorized maintenance of a marina in Piper Slough in  
7 Contra Costa County.

8           I believe that his attorney has been in contact  
9 with our legal staff. However, the legal staff feels that  
10 we should proceed with the ejection proceedings.

11          CHAIRMAN CORY: He is renting a commercial  
12 marina?

13          MR. HIGHT: Mr. Chairman, this is a follow-up of  
14 last month's action.

15          As you recall, Mr. Martini, he complained of  
16 various other trespassers in the area and (B) and (C) are  
17 in the area.

18          COMMISSIONER BELL: Are in his area?

19          MR. HIGHT: Yes.

20          COMMISSIONER BELL: Why can't we tell him we were  
21 going after everybody?

22          CHAIRMAN CORY: Okay.

23          COMMISSIONER BELL: We should treat everybody  
24 alike.

25          CHAIRMAN CORY: Any questions?

1           Then the purpose is to go ahead with the ejection  
2 and then initiate a --

3           MR. WALSH: Mr. Chairman, I'd like to say a few  
4 words. I'm John Walsh.

5           CHAIRMAN CORY: Yes, come forward.

6           MR. WALSH: I'm John Walsh.

7           My purpose in coming here is to -- I'm sure that  
8 the letter my attorney wrote the Board has been received.  
9 I take it from your remarks, Mr. Northrop, that you have had  
10 communication with him and my purpose is to read the letter  
11 -- get it into the minutes -- but, on the other hand, if you  
12 do have the letter --

13           EXECUTIVE OFFICER NORTHROP: We are in receipt of  
14 the letter. If I said telephone communication, I'm sorry.

15           MR. WALSH: The letter states our position and,  
16 at this point, there's no more to be said.

17           I was asked to say a word to Mr. Russo. Mr. Russo  
18 is in the hospital and I spoke to his wife and we felt that  
19 we shouldn't trouble him. Mr. Russo has cancer and his  
20 prospects aren't good. I was asked to suggest or request  
21 that the Board defer any decision with respect to his  
22 property until he has had an opportunity to look into it and  
23 make a decision for himself.

24           COMMISSIONER DYMALLY: How long would that be,  
25 Mr. Walsh, do you know?

1 MR. WALSH: I don't know. He's been in a bad way  
2 for a long time. He's in Stanford right now.

3 COMMISSIONER DYMALLY: Could Mrs. Russo then act  
4 in his behalf?

5 MR. WALSH: Yes, I would suggest that. She is  
6 unacquainted with proceedings of this nature, but I am sure  
7 that she could write you a letter in the same vein, making  
8 the same request, perhaps.

9 EXECUTIVE OFFICER NORTHROP: My understanding,  
10 Mr. Chairman, is that Mr. Walsh's position has been that they  
11 would -- are in a position now that they would probably  
12 negotiate a lease with the State, is that correct?

13 MR. WALSH: If title to the land was clearly  
14 demonstrated. Obviously, there is no alternative but to do  
15 that if title is clearly demonstrated. But that is the  
16 nub --

17 EXECUTIVE OFFICER NORTHROP: The contention of  
18 Mr. Walsh, if I may practice law without a license, is the  
19 fact that the bed of the river belongs to Mr. Walsh and he  
20 has it by adverse possession and it's a clearly constitutional  
21 point that you cannot adversely possess State land.

22 CHAIRMAN CORY: That question to resolve of who  
23 owns the property; us taking this step here in terms of  
24 the ejectment would get us at issue in the Court so the  
25 Court could resolve who owned it, is that correct?

1 MR. WALSH: Yes. I understand that.

2 The whole thing might be avoided were the display  
3 of evidence such to convince me and my attorney that the  
4 issue would be settled. I repeat, and the position would be  
5 obvious, if the State owned the land, then we must write a  
6 lease or we must be ejected, one of the two.

7 Briefly, the land has shifted so many times and  
8 where we are it has been dredged out of berms and we feel  
9 that where we are it was not land that probably comes under  
10 the State's ownership.

11 CHAIRMAN CORY: Greg, this gets us at issue, does  
12 it not?

13 MR. TAYLOR: I think you could authorize a suit  
14 with the understanding that we would contact the party first  
15 but the authorization would be given, say, with the under-  
16 standing that there would be some discussion and if those  
17 discussions were not fruitful within a prompt period of  
18 time, we could move on so there would be a speedy resolution.

19 But in view of the gentleman's illness, if we  
20 would hold off the filing of any action until there's been  
21 time for talks between the staff and the gentleman --

22 CHAIRMAN CORY: That would seem reasonable.

23 MR. WALSH: That's a reasonable position.

24 CHAIRMAN CORY: Okay.

25 With that understanding, then, we will take care



1 of Item (B) and (C), with the clear understanding that there  
2 will be talks with Mrs. Russo and Mr. Walsh. I guess you  
3 guys now have to talk to his attorney rather than him; is  
4 that your code of ethics say?

5 MR. WALSH: It's a case of evidence, really.  
6 It's like a discovery process. We'd get all this anyhow  
7 if litigation were joined, so --

8 EXECUTIVE OFFICER NORTHROP: We would do a summary  
9 judgment on it anyway.

10 CHAIRMAN CORY: Okay.

11 Without objection, (B) and (C) will be approved,  
12 which means we are authorizing them if, after having met  
13 with you, they can't resolve the situation.

14 MR. WALSH: Thank you.

15 CHAIRMAN CORY: Thank you for coming to  
16 Sacramento.

17 13(D).

18 MR. HIGHT: Yes, Mr. Chairman.

19 This is an authorization to eject some trespassers  
20 from school land in Santa Barbara County.

21 CHAIRMAN CORY: Santa Barbara or Riverside?

22 MR. HIGHT: I'm sorry, Riverside.

23 They are extracting some material and we would  
24 like to bring them under lease.

25 CHAIRMAN CORY: For mining?

1 MR. HIGHT: Yes.

2 [Thereupon a brief discussion was held off  
3 the record.]

4 CHAIRMAN CORY: Is there anyone here with respect  
5 to Item 13(D)?

6 Danny Figueroa; Alfred Figueroa.

7 Have you had any contact with them?

8 MR. HIGHT: I believe Mr. Everetts' staff handles  
9 that.

10 MR. EVERETTS: We have caught them trespassing  
11 and have discussed it with them and the problem here is  
12 we are trying to find out what material and how much  
13 material they have taken. The only person that knows is  
14 the railroad and the railroad won't tell us unless we can  
15 get some sort of a suit going.

16 I think once we find out how much they have  
17 actually taken --

18 CHAIRMAN CORY: What railroad won't tell you that?

19 MR. EVERETTS: The Atchison-Topeka and Santa Fe.

20 MR. HIGHT: There's a statute that --

21 CHAIRMAN CORY: I don't care about the statute,  
22 tell them that I duly noted it and I'll remember it.

23 MR. EVERETTS: I've already mentioned it to them.

24 COMMISSIONER DYMALLY: What's the material?

25 MR. EVERETTS: It's building rock. It's weathered

1 so it looks sort of like driftwood almost.

2 CHAIRMAN CORY: Okay, 13(D) will be approved as  
3 presented.

4 13(E).

5 EXECUTIVE OFFICER NORTHROP: Mr. Chairman --

6 MR. HIGHT: 13(E), Mr. Chairman, is an authorization  
7 to bring a quiet title action against some people who are  
8 blocking Cross Slough. Cross Slough is a natural, navigable  
9 waterway located in Solano County. They have posted it so  
10 it doesn't allow duck hunters and fishermen to enter the  
11 area, and with the duck-hunting season coming on, we felt  
12 it would be an appropriate action at this time.

13 CHAIRMAN CORY: Have you talked to them at all?

14 MR. HIGHT: No.

15 CHAIRMAN CORY: Is there anyone here with respect  
16 to Item 13(E)?

17 COMMISSIONER BELL: What we are really trying to  
18 do is to --

19 EXECUTIVE OFFICER NORTHROP: Mr. Chairman, they  
20 have been advised by letter of the calendar item that we  
21 were discussing it.

22 COMMISSIONER DYMALLY: This is State Lands and  
23 they have posted signs to prevent public access?

24 EXECUTIVE OFFICER NORTHROP: Yes.

25 CHAIRMAN CORY: They are taxpayers.

1                   COMMISSIONER BELL: They put fences and other  
2 obstructions in the way of other people getting through?

3                   MR. TAYLOR: There is an argument on the title,  
4 but even if there was -- even if title wasn't, recent cases  
5 have held it must be -- the Slough must be left open.  
6 I'm sure that what they are asserting this on is some claim  
7 of title. We feel that there is a claim of title for the  
8 State.

9                   CHAIRMAN CORY: Navigable -- what does that  
10 definition mean, that --

11                   MR. HIGHT: If it's navigable for recreational  
12 purposes, it must be left open so the public can use it.

13                   CHAIRMAN CORY: Navigable; does that mean that  
14 you have to be able to get onto the property from public  
15 property or something that's totally contained? Are you  
16 saying that if a guy has a private lake and he owns all the  
17 land --

18                   MR. TAYLOR: He would be excluded from that  
19 situation.

20                   COMMISSIONER BELL: There is public access.

21                   CHAIRMAN CORY: Once you get on the water, then  
22 you are free to roam?

23                   MR. TAYLOR: There is access here by way of water.

24                   MR. HIGHT: In your situation, if you'd come in  
25 by helicopter, you'd be okay.

1 COMMISSIONER DYMALLY: So move, Mr. Chairman.

2 COMMISSIONER BELL: Second.

3 CHAIRMAN CORY: Without objection, 13(E) will be  
4 approved.

5 13(F).

6 EXECUTIVE OFFICER NORTHROP: Mr. Chairman, the  
7 Attorney General has no significant changes in the litigation  
8 at this time.

9 CHAIRMAN CORY: 14(A).

10 EXECUTIVE OFFICER NORTHROP: Mr. Chairman, 14(A)  
11 is for a contract which is the balance of the monies, as I  
12 understand it, under the FDA grant of \$110,000 to construct  
13 and test and develop a geothermal gradient profiler and  
14 probe.

15 Mr. Everetts will tell you what a geothermal  
16 gradient profiler and probe is and what it is to accomplish.

17 MR. EVERETTS: One of the major purposes that the  
18 FDA granted the funds to us for was to inventory State-owned  
19 resources and it's always been our intent when we applied  
20 for the grant to spend most of the money inventorying our  
21 geothermal resource and we are particularly interested in  
22 the offshore geothermal resources.

23 What we are proposing to do is to go to several  
24 of the institutions; the University of California, U.S.C.,  
25 Scripps, and Riverside, and ask them to help us design some

1 equipment that will measure minute geothermal gradients --  
2 differences in temperature. We will test the equipment at  
3 Mono Lake and at Clear Lake, which are two pretty likely  
4 prospects for geothermal resources which might pretty well  
5 exhaust the funds. It's just a very, very extensive  
6 temperature device -- measuring device.

7 [Thereupon a brief discussion was held off  
8 the record.]

9 COMMISSIONER BELL: Do you want to move?

10 COMMISSIONER DYMALLY: So move.

11 COMMISSIONER BELL: I have no objection.

12 CHAIRMAN CORY: Without objection, the authorization  
13 will be granted.

14 The next meeting will be October 29th, 10:00 a.m.,  
15 in Sacramento.

16 If there is no further business to come before the  
17 Commission, we stand adjourned.

18 [Thereupon the September 29th meeting was  
19 adjourned.]

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1 STATE OF CALIFORNIA }  
2 COUNTY OF SACRAMENTO } ss.

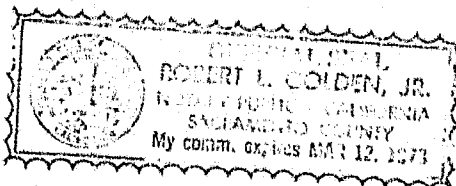
3  
4 I, ROBERT L. GOLDEN, JR., a Notary Public in and  
5 for the County of Sacramento, State of California, duly  
6 appointed and commissioned to administer oaths, do hereby  
7 certify:

8 That I am a disinterested person herein; that  
9 the foregoing State Lands Commission Meeting was reported  
10 in shorthand by me, Robert L. Golden, Jr., a shorthand  
11 reporter of the State of California, and thereafter  
12 transcribed into typewriting.

13 I further certify that I am not of counsel or  
14 attorney for any of the parties to said meeting, nor in  
15 any way interested in the outcome of said meeting.

16 IN WITNESS WHEREOF, I have hereunto set my hand  
17 and affixed my seal of office this 20th day of October,  
18 1975.

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*Robert L. Golden, Jr.*  
ROBERT L. GOLDEN, JR.  
Notary Public in and for the County  
of Sacramento, State of California