

MINUTE ITEM

13. CONSIDERATION OF SUBSIDENCE COSTS - L.B.W.O. 10,026 (209).

After consideration of Calendar Item 23 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE COMMISSION DETERMINES THE SUBSIDENCE COSTS SUBSEQUENT TO APRIL 1, 1956 AND THE STATE'S SHARE OF SUCH SUBSIDENCE COSTS IN THE PORT OF LONG BEACH AUTHORIZED FUND EXPENDITURE NO. 209 DEDUCTIBLE FROM THE OIL REVENUE PAYABLE TO THE STATE UNDER THE PROVISIONS OF SECTION 5(a) (1) OF CHAPTER 29, STATUTES OF 1956, 1ST E.S., TO BE AS SHOWN ON EXHIBIT "A" ATTACHED HERETO AND HEREBY MADE A PART HEREOF; AND THAT THE EXECUTIVE OFFICER, THE ASSISTANT EXECUTIVE OFFICER, OR THE SUPERVISING MINERAL RESOURCES ENGINEER ARE AUTHORIZED ON THE BASIS OF THIS DETERMINATION TO EXECUTE APPROPRIATE WRITTEN INSTRUMENTS REQUIRING THAT ADJUSTMENTS TO EXISTING ACCOUNTS ON THE WORK CONSIDERED HEREIN BE MADE IN FAVOR OF THE STATE OF CALIFORNIA OR THE CITY OF LONG BEACH AS MAY BE NECESSARY TO FINALLY CLOSE SUCH ACCOUNTS.

Attachment

Calendar Item 23 (2 pages)

CALENDAR ITEM

23.

CONSIDERATION OF SUBSIDENCE COSTS - L.B.W.O. 10,026(209).

On January 10, 1957 (Minute Item 28, page 2982) and on July 15, 1957 (Minute Item 19, page 3355), the Commission approved the costs expended by the City of Long Beach for contractor and force account payments on subproject "Pier A East, South Maine Avenue Improvement" AF# 209.

The approvals on the above-listed project were made subject to the condition, in part, that the amounts, if any, of each of the items to be allowed ultimately as subsidence costs, deductible under Section 5(a) of Chapter 29, Statutes of 1956, 1st E.S., will be determined by the Commission upon an engineering review and final audit subsequent to the time when the work under any of these items is completed.

For the above-listed project, the work has been completed, final costs collected and transmitted to the staff by the Long Beach Harbor Department, and the above-stated final engineering review and audit has been made by the staff with results summarized in Exhibit "A" attached hereto.

Current accounts have been maintained during the progress of the work on this project by allowing deductions of estimated subsidence costs from monthly oil revenue remittances to the State. Such approximate existing accounts will be adjusted and closed on the basis of results of an engineering review and final audit as shown on Exhibit "A" attached.

On March 25, 1959, Long Beach Harbor Department was made aware of the results of the subject studies and more detailed discussion was invited, if desired. In letter dated November 25, 1959, the Harbor Department indicated agreement with the amounts set forth in attached Exhibit "A".

IT IS RECOMMENDED THAT THE COMMISSION DETERMINE THE SUBSIDENCE COSTS SUBSEQUENT TO APRIL 1, 1956 AND THE STATE'S SHARE OF SUCH SUBSIDENCE COSTS IN THE PORT OF LONG BEACH AUTHORIZED FUND EXPENDITURE NO. 209 DEDUCTIBLE FROM THE OIL REVENUE PAYABLE TO THE STATE UNDER THE PROVISIONS OF SECTION 5(a) (1) OF CHAPTER 29, STATUTES OF 1956, 1ST E.S.; TO BE AS SHOWN ON EXHIBIT "A" ATTACHED HERETO AND HEREBY MADE A PART HEREOF; AND THAT THE EXECUTIVE OFFICER, THE ASSISTANT EXECUTIVE OFFICER, OR THE SUPERVISING MINERAL RESOURCES ENGINEER BE AUTHORIZED ON THE BASIS OF THIS DETERMINATION TO EXECUTE APPROPRIATE WRITTEN INSTRUMENTS REQUIRING THAT ADJUSTMENTS TO EXISTING ACCOUNTS ON THE WORK CONSIDERED HEREIN BE MADE IN FAVOR OF THE STATE OF CALIFORNIA OR THE CITY OF LONG BEACH AS MAY BE NECESSARY TO FINALLY CLOSE SUCH ACCOUNTS.

Attachment
Exhibit "A"

EXHIBIT "A"

SUBSIDENCE COST DETERMINATION

RESULTS OF ENGINEERING REVIEW AND FINAL AUDIT UPON COMPLETION

OF THE WORK

<u>AFE</u> <u>No.</u>	<u>L.B.W.O.</u>	<u>Title</u>	<u>Total</u> <u>Subsidence</u> <u>Deductions from</u> <u>Remittance of</u> <u>Oil Revenue*</u>	<u>Determination</u> <u>of</u> <u>Allowable</u> <u>Subsidence</u> <u>Deductions</u>	<u>Credit</u> <u>Due</u> <u>State</u>
209	10,026(209)	Pier A East, South Maine Avenue Improvement	\$21.45	-0-	\$21.45

* Actual deductions made on the basis of estimates by the Long Beach Harbor Department of the amount of subsidence costs in the project.