

This Calendar Item 37
was considered at the meeting
held on 12-20-78
at 0 o'clock
to 0 o'clock
meeting.

MINUTE ITEM

12/78
Thompson

37. CLOSING ACCOUNTS OF EXPENDITURES OF TIDELAND OIL REVENUE FOR SUBSIDENCE REMEDIAL WORK - CITY OF LONG BEACH

During consideration of Calendar Item 37, attached, Mr. William F. Northrop, Executive Officer, stated the City of Long Beach had requested the following two letters be incorporated into the record and considered along with the staff's recommendation:

1. Letter dated December 15, 1978, from C. T. Johnson, Port of Long Beach, to William F. Northrop, enclosing letter dated December 4, 1978 from C. T. Johnson to William F. Northrop;
2. Letter December 19, 1978 from C. T. Johnson, Port of Long Beach, to W. M. Thompson.

Based on the fact that the dispute is a no-win situation, the cost of additional letters and continued negotiation by the City are borne 100 percent by the State, and the cost of additional arguing with the City on this matter would cost much more than the \$352.93 involved, the Commission accepted the City of Long Beach's determination of subsidence costs in this project of \$5,495.37 with an adjustment due the State of \$3,843.52. However, the Commission stressed to the staff to advise the City that their decision was a fiscal rather than a policy approval and their attitude on future subsidence items would not be as liberal.

Upon motion duly made and carried, the Commission adopted the following resolution by a vote of 3-0:

THE COMMISSION ACCEPTED THE DETERMINATION BY THE CITY OF LONG BEACH OF SUBSIDENCE COSTS IN THIS PROJECT OF \$5,495.37 WITH AN ADJUSTMENT DUE THE STATE OF \$3,843.52.

Attachment: Calendar Item 37 (3 pages)

A 52, 57, 58

S 27, 31

CALENDAR ITEM

37.

12/78
W 10307
Thompson

CLOSING ACCOUNTS OF EXPENDITURES OF TIDELAND
OIL REVENUE FOR SUBSIDENCE REMEDIAL WORK
CITY OF LONG BEACH

SUBSIDENCE REMEDIAL PROJECT:

Windham Avenue Rehabilitation.

FISCAL IMPACT: Allowable tideland oil revenue expenditure for the project is \$5,142.44, which results in a credit adjustment of \$4,196.45 due the State.

COMMISSION PRIOR APPROVAL:

1. March 31, 1975, Minute Item 21 (Prelim. Engr. Studies).
2. June 23, 1975, Minute Item 9 (Prelim. Engr. Studies).
3. August 21, 1975, Minute Item 22 (1st Phase Costs).

CONDITIONS FULFILLED:

1. That the amounts, if any, of each of the items to be allowed ultimately as subsidence costs, deductible under Section 4(d) of Chapter 138/64, 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. The work has been completed, an engineering review conducted and a final audit of project accounts made.
2. That the work conform in essential details to the plans and background material submitted. The work has so been accomplished.

EXHIBIT:

- A. Subsidence Cost Determination, Results of Engineering Review and Final Audit upon Completion of the Work.

A 52, 57, 58

S 27, 31

CALENDAR ITEM NO. 37. (CONTD)

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT THE SUBSIDENCE COSTS DEDUCTIBLE FROM TIDELAND OIL REVENUE UNDER PROVISIONS OF SECTION 4(d) OF CH. 138/64, 1ST E.S., FOR PORT OF LONG BEACH AUTHORIZED FUND EXPENDITURE NUMBER 1095 ARE SHOWN IN EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF; AND
2. ON THE BASIS OF THIS DETERMINATION, AUTHORIZE THE EXECUTION OF WRITTEN INSTRUMENTS TO FINALLY CLOSE SUCH ACCOUNTS.

EXHIBIT "A"SUBSIDENCE COST DETERMINATION
RESULTS OF ENGINEERING REVIEW AND FINAL AUDIT
UPON COMPLETION OF THE WORK

<u>LBHD AFE</u>	<u>LBWO NO.</u>	<u>PROJECT TITLE</u>	<u>AMOUNT REPORTED AS SUBSIDENCE COSTS</u>	<u>DETERMINATION OF ALLOWABLE SUBSIDENCE COSTS</u>	<u>CREDIT DUE STATE</u>
1095	W10307	Windham Avenue Rehabilitation	\$ 9,338.89	\$ 5,142.44	\$ 4,196.45