

was adopted authorizing the Acting Executive Officer to enter into a fifteen year standard lease with the County of San Luis Obispo for approximately 3,300 acres of tide and submerged lands in the upper portion of Morro Bay and its entrance into the Pacific Ocean. Said lease, in addition to the standard provisions, is to specifically contain the following terms and conditions:

- a. Payment by the County of San Luis Obispo to the State Lands Commission as rental for the properties located in and about the Morro Bay area, the sum of \$2,000.00 per year, plus fifty percent of the gross income received from sublessees over a gross income amount of \$5,000.00 per year, the rental from the Roberts-Carver lease (No. F.R.C. 207), other than the first and last years' rental heretofore paid to the State, to be included in the gross receipts to the County.
- b. Right of the County of San Luis Obispo to use gross income received by it and retained after payment of rental, said moneys to be placed in a fund to be expended wholly for public development of State lands connected with harbor development anywhere within the limits of San Luis Obispo County.
- c. Filing by the County of San Luis Obispo of copies of all subleases entered into between itself and private groups, with the State Lands Commission, it being understood that the County will attempt to set equitable rates for similar types of activity, and to keep rates from being so high as to retard public development in the area leased.

13. (Request for Publication of Notice to Receive Bids for Purpose of Extracting Minerals from a Right of Way Lease on Owens Lake)
The Commission was informed that lessees under leases issued pursuant to Chapter 612, Statutes of 1911, are paying a statutory royalty of twenty-five cents per ton for minerals extracted from Owens Lake. This Statute reserves to the Legislature the right to change the royalty. Further legislation is necessary to make lessees under the

1911 Act and Public Resources Code procedure for new leases, competitive. Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Acting Executive Officer to publish a notice of intention to receive bids for a right of way lease for the purpose of extraction of minerals from Owens Lake. Said notice to recite that the Commission reserves the right to reject any and all bids, and that no bids will be accepted of less than a minimum of fifty cents per ton for all minerals extracted under any lease entered into pursuant to said notice.

14. (Owens Lake Litigation - Request for Deficiency Appropriation)
The Commission was informed that a letter had been received from the Attorney General advising that he had incurred for the prosecution of the People of the State of California vs. City of Los Angeles (Owens Lake Litigation) a deficiency in the amount of \$30,000.00 over the \$52,000.00 heretofore provided by the Commission. The Attorney General anticipates that an additional sum of \$20,000.00 over this deficiency will be required to complete the prosecution of this case. Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Acting Executive Officer to request the Director of Finance to approve a deficiency allotment of \$50,000.00, should the Director determine that such an additional sum is necessary.

15. (Survey of Tide and Submerged Land Values for Rental Determination)
A brief discussion was held with regard to determination of a method for fair and equitable rental to be charged on tide and submerged lands. Upon motion duly made and unanimously carried, a resolution was adopted deferring formal action pending submission of a further report by the Acting Executive Officer as to equitable rates to be applied to appraisals for rental determination.

16. (Proposed Oil Development on Tide and Submerged Lands in the City of Long Beach Adjacent to Orange County Line) After the appearance of three members of the City Council of Long Beach, together with Mayor Herbert E. Lewis, City Manager Samuel Vickers, and Deputy City Attorney Nowland M. Reid, before the Commission to discuss a mutually satisfactory plan for oil development of tide and submerged lands adjacent to Alamitos Bay, request was made that the City of Long Beach submit the proposed plan in writing to the Commission. Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Acting Executive Officer, upon receipt of the Long Beach Plan, to request an opinion from the Attorney General as to the rights of the State in connection with the legal problems involved in such development.