

MEETING

STATE LANDS COMMISSION

DEPARTMENT OF CONSUMER AFFAIRS

ROOM 102

1020 N STREET

SACRAMENTO, CALIFORNIA

TUESDAY, AUGUST 21, 1984

10:00 A.M.

Madine J. Parks  
Shorthand Reporter

**PETERS SHORTHAND REPORTING CORPORATION**

3433 AMERICAN RIVER DRIVE, SUITE A  
SACRAMENTO, CALIFORNIA 95825  
TELEPHONE (916) 972-8894

A P P E A R A N C E S

---000---

Lizabèth Rasmussen, Chairwoman, for Kenneth Cory,  
State Controller, Chairman

Nancy Ordway, for Jesse R. Huff, Director of Finance,  
Commissioner

Staff Present:

Claire T. Dedrick, Executive Officer  
James Trout  
Robert Hight  
Dave Judson, Deputy Attorney General  
W. M. Thompson  
Jane Smith

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

I N D E X

	<u>Page</u>
1 Proceedings	1
2 Confirmation of Minutes for July 12 and 27, 1984 meetings	1
4 Report of the Executive Officer	1
5 Consent Calendar, C1 through C13, and 6 C15 through C26 (C14 off calendar)	2
7 Item 27	3
8 Item 28	6
9 Item 29	7
10 Item 30 Off Calendar	
11 Item 31 Off Calendar	
12 Item 32 Off Calendar	
13 Item 33	7
14 Item 34	7
15 Item 35	8
16 Item 36	8
17 Item 37	8
18 Item 38	8
19 Item 39	9
20 Item 40	9
21 Item 41	10
22 Item 42	10
23 Item 43	11
24 Item 44	11
25 Item 45	12

**PETERS SHORTHAND REPORTING CORPORATION**

3433 AMERICAN RIVER DRIVE, SUITE  
SACRAMENTO, CALIFORNIA 95825  
TELEPHONE (916) 872-8894

	<u>Page</u>
1	
2 Item 46 and 47	13
3 Item 48	13
4 Item 49	14
5 Item 50	14
6 Item 51	14
7 Item 52	15
8 Item 53 Off Calendar	
9 Item 54	15
10 Adjournment	16
11 Certificate of Reporter	17
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	

**PETERS SHORTHAND REPORTING CORPORATION**

3433 AMERICAN RIVER DRIVE, SUITE A  
SACRAMENTO, CALIFORNIA 95825  
TELEPHONE (916) 072-8894

P R O C E E D I N G S

---o0o---

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

CHAIRWOMAN RASMUSSEN: The meeting is called to order. We have the confirmation of the minutes for the meeting of July 12th and 27th. Do you have any questions or corrections?

MS. ORDWAY: No.

CHAIRWOMAN RASMUSSEN: Approved.

Ms. Dédrick, your Executive Officer's report?

MS. DEDRICK: Yes, Commissioners. Pursuant to your direction in the July 12th meeting to come up with a proposal for marina development, so far we have imposed a moratorium on proposed new commercial and industrial facilities and proposed expansion of those.

And we have advised all the agencies that have jurisdiction on the river of the proposal and have a meeting scheduled and an inspection trip for September the 20th. Couldn't get people together any sooner. I'm sorry. But we will report back to you then at the September Commission meeting.

The idea has been extremely well-received by everyone we talked to and the city has been very supportive, also the Corps of Engineers, and the other departments.

CHAIRWOMAN RASMUSSEN: Will this be a trip that's

2  
1 open to the public?

2 EXECUTIVE OFFICER DEDRICK: There's not enough  
3 room on the boat for the public. There's a lot of agencies  
4 involved. We'll end up with 40-odd people with the agencies  
5 represented.

6 CHAIRWOMAN RASMUSSEN: And we can get a great deal  
7 of feedback and have everyone be able to -- include as  
8 many people as possible in it --

9 EXECUTIVE OFFICER DEDRICK: We'd like to --

10 CHAIRWOMAN RASMUSSEN: -- for input, not necessarily  
11 on the trip, for purposes of getting input.

12 MS. DEDRICK: Yes. I think we're going to have  
13 to have a public meeting; just can't get that many people  
14 on one boat yet in the Sacramento River, but --

15 MS. ORDWAY: I have one question. You said you  
16 would report at the September meeting. I want to  
17 officially ask that the September meeting not be held  
18 on the Jewish High Holy Day.

19 EXECUTIVE OFFICER DEDRICK: We have made that  
20 correction. I apologize. It was an oversight; not one I  
21 usually make, by the way.

22 CHAIRWOMAN RASMUSSEN: Okay. Any other  
23 questions? All right, the consent agenda.

24 EXECUTIVE OFFICER DEDRICK: Before you go into  
25 that, there's some of the items are off calendar. One of

**PETERS SHORTHAND REPORTING CORPORATION**

3433 AMERICAN RIVER DRIVE, SUITE A  
SACRAMENTO, CALIFORNIA 95825  
TELEPHONE (916) 972-8894

1 those is on the consent calendar. C-14 is off, and Items  
2 30, 31, 32, and 53.

3 CHAIRWOMAN RASMUSSEN: Consent Agenda Item C-14  
4 has been removed from the calendar. Are there any  
5 questions about the consent agenda?

6 MS. ORDWAY: No question.

7 CHAIRWOMAN RASMUSSEN: The consent agenda is  
8 approved. Item 27.

9 EXECUTIVE OFFICER DEDRICK: Item 27 is an applica-  
10 tion from Western Salt Company for approval of a 25-year  
11 general lease for salt-making purposes on a parcel in south  
12 San Diego Bay.

13 CHAIRWOMAN RASMUSSEN: All right. I have one  
14 request to speak and that's for Roger Wooley.

15 MR. WOOLEY: Would you like me right here?

16 CHAIRWOMAN RASMUSSEN: We need your name.

17 MR. WOOLEY: Yes. Roger Wooley, Box R, Rancho  
18 Santa Fe, California.

19 I'm here representing Western Salt. We have had a  
20 series of discussions with staff relative to the lease. And  
21 I think everything has been worked out with one possible  
22 exception. And that is the second paragraph -- or is that  
23 the first paragraph, I think --

24 MR. TROUT: The second paragraph in Section 2.

25 MR. WOOLEY: The salt company, having been in

1 business in the Bay Area there harvesting salt for 60  
 2 or 70 years, has always been very concerned about people  
 3 making use of the adjacent properties or adjacent waters  
 4 because of the likelihood of whatever that use might be  
 5 polluting the area and damaging the salt crop.

6 So, we have asked that the staff consider a slight  
 7 amendment to that paragraph permitting the lessee to  
 8 also have the right of consent on other uses under the  
 9 lease.

10 I think the language -- the additional language,  
 11 now reads that the lessee will be advised of any potential  
 12 entities seeking to make joint use or any use of the  
 13 500 acres there or about.

14 Our request is that you consider the possibility of  
 15 giving us, as lessee, the right to agree to that use.

16 EXECUTIVE OFFICER DEDRICK: I think if you have  
 17 questions --

18 MS. ORDWAY: I have one comment. What you're  
 19 asking is a little unprecedented, although I can appreciate  
 20 your concern with your company today. Would it be  
 21 acceptable to have that language that in a sense says  
 22 the State Lands Commission shall consult with you prior  
 23 to any action?

24 MR. WOOLEY: Yes, I think that this has been  
 25 suggested by Mr. Hight prior, and I'm not sure that isn't in

**PETERS SHORTHAND REPORTING CORPORATION**

5433 AMERICAN RIVER DRIVE, SUITE A  
 SACRAMENTO, CALIFORNIA 95825  
 TELEPHONE (916) 972-8894



1 the potential language that's drafted now, or has that  
2 amendment been made?

3 MR. HIGHT: It will be made pending the discussion  
4 here. I think -- it's primary to point out that potential  
5 conflict or problem that could arise. The likelihood of it  
6 actually occurring I think is rather minimal, but the  
7 company has been bothered with the leasing area for a great  
8 number of years.

9 The area, as you are probably aware, is something  
10 of a game preserve, in the sense that salt production does  
11 permit other passive use of the entire fee side as well  
12 as the lease side.

13 So, as long as we do have something assuring us  
14 that the company will be advised and if there is a concern,  
15 that concern will be seriously considered in additional  
16 lease of that same property.

17 I think that's possibly all we could obtain.  
18 But it is a very great concern and we hope that the  
19 situation is academic and we'll never really be given  
20 reason to express our concern.

21 MS. ORDWAY: So, it's recommended that you consult  
22 with the applicant prior to any action being taken.

23 MR. HIGHT: We have that language prepared.

24 CHAIRWOMAN RASMUSSEN: Is that the same language  
25 that you --

1 MR. HIGHT: That's the language that staff would  
2 recommend.

3 CHAIRWOMAN RASMUSSEN: I, too, can understand  
4 your concern and I think that will probably take care of  
5 it.

6 MR. WOOLEY: And I've also been advised, I think,  
7 by Mr. Hight that several of the other paragraphs have  
8 been deleted from the form portion of the lease which we,  
9 of course, had requested and are pleased that you would so  
10 act.

11 Thank you.

12 CHAIRWOMAN RASMUSSEN: Thank you. Are there any  
13 other questions?

14 MS. ORDWAY: Move the item.

15 CHAIRWOMAN RASMUSSEN: Item 27 is approved.

16 MS. ORDWAY: As amended.

17 CHAIRWOMAN RASMUSSEN: As amended.

18 EXECUTIVE OFFICER DEDRICK: Item 28 is Bankers  
19 Land Company. It's a rescission of prior authorization  
20 and approval of a 15-year general lease on a parcel in  
21 Turner Cut. You heard from the current lessee at the  
22 last Commission meeting.

23 CHAIRWOMAN RASMUSSEN: I have no questions. Are  
24 there any questions?

25 MS. ORDWAY: Move the item.

**PETERS SHORTHAND REPORTING CORPORATION**

3433 AMERICAN RIVER DRIVE, SUITE A  
SACRAMENTO, CALIFORNIA 95825  
TELEPHONE (916) 972-8894

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

CHAIRWOMAN RASMUSSEN: 28 is approved.

29.

MR. TROUT: 29 is a -- what we think is the first in a series of giant steps in resolving the state's outstanding entitlement with the Bureau of Land Management.

The proposal is to exchange 53,000 acres of unsurveyed land settlement, mostly in the desert, for 5720 acres of timberland in Mendocino County

CHAIRWOMAN RASMUSSEN: Any questions?

MS. ORLWAY: No.

CHAIRWOMAN RASMUSSEN: 29 is approved.

Item 30 is off. Item 31 is off. Item 32 is off.

Item 33.

MS. DEDRICK: This is the City of Arcata's request for approval of a 49-year general permit, public agency use, for a parcel of tide and submerged land in the city for restoration and maintenance of the wetland habitat and estuary.

CHAIRWOMAN RASMUSSEN: Questions?

MS. ORLWAY: Move the item.

CHAIRWOMAN RASMUSSEN: 33 is approved. 34.

EXECUTIVE OFFICER DEDRICK: 34 is a memorandum of understanding with the Department of Fish & Wildlife for lands in south San Francisco Bay in Alameda County.

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

CHAIRWOMAN RASMUSSEN: Any questions?

MS. ORDWAY: Move the item.

CHAIRWOMAN RASMUSSEN: 34 is approved, 35.

EXECUTIVE OFFICER DEDRICK: Item 35 is -- this is

MR. TROUT: It's the second modification of the item budget for 84-85. If you have any questions,

Mr. Thompson is here to answer.

CHAIRWOMAN RASMUSSEN: Any questions?

MS. ORDWAY: No, looks fine.

CHAIRWOMAN RASMUSSEN: 35 is approved. 36.

EXECUTIVE OFFICER DEDRICK: 36 is a request for approval of a prospecting permit for Caprock Resources, Inc.

CHAIRWOMAN RASMUSSEN: Questions?

MS. ORDWAY: No.

CHAIRWOMAN RASMUSSEN: Item 37.

EXECUTIVE OFFICER DEDRICK: 37 is a request for another prospecting permit in Kern County for the applicants as listed.

CHAIRWOMAN RASMUSSEN: Any questions on 37?

MS. ORDWAY: No.

CHAIRWOMAN RASMUSSEN: Item 37 is approved. Item 38.

EXECUTIVE OFFICER DEDRICK: 38 is approval of amendments to oil and gas leases in Santa Barbara County for Chevron.

**PETERS SHORTHAND REPORTING CORPORATION**

3433 AMERICAN RIVER DRIVE, SUITE A  
SACRAMENTO, CALIFORNIA 95825  
TELEPHONE (916) 972-8894

1 CHAIRWOMAN RASMUSSEN: All right. I have a  
2 request to speak from a Ralph Mayo?

3 MR. MAYO: Yes.

4 CHAIRWOMAN RASMUSSEN: Are you available to answer  
5 questions?

6 MR. MAYO: Right.

7 CHAIRWOMAN RASMUSSEN: Are there any questions for  
8 Mr. Mayo?

9 MS. ORDWAY: Move the item.

10 CHAIRWOMAN RASMUSSEN: Item 38 is approved. 39.

11 EXECUTIVE OFFICER DEDRICK: Is a deferment of  
12 drilling obligation for a Solano County gas lease for  
13 Chevron.

14 CHAIRWOMAN RASMUSSEN: Arthur Boehm, Jr. is also  
15 here from Chevron to answer questions.

16 MR. BOEHM: Correct.

17 CHAIRWOMAN RASMUSSEN: Any questions of staff?

18 MS. ORDWAY: No.

19 CHAIRWOMAN RASMUSSEN: Item 39 is approved. Item  
20 40.

21 EXECUTIVE OFFICER DEDRICK: 40 is an approval  
22 of geophysical survey permit on Joice Island in the Delta  
23 for Chevron Corporation.

24 CHAIRWOMAN RASMUSSEN: Any questions?

25 MS. ORDWAY: Move the item.

**PETERS SHORTHAND REPORTING CORPORATION**

3433 AMERICAN RIVER DRIVE, SUITE A  
SACRAMENTO, CALIFORNIA 95825  
TELEPHONE (916) 872-8094

1 CHAIRWOMAN RASMUSSEN: Item 40 is approved. 41.

2 EXECUTIVE OFFICER DEDRICK: And 41 is approval of  
3 assignment of mineral extraction lease from Construction  
4 Aggregates to Construction Aggregates.

5 CHAIRWOMAN RASMUSSEN: Any questions on 41?

6 MS. ORDWAY: No.

7 CHAIRWOMAN RASMUSSEN: 41 is approved. Item 42.

8 EXECUTIVE OFFICER DEDRICK: Item 42 is approval  
9 of a four-month dredging permit for a maintenance dredging  
10 in a marina in Marin County. The only thing unusual about  
11 this is that the applicants have requested that the Commission  
12 do a study as to the advisability of continuing to charge  
13 for dredger spoils which are not used commercially; that is  
14 to say, it's dumped in the Alcatraz Dump instead of put on  
15 land. I would recommend that we go ahead with a study.

16 The applicants have agreed to pay under protest  
17 the 15 cubic yard charged. And we recommend that if, in  
18 fact, the Commission decides to change that policy, that  
19 his deposit should be returned.

20 CHAIRWOMAN RASMUSSEN: Okay. It seems to me that  
21 maybe the question here is if lessor/lessee gets any sort  
22 of consideration from the spoils, receive any sort of  
23 profit or anything --

24 EXECUTIVE OFFICER DEDRICK: That --

25 CHAIRWOMAN RASMUSSEN: -- but I have no problem.

**PETERS SHORTHAND REPORTING CORPORATION**

3433 AMERICAN RIVER DRIVE, SUITE A  
SACRAMENTO, CALIFORNIA 95825  
TELEPHONE (916) 972-8894

1 with the staff's proposal. Item 42 is approved.

2 Item 43.

3 EXECUTIVE OFFICER DEDRICK: This is the revised  
4 revenue estimates. And I wonder if you'd like to hear from  
5 Mr. Thompson, who's bringing us this good news.

6 CHAIRWOMAN RASMUSSEN: Sure. We could use some  
7 good news.

8 MR. THOMPSON: Well, I'll tell you the estimates,  
9 but give you no guarantee. Things do look better; primarily  
10 this is because of changes in the oil rate in the Long  
11 Beach unit and past expenditures approved by the  
12 Commission. Our building funds were approved at that time.  
13 We had short-term payouts. But the rate is even better  
14 now, so our rate of return is very, very attractive.

15 Of course, the equity change also accounts for  
16 about \$20 or \$25 million primarily from Tract 1 and Tract  
17 2 of the Long Beach Unit.

18 CHAIRWOMAN RASMUSSEN: Good news.

19 MS. ORDWAY: You can come back with news like  
20 that every month.

21 MR. THOMPSON: Yes.

22 CHAIRWOMAN RASMUSSEN: Item 43 is approved. Item  
23 44.

24 EXECUTIVE OFFICER DEDRICK: All right. This is a  
25 subsidence question and, again, Moose has something that he

1 needs to present for the record, the City of Long Beach.

2 MR. THOMPSON: Every six months we run ground  
3 elevation surveys for hundreds of benchmarks in the Long Beach  
4 area. We start over here with the benchmark and take a  
5 stable and then across this area.

6 What this is is a summation of 19 years cumulative  
7 change in these benchmarks. What this shows is between  
8 this area (indicating) and this small area everything is  
9 now higher than it was 19 years ago. So, in effect,  
10 nothing we've done at Long Beach --

11 MS. ORDWAY: I'm not going to ask why. I just --

12 MR. THOMPSON: Nothing we've done has caused the  
13 land to go down. That's the main point I want to make.

14 CHAIRWOMAN RASMUSSEN: All right. Thank you. Are  
15 there any questions on 44?

16 MS. ORDWAY: No.

17 CHAIRWOMAN RASMUSSEN: 44 is approved. Item 45.

18 MR. TROUT: 45 is the delegation from the  
19 Commission to the Executive Officer for well approvals or  
20 geothermal wells as she has under your prior blanket  
21 authority the ability to further delegate that to various  
22 enumerated people, including Mr. Thompson.

23 CHAIRWOMAN RASMUSSEN: Any questions?

24 MS. ORDWAY: No.

25 CHAIRMAN RASMUSSEN: All right. No questions on



1 that. 45. 46.

2 MR. TROUT: You might take up 46 and 47 together,  
3 because they relate.

4 CHAIRWOMAN RASMUSSEN: All right.

5 MR. TROUT: For a long time we've had an ongoing  
6 problem with HKM Investments, which is Timber Cove Lodge up  
7 a South Tahoe.

8 After a continued amount of struggle, we finally  
9 resolved the litigation and, so, we ask your approval of  
10 the stipulation of judgment in the litigation and then the  
11 approval of the issuance of a lease to the upland owner  
12 for the pier and other uses there.

13 CHAIRWOMAN RASMUSSEN: All right. Do we have to  
14 do that in a specific order then?

15 MR. TROUT: You can approve them together.

16 CHAIRWOMAN RASMUSSEN: All right. Are there any  
17 questions?

18 MS. ORDWAY: No.

19 CHAIRWOMAN RASMUSSEN: 46 and 47 are both  
20 approved. Item 48.

21 MR. HIGHT: 48 is a disclaimer of compensation  
22 but not of interest in an area under the New Melones Dam.

23 EXECUTIVE OFFICER DEDRICK: I wanted him to say  
24 how you can sue 140 acres.

25 MS. ORDWAY: They have a very good lawyer.

**PETERS SHORTHAND REPORTING CORPORATION**

3433 AMERICAN RIVER DRIVE, SUITE A  
SACRAMENTO, CALIFORNIA 95825  
TELEPHONE (916) 972-8004

1 (Laughter)

2 MR. TROUT: The good ones are when its U.S. vs.  
3 .00165 acres or something like that.

4 CHAIRWOMAN RASMUSSEN: Any questions on this one?

5 MS. ORDWAY: No.

6 CHAIRWOMAN RASMUSSEN: 48 is approved. 49.

7 MR. TROUT: Item 49 is an exchange involving the  
8 State Lands Commission and the Department of Water & Power  
9 for some land. It involves the land around Owens Lake.

10 CHAIRWOMAN RASMUSSEN: Any questions?

11 MS. ORDWAY: No.

12 CHAIRWOMAN RASMUSSEN: 49 is approved. 50.

13 MR. TROUT: 50 is approval of the legal sufficiency  
14 of the boundaries of a proposed annexation to the City of  
15 Carlsbad.

16 The Commission will also have to approve the  
17 annexation itself at some future time. We're not all that  
18 certain of the tidal conditions there, so we're asking  
19 only that you approve the sufficiency of the legal  
20 description.

21 CHAIRWOMAN RASMUSSEN: Questions?

22 MS. ORDWAY: Uh-uh.

23 CHAIRWOMAN RASMUSSEN: 50 is approved. 51.

24 EXECUTIVE OFFICER DEDRICK: 51 is approval of the  
25 compromise title settlement on 12 acres of land in Redwood

**PETERS SHORTHAND REPORTING CORPORATION**

3433 AMERICAN RIVER DRIVE, SUITE A  
SACRAMENTO, CALIFORNIA 95025  
TELEPHONE (916) 972-8864

1 City in San Mateo County. In this capacity you will be  
2 sitting in your capacity as Land Bank trustee to accept the  
3 funds from this transfer.

4 CHAIRWOMAN RASMUSSEN: Any questions?

5 MS. ORDWAY: No.

6 CHAIRWOMAN RASMUSSEN: We're always willing to  
7 accept money.

8 51 is approved. 52.

9 EXECUTIVE OFFICER DEDRICK: This is approval of  
10 the compromise title settlement with the City of Newark.  
11 Is this also a trust?

12 MR. HIGHT: Yes.

13 EXECUTIVE OFFICER DEDRICK: This is, again, a  
14 case of where you receive the money as Land Bank trustees.

15 CHAIRWOMAN RASMUSSEN: Questions on 52?

16 MS. ORDWAY: Uh-uh.

17 CHAIRWOMAN RASMUSSEN: 52 is approved. 53?

18 MS. ORDWAY: It's off calendar.

19 CHAIRWOMAN RASMUSSEN: 53 is off calendar.

20 EXECUTIVE OFFICER DEDRICK: 53 is off calendar.  
21 54 is a request from the State Lands Commission staff for  
22 modification of criteria for deeming applications complete  
23 so that we can include a fully executed agreement for the  
24 reimbursement of costs associated with environmental analysis--  
25 analyses prior to deeming an application complete.

**PETERS SHORTHAND REPORTING CORPORATION**

3433 AMERICAN RIVER DRIVE, SUITE A  
SACRAMENTO, CALIFORNIA 95825  
TELEPHONE (916) 972-8894

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

CHAIRWOMAN RASMUSSEN: Any questions?

MS. ORDWAY: No.

CHAIRWOMAN RASMUSSEN: That item is approved.

Anything else? The meeting is adjourned.

Thank you.

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

--oOo--

CERTIFICATE OF SHORTHAND REPORTER

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

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

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 29th day of August, 1984.

*Nadine J. Parks*

Nadine J. Parks  
Shorthand Reporter