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MEETING  
STATE LANDS COMMISSION

STATE CAPITOL  
ROOM 2117  
SACRAMENTO, CALIFORNIA

ORIGINAL

WEDNESDAY, MAY 10, 1978

10:10 A.M.

Kathleen M. Reed  
CSR License No. 3486

MEMBERS PRESENT

1  
2 Mr. Sidney McCausland, representing Mr. Roy M. Bell, Member  
3 Ms. Betty Jo Smith  
4

MEMBERS ABSENT

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6 Mr. Kenneth Cory, Chairman  
7

STAFF PRESENT

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9 Mr. David K. Hayward, Assistant Manager, Long Beach  
Operations  
10

11 Mr. William F. Northrup, Executive Officer

12 Mr. Jack Rump, staff counsel

13 Mr. Brian Sway, legislative coordinator

14 Ms. Diane Jones, Secretary  
15

AUSO PRESENT

16 Mr. Richard Frank, Deputy Attorney General

17 Mr. Alan Hager, Deputy Attorney General

18 Mr. N. Gregory Taylor, Assistant Attorney General  
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ACTING CHAIRMAN McCAUSLAND: I will call this meeting of the State Lands Commission to order.

Without objection, we will recess the open session and go into Executive Session, where we will discuss two related items.

BOARD MEMBER SMITH: No objection.

ACTING CHAIRMAN McCAUSLAND: We are now in Executive Session.

MR. TAYLOR: Well, Mr. Chairman, the basis for that is because of the effect on pending and contemplated litigation.

ACTING CHAIRMAN McCAUSLAND: Counsel has noted for the record that the purpose for calling the Executive Session is to discuss potential impacts on pending litigation.

EXECUTIVE OFFICER NORTHRUP: We're going to go back into regular session so if there's a place where we can contact you if you want to come back, we'd be happy to do it.

BOARD MEMBER SMITH: Who are the gentlemen seated in the audience?

EXECUTIVE OFFICER NORTHRUP: We have in the audience Dave Hayward from our Long Beach office, John Parkin from the City of Long Beach -- which will be

1 concerned about the first item -- Brian Sway, our legislative  
2 person who will be concerned about our second item, Rick  
3 Frank from the Attorney General's office, and you know Alan  
4 and the ones at the table.

5 BOARD MEMBER SMITH: And there's no problem with  
6 them staying through the Executive Session?

7 EXECUTIVE OFFICER NORTHRUP: No, because he's --  
8 well, I talked to Greg about that earlier.

9 Greg, why don't you explain?

10 MR. TAYLOR: There's no problem with Mr. Parkin's  
11 being here for the first item since it's common litigation.

12 I believe that at this point the matter should go  
13 off the record.

14 ACTING CHAIRMAN McCAUSLAND: All right. If the  
15 court reporter would be willing to excuse herself for a  
16 while, we will ask you to rejoin us in about twenty minutes.

17 (Thereupon the open session of the State Lands  
18 Commission meeting was recessed, and the Board  
19 went into Executive Session.)

20 ACTING CHAIRMAN McCAUSLAND: The session of the  
21 State Lands Commission is called back into order.

22 During the Executive Session we discussed several  
23 matters related to the sale of the oil in which the state  
24 has an interest. As a result of that discussion, which did  
25 have a significant bearing on existing and potential

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1 litigation, we proposed a resolution which I'd like to read:

2 "BE IT RESOLVED that the State Lands  
3 Commission authorizes the Executive  
4 Officer to prepare all necessary and  
5 appropriate documentation, including  
6 supporting factual material, for  
7 obtaining all necessary federal  
8 permits to sell any oil available to  
9 the State of California to foreign  
10 companies for export.

11 "The Executive Officer is also  
12 authorized to commence discussions  
13 with foreign companies for the purpose  
14 of assessing the nature and extent  
15 of their interest in purchasing  
16 crude oil from the State.

17 "The City of Long Beach is authorized  
18 to take similar action with regard to  
19 any tidelands oil that may be available  
20 for sale by the City.

21 "When the necessary federal permits have  
22 been obtained the Commission will approve  
23 notices inviting bids, bid forms, and  
24 crude oil sales contracts to be used  
25 in offering the oil for competitive

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1 bidding under circumstances where foreign  
2 companies are permitted to bid."

3 Is there discussion on the proposed regulation?

4 BOARD MEMBER SMITH: I move that we adopt the  
5 proposed regulation.

6 ACTING CHAIRMAN McCAUSLAND: It's moved and  
7 seconded and adopted without objection.

8 Is there any further business to come before the  
9 Commission?

10 If not, the meeting is adjourned.

11 (Thereupon the meeting of the State Lands  
12 Commission was adjourned at 11:06 a.m.)

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CERTIFICATE OF SHORTHAND REPORTER

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2  
3 I, Kathleen M. Reed, a Certified Shorthand  
4 Reporter of the State of California, do hereby certify:

5 That I am a disinterested person herein; that  
6 the foregoing State Lands Commission Meeting was reported  
7 in shorthand by me, Kathleen M. Reed, and thereafter  
8 transcribed into typewriting.

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

12 IN WITNESS WHEREOF, I have hereunto set my  
13 hand this 15th day of June, 1978.

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18 KATHLEEN M. REED  
19 Certified Shorthand Reporter  
20 License No. 3486  
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