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MEETING
STATE LANDS COMMISSION

STATE CAPITOL
ROOM 2170
SACRAMENTO, CALIFORNIA

THURSDAY, AUGUST 20, 1981
10:15 A. M.

ORIGINAL

Nadine J. Parks
Shorthand Reporter

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MEMBERS PRESENT

Kenneth Cory, Chairperson, State Controller
David Ackerman, representing Mike Curb, Lieutenant
Governor, Commissioner

MEMBERS ABSENT

Susanne Morgan, representing Mary Ann Graves,
Director of Finance, Commissioner

STAFF PRESENT

William Northrop, Executive Officer
James Trout
Robert Hight
Diane Jones, Secretary
Les Grimes
Harry Shimer

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P R O C E E D I N G S

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3 CHAIRPERSON CORY; The meeting will come to
4 order. Is there any corrections or additions to the
5 minutes? Without objection, they will be adopted as
6 presented.

7 We have the report of the Executive Officer.

8 EXECUTIVE OFFICER NORTHROP: Mr. Chairman,
9 Mr. Ackerman, good afternoon.

10 The California Fish Growers was granted a
11 permit to perform geological investigations of the sand spit
12 located at the mouth of the Estero Americano between Sonoma
13 and Marin Counties.

14 The investigation's being conducted to ascertain
15 the suitability of installing a series of wells into the
16 sand spit to pump seawater to a proposed fish farm operation
17 on the adjacent property.

18 Emergency permission was requested because a
19 study crew with equipment was waiting to proceed with the
20 tests, consisting of a series of borings in the sand.

21 If the project proves feasible, the potential
22 lessee will file the necessary forms to secure a formal
23 lease for the use of State lands.

24 Mr. Chairman, that completes my report. There
25 is no Coastal Commission report this morning.

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1 CHAIRPERSON CORY: We could discuss that a lot,
2 but I don't think we want to get into that at this point.

3 The next item we have is the staff report on the
4 Coastal Commission.

5 EXECUTIVE OFFICER NORTHROP: There is no report.

6 CHAIRPERSON CORY: If we could only say that
7 there was no Coastal Commission.

8 The next item is the consent calendar and these
9 items will be taken up all at once, unless there is
10 objection to the proposed staff recommendations. Certain
11 items are being removed. Item C-5 has been removed from the
12 calendar and will be taken up --

13 EXECUTIVE OFFICER NORTHROP: That was just
14 removed. Item C-6 will be taken up with Item 18.

15 CHAIRPERSON CORY: C-6 will be taken up with
16 Item 18. Do we have any others coming off?

17 EXECUTIVE OFFICER NORTHROP: Yes. 27 is off
18 calendar, too.

19 CHAIRPERSON CORY: Item 27 is not on the
20 consent calendar. If there is no one in the audience that
21 has any objection on any of the remaining consent calendar
22 items, we will take them up as a group.

23 Without objection, said calendar will be approved
24 as presented.

25 Item 15. This is the question of the appeal of

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1 the L. A. County Assessor's assessment for the Long Beach
2 Unit for 81-82.

3 This is another step in our ongoing --

4 EXECUTIVE OFFICER NORTHROP: Yes, sir. This is
5 for the current year.

6 CHAIRPERSON CORY: Okay. Anybody in the
7 audience on this item?

8 MR. ACKERMAN: Okay.

9 CHAIRPERSON CORY: Without objection, we author-
10 ize the appeal.

11 MR. ACKERMAN: My understanding here is this is
12 part of the formality we have to go through --

13 CHAIRPERSON CORY: That's correct,
14 Mr. Ackerman. If we don't preserve our position, when the
15 time comes, our opportunity will have passed.

16 MR. ACKERMAN: The negotiation sessions are
17 still to come.

18 CHAIRPERSON CORY: Right. Item 16 is a request
19 to approve and secure a management agreement to continue
20 operation of the existing Santa Catalina Island Company
21 lease for moorings up until December 31, 1981 to get this
22 lease on a calendar-year basis. Is there anybody in the
23 audience on this item? Any questions?

24 MR. ACKERMAN: No.

25 CHAIRPERSON CORY: Without objection, Item 16

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1 will be approved as presented.

2 Item 17, the City of Palos Verdes Estates, and
3 this is a finding that the City of Palos Verdes Estates has
4 substantially complied with the terms and conditions of
5 Chapter 136, which is that they have maintained their
6 grant in unimproved status.

7 EXECUTIVE OFFICER NORTHROP: In open space.

8 CHAIRPERSON CORY: With great effort on their
9 part they have been able to accomplish that. Is there
10 anybody in the audience on this item? Without objection --

11 MR. ACKERMAN: Okay.

12 CHAIRPERSON CORY: -- Item 17, a finding is made.

13 Item 18, approve and authorize the execution of
14 BJA 201, between State Lands and Citation Homes covering
15 a portion of Alameda Creek in the City of Union City.

16 Is there anybody in the audience on this item?

17 Any questions from the Commissioner?

18 MR. ACKERMAN: No.

19 CHAIRPERSON CORY: Without any objection,
20 approval is granted.

21 Item 19 --

22 EXECUTIVE OFFICER NORTHROP: Mr. Chairman, I think
23 at this time we ought to do Item C-6, because it does now
24 approve a lease to the City of Union City on that parcel.

25 CHAIRPERSON CORY: Okay. This is for a bicycle

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1 path and landscaped open space?

2 EXECUTIVE OFFICER NORTHROP: Yes.

3 MR. ACKERMAN: No objection.

4 CHAIRPERSON CORY: Anybody in the audience on
5 this item? Without objection, Item C-5 is approved.

6 Item 19, compromise title settlement with
7 Lincoln Benicia V Associates?

8 EXECUTIVE OFFICER NORTHROP: Right.

9 CHAIRPERSON CORY: This is 43 acres of wetlands
10 which we will receive and transfer to --

11 EXECUTIVE OFFICER NORTHROP: Fish & Game.

12 CHAIRPERSON CORY: Fish & Game. Is there anybody
13 in the audience on this item?

14 Any questions from the Commissioner? Without
15 objection, Item 19 is approved as presented.

16 Item 20, approve and authorize an exchange
17 agreement between State Lands and the U.S. of A,
18 involving 21,120 acres at Fort Irwin, which we will be
19 receiving instead 362 acres --

20 EXECUTIVE OFFICER NORTHROP: That's one of
21 Shimer's better --

22 CHAIRPERSON CORY: In Ventura County. That's
23 impressive.

24 MR. GRIMES: Good farmland.

25 CHAIRPERSON CORY: The ratio's a little bad, but

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1 it's a good location. I'll say that.

2 Okay. Anybody in the audience on this item?
3 Without objection --

4 MR. ACKERMAN: No objection.

5 CHAIRPERSON CORY: -- approval is granted
6 as requested for Item 20.

7 Item 21 is approve and authorize the exchange
8 between State Lands and the U.S. of A., two parcels of
9 320 acres in Cleveland National and we're swapping it for 40
10 acres of Mountain Home. The numbers sure look bad. You're
11 sure it's good property?

12 MR. GRIMES: Very nice property.

13 CHAIRPERSON CORY: Anybody in the audience on
14 this item?

15 MR. GRIMES: With a 40-degree slope.

16 (Laughter.)

17 CHAIRPERSON CORY: But you can get the logs up
18 the hill.

19 MR. ACKERMAN: No objection.

20 CHAIRPERSON CORY: Without objection, Item 21
21 is approved as presented.

22 Item 22, approve and authorize the execution
23 of an Exchange Agreement, Number -- which?

24 EXECUTIVE OFFICER NORTHROP: 141, Mr. Chairman.

25 CHAIRPERSON CORY: 141, between Redwood Shores,

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1 Incorporated and the California Department of Fish & Game
2 on Steinberger Slough, Redwood City, San Mateo County.
3 Anybody in the audience on this item? Any questions from
4 the Commissioner?

5 MR. ACKERMAN: No.

6 CHAIRPERSON CORY: Without objection, Item 22
7 is approved as presented.

8 Item 23, the sale of 19.38 acres of land to the
9 Department of Transportation, which is roadway --

10 EXECUTIVE OFFICER NORTHROP: Which is under
11 U. S. 395, right.

12 CHAIRPERSON CORY: And we're getting \$13,000
13 for 395. Is there anybody in the audience on this item?
14 Questions from the Commissioners? Without objection --

15 MR. ACKERMAN: Where does the money go?

16 EXECUTIVE OFFICER NORTHROP: General fund.
17 It's taken from the highway to the general fund. That's
18 about how close you ever get your hands on that money.

19 CHAIRPERSON CORY: Where there's a will there's
20 a way, and when you deal with the other government you do
21 the best you can.

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

24 Item 24, authorization to accept \$2700 from
25 Robert Griffin as full compensation for prior use of land

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1 and entering into a new lease with a thousand dollar down
2 payment and a percentage for the future; is that correct?

3 EXECUTIVE OFFICER NORTHROP: Correct,
4 Mr. Chairman.

5 CHAIRPERSON CORY: Anybody in the audience on
6 Mr. Griffin's lease? Questions from the Commissioners?

7 MR. ACKERMAN: No. No, objection.

8 CHAIRPERSON CORY: Without objection, approval
9 is granted.

10 Item 25, authorization to file an indemnity
11 selection on 9,000 acres near Junction City, Trinity County.
12 Anybody in the audience on this item? Any questions from
13 the Commissioners?

14 MR. ACKERMAN: No objection.

15 CHAIRPERSON CORY: Without objection, approval
16 is granted.

17 Item 26 is a permit that was filed by Mr. Rossen.
18 And there are still some --

19 EXECUTIVE OFFICER NORTHROP: We have some out-
20 standing boundary problems on that, so we ask the Commission
21 to deny it without prejudice and continue it so that he
22 doesn't have to start the whole process over again.

23 CHAIRPERSON CORY: Yes, so that when we get the
24 question of the boundary --

25 EXECUTIVE OFFICER NORTHROP: When we get that

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1 settled, then we can proceed --

2 CHAIRPERSON CORY: It's a question of
3 navigability?

4 EXECUTIVE OFFICER NORTHROP: Right.

5 CHAIRPERSON CORY: Once that's resolved, then
6 Mr. Rossen is back in place, doesn't have to pay any more
7 fees, and is slick with us, and we just have to start the
8 processing of the application. Right?

9 EXECUTIVE OFFICER NORTHROP: Right. He's asking
10 for something now we can't do.

11 MR. ACKERMAN: Has he been informed of that?

12 EXECUTIVE OFFICER NORTHROP: Staff indicates to
13 me that he has --

14 CHAIRPERSON CORY: That statement gives
15 slight recognition that Mr. Northrop has been on vacation.

16 Anybody in the audience on this item? Without
17 objection, Item 26 will be approved as presented.

18 Item 27 is off calendar.

19 MR. ACKERMAN: Excuse me. When did Mr. Northrop
20 return from vacation?

21 EXECUTIVE OFFICER NORTHROP: Late last night.

22 CHAIRPERSON CORY: Item 28, geothermal leasing,
23 EIR preparation. What are you requesting?

24 EXECUTIVE OFFICER NORTHROP: We are looking at
25 another parcel to be put out to lease. Prior to doing that,

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1 we have to have an EIR prepared. If you get the idea, I'm
2 stumbling here, right?

3 CHAIRPERSON CORY: Is there anybody in the
4 audience who knows whether the Executive Officer is right?

5 (Laughter.)

6 CHAIRPERSON CORY: All right. Without
7 objection then, we will authorize the preparation of the
8 EIR in Item 28.

9 Item 29 and 30 are selloffs that were done in
10 500 barrel increments where we got, what? Between 15¢ and
11 42¢?

12 A little sloshy. We need a little more
13 confrontation in the Middle East. That's a joke, folks.

14 (Laughter.)

15 MR. ACKERMAN: We need to send a few more planes
16 out.

17 CHAIRPERSON CORY: Is there anybody in the
18 audience on this item? This is Item 29 and 30 and we take
19 them up jointly?

20 EXECUTIVE OFFICER NORTHROP: Yes.

21 MR. ACKERMAN: No objection.

22 CHAIRPERSON CORY: Without objection, Items 29
23 and 30 are approved as presented.

24 Item 31, supplemental report. You're going to
25 inform us about that.

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1 EXECUTIVE OFFICER NORTHROP: Mr. Harry Shimer
2 will give us a rundown as to where we are on that.

3 CHAIRPERSON CORY: I would like to know what
4 Harry just said.

5 (Laughter.)

6 MR. SHIMER: I shouldn't have shown up.

7 CHAIRPERSON CORY: Would you prefer to have
8 the Executive Officer make this report for you?

9 MR. SHIMER: I'd prefer Trout to make a
10 statement.

11 CHAIRPERSON CORY: I'd be willing to have the
12 Executive Officer prove that he is back in full force and
13 going, but --

14 EXECUTIVE OFFICER NORTHROP: I don't think you
15 want that done so early this morning, Mr. Chairman.

16 CHAIRPERSON CORY: Harry, tell us what we've
17 got going.

18 And this is part of the initial thing
19 that Susanne Morgan requested.

20 EXECUTIVE OFFICER NORTHROP: Right. When we
21 made the original presentation, Mr. Chairman, Susanne
22 Morgan indicated --

23 CHAIRPERSON CORY: And she was involved in the
24 additional supplemental report and she's not here. Is this
25 the time we want to do this?

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1 MR. SHIMER: Mr. Chairman, copies of the
2 supplemental report of Haskins-Sells have been sent to the
3 staff of the Department of Finance at the request of
4 Miss Morgan. What is before you today in terms of the
5 supplemental report is the results of Haskins-Sells
6 outlining for the Commission the steps necessary to
7 implement the recommendations of the management audit they
8 did.

9 The next item on the calendar, 32,
10 Mr. Thompson's, is the first step in that implementation.
11 The staff will be back to the Commission in future meetings
12 to set forth other steps in implementing the recommendations.
13 This is really an informative item to let you know they had
14 completed their work and we are now in the process of going
15 ahead and moving on with those implementations.

16 CHAIRPERSON CORY: The first item was a high-
17 priority recommendation, the data processing?

18 MR. SHIMER: Yes.

19 CHAIRPERSON CORY: And that will be the next
20 item which will be handled by Finance to accomplish that?

21 MR. SHIMER: Yes.

22 CHAIRPERSON CORY: Anything else we need to
23 know?

24 MR. SHIMER: No. Haskins and Sells has
25 submitted a project schedule in which they're making their

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1 recommendations to continue on with the work as originally
2 stated.

3 CHAIRPERSON CORY: Did Susanne have any problems
4 with that? Did you discuss this with her?

5 MR. SHIMER: Yes. We discussed the initial
6 step with her on Monday and she had no particular comment,
7 other than -- she had no problem with it. Her staff at that
8 time had not seen the report.

9 MR. THOMPSON: The Finance Department auditors
10 have looked over the report and they're satisfied with it.

11 CHAIRPERSON CORY: Okay. Item 32 is a
12 modification of the plan of development and operations,
13 which is to, in essence, allocate \$200,000 to the data
14 processing recommendation by Haskins and Sells. Okay.

15 MR. ACKERMAN: No objection.

16 CHAIRPERSON CORY: Okay. Without objection,
17 Item 32 is approved.

18 Item 33, ratification of filing of disclaimer
19 regarding 13.72 acres of land. Anybody in the audience on
20 this item? It's amazing how this acreage always intimidates
21 Hight. He doesn't want to litigate it. Without objection,
22 Item 33 is approved.

23 Item 34. 240 acres. If you won't take on 13
24 acres, you're not about to take on 240.

25 MR. HIGHT: We can't take that.

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1 CHAIRPERSON CORY: Anybody in the audience on
2 this item?

3 MR. ACKERMAN: No objection.

4 CHAIRPERSON CORY: Without objection, Item 34,
5 authorization is granted.

6 Item 35 is authorization to file a disclaimer
7 in the City of West Covina vs. Clark Reid Powell. We don't
8 have any interest in the property?

9 MR. HIGHT: No, Mr. Chairman. This is a sewer
10 easement.

11 CHAIRPERSON CORY: Sewer easement. Okay.
12 Anybody in the audience on this item?

13 Without objection, authorization is granted.

14 Item 36, modification of regulations of the
15 Commission concerning the environment.

16 EXECUTIVE OFFICER NORTHROP: Pursuant to JB 111
17 and the Office of Administrative Procedure, Item 36 and 38
18 are related, and probably should be taken up together so
19 we have a package. The second one and 38 concerns the
20 surface use, and 36 handles the environmental concern.

21 CHAIRPERSON CORY: Anybody in the audience on
22 Item 36? Questions from the Commissioners?

23 MR. ACKERMAN: No.

24 CHAIRPERSON CORY: Without objection, approval
25 is granted. Item 37 is American Savings and Loan vs. The

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1 State of California, authorization to settle the case by
2 putting \$30,000 into -- in essence, an escrow -- an impound
3 account, as I understand it, until we locate a parcel?

4 MR. HIGHT: True.

5 CHAIRPERSON CORY: Is there anybody in the
6 audience on this item? Without objection --

7 MR. ACKERMAN: No objection.

8 CHAIRPERSON CORY: -- 37 is approved. And 38
9 is a regulation concerning surface use. Anybody in the
10 audience on these regulations?

11 MR. ACKERMAN: When you make the changes in
12 the regulations, are those circulated to the mailing list?

13 EXECUTIVE OFFICER NORTHROP: We go through the
14 entire hearing process and do the entire public notice
15 procedure in that case.

16 MR. ACKERMAN: So the ones before us reflect
17 any changes or recommendations and we go through the
18 public hearing process?

19 EXECUTIVE OFFICER NORTHROP: That's correct.

20 CHAIRPERSON CORY: Not only that, we have to get
21 the bureaucrats to listen to what changes we make. Right?
22 I mean, that's what they do. Because a lot of the public
23 won't show up, so we hired some other guys to communicate
24 with these guys.

25 That will be the next step. Without objection,

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1 Item 38 will be approved as presented.

2 Item 39, who'll be delegating the authority to
3 do as requested?

4 EXECUTIVE OFFICER NORTHROP: Mr. Chairman,
5 Mr. Trout will be handling this.

6 MR. TROUT: The delegation is the Executive
7 Officer and the staff to -- you notice I threw the staff
8 in there -- require the rights-of-way and easements for
9 a maximum of three years at a maximum cost of \$1,000 to allow
10 us to get access to parcels to either harvest trees or
11 reforest some of the State.

12 EXECUTIVE OFFICER NORTHROP: He got a laugh
13 when he said they like it in Finance?

14 CHAIRPERSON CORY: You return rights to
15 Finance?

16 MR. TROUT: I don't have rights anywhere.

17 CHAIRPERSON CORY: Okay.

18 MR. ACKERMAN: No objection.

19 CHAIRPERSON CORY: Anybody in the audience?
20 Without objection, Item 39 is approved as presented. We
21 will now go into Executive Session to discuss litigation
22 pursuant to an attorney-client privileges on Sacramento
23 Newspaper Guild vs. Sacramento County Board of Supervisors.

24 (Thereupon the regular meeting was
25 adjourned at 10:35 a.m.)

CERTIFICATE OF SHORTHAND REPORTER

1
2
3 I, Nadine J. Parks, a shorthand reporter of
4 the State of California, do hereby certify:

5 That I am a disinterested person herein; that
6 the foregoing State Lands Commission meeting was reported
7 in shorthand by me, Nadine J. Parks, and thereafter
8 transcribed into typewriting.

9 I further certify that I am not counsel or
10 attorney for any of the parties to said hearing, nor in any
11 way interested in the outcome of said hearing.

12 IN WITNESS WHEREOF, I have hereunto set my hand
13 this 6th day of September, 1981.

14
15
16 *Nadine J. Parks*
17 Nadine J. Parks
18 Shorthand Reporter
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