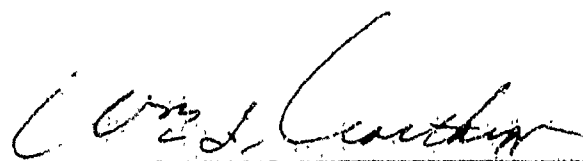


## 1. LONG BEACH TRUST ACCOUNTING

A report on the current status of negotiations with the City of Long Beach regarding tideland oil accounting problems was made to the Commission by the Division and the Office of the Attorney General.

The Commission unanimously approved that the following resolution be adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO EXECUTE A STIPULATION SUBSTANTIALLY IN THE FORM ATTACHED HERETO AS EXHIBIT "A"; IN THE EVENT THAT SAID STIPULATION IS NOT AUTHORIZED AT THE NEXT REGULAR MEETING OF THE LONG BEACH BOARD OF HARBOR COMMISSIONERS AND THE LONG BEACH CITY COUNCIL, AND IMMEDIATELY THEREUPON EXECUTED BY THE APPROPRIATE OFFICERS OF THE BOARD OF HARBOR COMMISSIONERS AND THE CITY, THE OFFICE OF THE ATTORNEY GENERAL, IN CONJUNCTION WITH THE STATE LANDS DIVISION, SHALL FILE AN ACCOUNTING ACTION AGAINST THE CITY OF LONG BEACH AND SAID HARBOR COMMISSION WITH REGARD TO LONG BEACH TIDELAND OIL REVENUE; IN THE EVENT THAT SAID STIPULATION IS EXECUTED, THE STATE LANDS DIVISION AND THE OFFICE OF THE ATTORNEY GENERAL ARE AUTHORIZED TO CONDUCT NEGOTIATIONS WITH THE CITY OF LONG BEACH AND THE LONG BEACH BOARD OF HARBOR COMMISSIONERS REGARDING A SETTLEMENT OF OUTSTANDING TIDELAND OIL ACCOUNTING MATTERS AND TO REPORT BACK TO THE COMMISSION AT THE NEXT COMMISSION MEETING; THE STATE LANDS DIVISION STAFF AND OFFICE OF ATTORNEY GENERAL ARE AUTHORIZED TO TAKE WHATEVER ACTION NECESSARY AND APPROPRIATE WITH REGARD TO LONG BEACH ACCOUNTING PROBLEMS TO ACCOMPLISH THE FOREGOING.



WILLIAM F. NORTHROP  
EXECUTIVE OFFICER

EXHIBIT "A"

A G R E E M E N T

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1. Parties: The parties to this agreement are the CITY OF LONG BEACH, a municipal corporation and trust grantee of the State of California of certain tide and submerged lands (hereinafter referred to as "CITY"), and the STATE OF CALIFORNIA, acting by and through the State Lands Commission (hereinafter referred to as "STATE").

2. Recitals: This agreement is made with reference to the following facts:

(a) Several disputes have arisen between the CITY and the STATE regarding the interpretation of certain provisions of Chapter 138, Statutes of 1964, First Extraordinary Session; Chapter 29, Statutes of 1956, First Extraordinary Session, as amended by Chapter 1398, Statutes of 1963; the agreement between the CITY and STATE dated October 27, 1966 and CITY's accounting procedures and practices pertaining to oil revenues. The disputes presently being negotiated include but are not necessarily limited to the following commonly referred to matters: land rentals, interest on oil revenue, interest of L.B.O.D. property tax fund, six percent administrative overhead charge, amortizations on general facilities and water supply and injection facilities, subsidence projects, lease fuel processing charge, Fault Block V advanced costs, lease fuel transport charge and equity adjustments for Tract 1 of the Long Beach unit.

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(b) OF the several disputes, some have been resolved by the parties hereto. In order to afford each of the parties an opportunity to further review and discuss the various legal questions and factual situations relating to the unresolved disputes, an additional period of time will be required.

(c) The parties acknowledge that it is in their mutual interest to expend additional efforts to resolve all such disputes.

(d) The City Council of the City of Long Beach by a minute order made on \_\_\_\_\_, 1976 approved the following agreement and authorized the City Manager to execute the same.

(e) The Board of Harbor Commissioners of the Port of Long Beach by minute order made on \_\_\_\_\_, 1976 approved the following agreement and authorized the General Manager of the Harbor Department to execute the same.

(f) The State Lands Commission by a minute order dated \_\_\_\_\_, 1976 approved the following agreement and authorized the Executive Officer of the State Lands Commission to execute the same.

3. Tolling of Statute of Limitations: The parties hereto stipulate and agree that during the period commencing with the effective date of this agreement to and including the thirtieth day following the date of termination hereof, the applicable statute of limitations of the STATE's claims

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OFFICE OF THE ATTORNEY GENERAL

1 against the CITY and the CITY's claims against the STATE  
2 shall be tolled. This stipulation shall not be construed  
3 by any party hereto as a waiver of the right to assert in  
4 legal proceedings commenced after the termination hereof, the  
5 applicability or inapplicability of the defenses of the  
6 statute of limitations, laches, waiver or estoppel to any of  
7 the above mentioned disputes.

8 4. Effective Date: The effective date of this agreement shall  
9 be \_\_\_\_\_, 1976.

10 5. Termination: In the event the parties are unable to resolve  
11 the several disputes and enter into a written settlement  
12 agreement within seventy-five (75) days from the effective  
13 date, this agreement shall terminate without further notice  
14 unless one of the parties hereto notifies the other of its  
15 desire to extend the period by an additional seventy-five  
16 (75) days. If the parties are unable to fully resolve all  
17 of the several disputes within this additional seventy-five  
18 (75) day period, this agreement shall terminate.

19 6. State Lands Commission Action: The parties hereto further  
20 stipulate and agree that within thirty (30) days after the  
21 date of termination of this agreement, the State Lands  
22 Commission shall make a determination whether the costs and  
23 expenditures relating to various subsidence projects listed  
24 on Schedule "A" attached hereto and by this reference made  
25 a part hereof, and more fully described in certain  
26 Engineering Reviews of Subsidence Expenditures heretofore  
27 submitted to the State Lands Division shall be deducted

1 from oil revenues in accordance with the provisions of  
2 Chapter 138, Statutes 1964, First Extraordinary Session.  
3 STATE shall promptly notify CITY in writing of said deter-  
4 mination. In the event the State Lands Commission fails to  
5 make said determination and notify CITY thereof within said  
6 thirty (30) day period, such inaction shall be deemed a  
7 determination as to each of projects listed on Schedule "A"  
8 that the costs and expenditures thereof are not subsidence  
9 costs within the meaning and context of the provisions of  
10 said Chapter 138.

11 7. Stay of Commencement of Court Proceedings: STATE agrees to  
12 stay the commencement of any legal proceedings upon its  
13 claims against CITY until the expiration of the thirty (30)  
14 day period referred to in Paragraph 6 above.

15 8. Notices: All notices to be given hereunder shall be given  
16 to the other party at the address designated below. Any  
17 such notice may be given by depositing the same in a United  
18 States Post Office properly addressed as aforesaid, postage  
19 fully prepaid for delivery by certified mail. Any notice  
20 given hereunder by certified mail shall be deemed as between  
21 the parties hereto to have been fully given and delivered for  
22 all purposes at the expiration of seventy-two (72) hours  
23 after the same is deposited in the United States Post Office  
24 for delivery as aforesaid.

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CITY: City Manager  
Room 300 City Hall  
Long Beach, California 90802

STATE: State Lands Commission  
1807 13th Street  
Sacramento, California 95814  
Attention: Executive Officer

CITY OF LONG BEACH, a municipal corporation

\_\_\_\_\_, 1976 By \_\_\_\_\_  
City Manager

BOARD OF HARBOR COMMISSIONERS

\_\_\_\_\_, 1976 By \_\_\_\_\_  
General Manager

STATE OF CALIFORNIA

\_\_\_\_\_, 1976 By \_\_\_\_\_  
Executive Officer  
State Lands Commission

The foregoing Agreement is hereby approved as to form this  
\_\_\_\_\_ day of \_\_\_\_\_, 1976.

LEONARD PUTNAM, City Attorney

By \_\_\_\_\_  
Deputy

EVELLE J. YOUNGER, Attorney General

By \_\_\_\_\_

<u>AFE No.</u>	<u>Project Description</u>	<u>Subsidence Amt.</u>
WO 2981	G. Desmond Bridge (Ent.Chan.Brdg)	\$ 2,518,979.48
534,509	U.S. Army Outport Terminal	531,181.02
811	P.D.&T., Oil Facility Raising	463,221.93
611	Pico Avenue	255,006.23
200	Chan.2,Bths. 84-87, Oil Tank. Term.	137,481.78
678	Chan.2,Bths. 83-87, Addtl. Fills	519,907.51
492	Pier B, Redevelopment	180,417.95
322	Pier A, Diversion Dike Realignment	91,505.07
404	L.A. Co. Sewer Replacement	82,242.86
758	Pier E, Term. Island Storm Drain	97,607.40
820	Pico Service Road	90,003.82
343,583	Pier A, Bths. 3-4, Warehouse, Transit Shed & B.A. Raising	520,221.88
338		
288,290	Piers F & G, Rock and Fill	271,996.71
& 291	Pier A, Berth 11, Redevelopment	56,107.75
438	Water St. Sewer & Sewer Pump Sta.	38,870.61
553,628	Pier A East, Fire Station(&WO4143)	29,940.33
398	Pico Ave. RR, 3rd St. to 8th St.	38,988.90
520	Berth 116 Container Facility	15,349.62
885	Pier E, Bths. 118-119 Oil Terminal	63,685.42
359	Pier A, Office & Gear Shed at Pico & Tank	31,439.32
265	Pier A Avenue Realignment	12,614.99
815		
Water D.	Pico Water Mains	6,323.06
WO 3771	Pier A, Bths. 1-2, T.S. Rehab.	365,874.11
37	Long Beach Freeway Extension	12,249.77
625	Pier C, Development	55,677.73
2 & 3		
Water D.	Pico & 6th St. Fire Hydrant	\$ 2,656.02
WO 2199	Seaside RR Reconstruction	367.96
751	Raise "W" Strip & Seaside Blvd., Terminal Island	307,490.93
460	Pier E, South End, Paving & Devel.	9,347.02
464,528	Pier 2, Berth 55, Redevelopment	48,841.68
271	Pier 1, Bths. 48-50, Transit Shed	43,942.12
118	Pier 1, Approaches	30,796.49
116	Pier B, Berths 12-13, Wharf	154,598.33
30	Pier A, Bths. 1-2, Wharf Recon.	229,397.84
38	Pier A East, New Administration Building	115,514.24
270	Piers G & J Extensions (Rock & Fill)	774,334.46
831,832		
TOTALS		<u>88,204,182.34</u>

SCHEDULE "A"