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MEETING

STATE LANDS COMMISSION
STATE OF CALIFORNIA

STATE CAPITOL
ROOM 447
SACRAMENTO, CALIFORNIA

THURSDAY, DECEMBER 22, 1983
9:30 A.M.

ORIGINAL

Cathleen Slocum, C.S.R.
License No. 2822

PETERS SHORTHAND REPORTING CORPORATION

3433 AMERICAN RIVER DRIVE, SUITE A
SACRAMENTO, CALIFORNIA 95825
TELEPHONE (916) 972-8894

MEMBERS PRESENT

1
2 Leo T. McCarthy, Lieutenant Governor, Acting Chairperson
3 Nancy Ordway, representing Michael Franchetti,
4 Director of Finance
5 Elizabeth Rasmussen, representing Ken Cory, State Controller

MEMBERS ABSENT

6
7
8 NONE

STAFF PRESENT

9
10
11 Claire Dedrick, Executive Officer
12 James Trout, Assistant Executive Officer
13 Robert Hight
14 Lance Kiley
15 Al Willard
16 W. M. Thompson
17 Larry Suetta
18 Judy Markell, Secretary

ALSO PRESENT

19
20
21 Jan Stevens, Deputy Attorney General
22 N. Gregory Taylor, Deputy Attorney General
23
24
25

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Item 37 - Six-month extension to execute an agreement previously approved

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Commission action

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Item 38 - Authorization to take all steps necessary to bring an existing marina on the Sacramento River under lease

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Item 39 - Augmentation of the contract with the law firm of Lobel, Novins, and Lamont

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Discussion

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Commission action

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Adjournment

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Certificate of Reporter

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PROCEEDINGS

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ACTING CHAIRPERSON McCARTHY: All right. This meeting of the State Lands Commission will come to order.

First item we'd like to confirm the minutes of the November 21st and December 1st meetings. Are there any questions about that? Those minutes are confirmed.

The Executive Officer's Report, Miss Dedrick.

EXECUTIVE OFFICER DEDRICK: Yes, Governor.

We have a couple of items. One is I granted permission to PG&E to perform emergency bank repairs on a levee to protect gas line facilities.

ACTING CHAIRPERSON McCARTHY: Is that microphone on?

EXECUTIVE OFFICER DEDRICK: I'm just not close enough to it probably.

On a levee to protect gas facilities that serve Chico, and you'll love this one. Exploration Engineering who is Larry Durkan hasn't paid his rent. So we've sent him a letter, Sonoma State Hospital Geothermal Well, we've sent him a letter telling him he has to pay his rent. That's it.

ACTING CHAIRPERSON McCARTHY: All right. Thank you.

Let's proceed into the Calendar now.

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1 Are there any matters on the Consent Calendar
2 that anyone wants to raise any questions about in the
3 audience? We're on C2.

4 MR. TROUT: Mr. Chairman, we do need to cover
5 C1 (B), (D) and (E) as part of the Consent Calendar.

6 ACTING CHAIRPERSON McCARTHY: All right. Is
7 there anyone in the audience that wants to question any
8 matter that's on the Consent Calendar before we act on it?

9 EXECUTIVE OFFICER DEDRICK: Other than the two
10 items that are being --

11 ACTING CHAIRPERSON McCARTHY: Other than the
12 two items I announced earlier, C1 (A) and C1 (C). All
13 right. If not, then the Consent Calendar is approved.

14 Now we're on Item Number 19. C1 (A) was merged,
15 pardon me, C1 (C) was merged into Item Number 19.

16 EXECUTIVE OFFICER DEDRICK: Would you like to
17 do C1 (A) first?

18 ACTING CHAIRPERSON McCARTHY: Yes, please.

19 EXECUTIVE OFFICER DEDRICK: C1 (A) is a five-
20 year rent review for John Ogden and I understand he wants
21 to make a comment.

22 Is that correct?

23 MR. HEATLIE: Right.

24 ACTING CHAIRPERSON McCARTHY: I have a request
25 from James Heatlie.

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MR. HEATLIE: Correct.

ACTING CHAIRPERSON McCARTHY: Representing John Ogden and from John Ogden himself to testify in this matter.

Would you like to come forward at this time.

MR. HEATLIE: I know a little bit about the background of this.

ACTING CHAIRPERSON McCARTHY: Who would like to go first?

EXECUTIVE OFFICER DEDRICK: Let's have your names for the record, please.

MR. OGDEN: I'm John Ogden.

MR. HEATLIE: And I'm Jim Heatlie.

We're complaining about a 500 percent or better increase in the rent. Now, if your landlord did that to you, you'd be here complaining, too, I would think. From \$50 a year to 287.50 works out about that way.

Now, to give you a little background about this. What we're talking about is a wharf across the Petaluma Marsh starting on private land, going on State land, and ending at the river with a float there, 10 by 28 feet, and some way Larry Suetta -- is that the word right? He's not here. Am I pronouncing it right?

MR. KILEY: That's close enough.

MR. HEATLIE: He's appraised the square footage there around 25, 2600 feet and the way we measure things,

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1 it's only about 1100 feet. So right there we have a
 2 discrepancy. To give you a little background, we started
 3 this operation, applied for permits in 1979, went through
 4 all the usual agencies like starting with the Army Engineers,
 5 the BCDC, Regional Bay Quality Water Control, Cal Fish
 6 and Game, Federal Fish and Game, Marin County, State Lands,
 7 EPA, State Water Resources, and also the Black Point
 8 Improvement Club, the Northwestern Pacific Railroad where
 9 this wharf is close to the tracks and adjacent landowners.
 10 We had to satisfy them that we weren't going to tear up
 11 the place or do that which we did and we also cleaned up
 12 the premises.

13 Now, we took out a bunch of shacks. We had to
 14 take out the old wharf, about half of it, pull it out.
 15 This was the State Fish and Game insisted on this. Replace
 16 all this lumber and timber which we did in proper style
 17 with a good float. But to remove all these shacks which
 18 I think should have been done by the State, but the people
 19 have long since passed away. John here spent \$1200 to
 20 have two guys with a pickup truck make many loads of this
 21 debris out of the marsh and he's got pictures to show what
 22 it looks like before and after.

23 So anyway, what we actually want to know, and
 24 I don't know who's going to tell me -- I assumed Larry
 25 would be here and tell me -- is how did he apply the square

1 footage. according to the new scale of rates. Which we
2 have no copy of, so we don't know how much per square foot
3 are we supposed to be paying. You know, we think it's
4 absolutely unfair.

5 MR. OGDEN: We can't use the waterfront.

6 MR. HEATLIE: That's another thing, too. You
7 must remember, because of the siltation in the area, that
8 you can only use this float out there and your boat about
9 half the time because half the time the tide is out. So,
10 you know, we're paying full rate for something we can
11 only use 50 percent of the time. So we do not feel that
12 an increase in that is justified and we'd like you people
13 to justify it, explain us that.

14 EXECUTIVE OFFICER DEDRICK: Mr. Chairman, Lance
15 Kiley is in charge of the Land Management Division and
16 he and Larry Suetta are here. I have no personal knowledge
17 of this particular incident.

18 ACTING CHAIRPERSON McCARTHY: Mr. Kiley.

19 MR. KILEY: Yes, Mr. Chairman. According to
20 the figures that Mr. Suetta has here, there is in fact
21 a use area of 2614 square feet. That ordinarily would
22 include a ten-foot use area around the actual structure
23 and has generally taken the position that that ten-foot
24 use area is included within the area the person is allowed
25 to use around the actual structure itself and we've been

1 doing that as a standard practice on all of our leases
2 for years.

3 The price per square foot is basically 11 cents
4 a square foot. That's based on a bench mark appraisal
5 that was done to bench mark all that particular type of
6 facility within this particular area.

7 The main reason for the 500 percent increase
8 is that this particular lease came up for a five-year
9 rent review and it's jumping from a standard scale flat
10 fee that wasn't related to the square foot used to an
11 appraised value based on the actual ground that's being
12 occupied.

13 EXECUTIVE OFFICER DEDRICK: Lance, I have a
14 question. Have you people discussed all these things?

15 MR. KILEY: I'm not aware if Mr. Suetta has
16 discussed it.

17 MR. OGDEN: No, he has not.

18 MR. HEATLIE: No.

19 MR. SUETTA: I wrote him a letter.

20 MR. OGDEN: I've got the letter. It says nothing.

21 MR. SUETTA: I explained to you though about
22 the way the appraisal was arrived at.

23 EXECUTIVE OFFICER DEDRICK: Mr. Chairman, I think
24 the appropriate thing is to put this over and let me look
25 into it and give these people a chance to plead their case

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at the staff level.

ACTING CHAIRPERSON McCARTHY: Thank you.

MR. HEATLIE: We don't want to stay here all day.

ACTING CHAIRPERSON McCARTHY: Why don't you stick around and let's have a discussion after this commission meeting is over.

MR. HEATLIE: How long will that be approximately?

EXECUTIVE OFFICER DEDRICK: Not long.

ACTING CHAIRPERSON McCARTHY: Probably within 30 minutes.

MR. HEATLIE: Oh, good.

ACTING CHAIRPERSON McCARTHY: All right. We're not saying you're going to get a different result, but we're saying we want to hear what you want to say.

MR. HEATLIE: We want some input.

EXECUTIVE OFFICER DEDRICK: That's fine.

I think you want C1 (C) and 19 now.

ACTING CHAIRPERSON McCARTHY: C1 (C), 19. All right. Go ahead, please.

MR. TROUT: Mr. Chairman, on this item it's a rent review for The Chart Room Marina in Yolo County. The current upland owner is Milton Lane and he is the principal lessee. The rent review would indicate rental increase from \$250 to \$3768 minimum against five percent of the

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1 gross income and three percent -- that's from the docking
 2 facilities -- and three percent from the restaurant and
 3 bar. That's Item C1 (C). Item 19 is to change the reporting
 4 or accounting year to the calendar year so as to make the
 5 bookkeeping easier for the lessee and his sublessee. That's
 6 essentially what the item is about.

7 I don't know whether Mr. Lane or his lessee is
 8 here to speak to the item.

9 ACTING CHAIRPERSON MCCARTHY: Is anyone here
 10 to speak on this item in the audience?

11 What kind of information did we provide to Mr.
 12 Lane?

13 MR. KILEY: We provided him basic information
 14 about the kinds of -- Mr. Lane I don't believe has contested
 15 this. It's just his sublessee.

16 ACTING CHAIRPERSON MCCARTHY: He didn't respond
 17 to the information?

18 MR. KILEY: I really don't know whether he did
 19 or not, Mr. Chairman. I don't believe he made any responses.

20 EXECUTIVE OFFICER DEDRICK: There's been
 21 substantial discussion. The Chart Room is a very popular
 22 place as I'm sure you're aware. They're not contesting
 23 it as far as I know; is that correct?

24 MR. KILEY: Mr. Lane is not contesting it. Mr.
 25 Chastain has had some discussions with staff about the

1 rental and how it was established and we've explained to
2 him as a sublessee how our rents are set. He in fact is
3 on the low side of our rent schedule. We're trying to
4 do what we can for him. But to change his rent from what
5 it is set out here is going to prejudice other leases that
6 we have.

7 ACTING CHAIRPERSON McCARTHY: Was he aware of
8 this meeting of the commission?

9 MR. KILEY: Yes, he was.

10 ACTING CHAIRPERSON McCARTHY: And your last
11 discussion with him occurred when?

12 MR. KILEY: I never have had a discussion with
13 him. One of my Land Agents people have had discussions
14 with him I think up until this last week.

15 ACTING CHAIRPERSON McCARTHY: Okay.

16 Anybody in the audience want to testify on this?

17 Any members of the commission have any questions?

18 Approved, approve the recommendation.

19 Number 20.

20 MR. TROUT: Mr. Chairman, this is the acceptance
21 of a lease quitclaim deed and termination for a marine
22 terminal pipeline in Morro Bay. Texaco originally had
23 a marine terminal which they have since abandoned. The
24 question was what to do with the pipelines on the seabed,
25 whether to leave them in place, to remove them, or just

1 what to do with them. After some public hearings and
 2 involvement of the public, the staff is recommending that
 3 the pipelines be left in place. They are plugged. That
 4 a reef, artificial reef be constructed over the seaward
 5 end of the pipeline. It's a very sandy, almost desert
 6 area from the standpoint of fish life except I understand
 7 from some halibut. That Texaco goes on, retains responsibility
 8 or liability for the existence of the pipeline, but we
 9 will terminate the lease.

10 EXECUTIVE OFFICER DEDRICK: The reef, Commissioners,
 11 is proposed by the Department of Fish and Game and they
 12 think that will substantially improve the wildlife habitat
 13 there.

14 ACTING CHAIRPERSON McCARTHY: Is there anyone
 15 in the audience who wishes to testify on this matter?

16 Any questions from Commissioners?

17 All right. We approve the staff recommendation.

18 EXECUTIVE OFFICER DEDRICK: The next one is a
 19 renewal of a salvage permit for a year I think for the
 20 Brother Jonathan Company which is trying to salvage a
 21 vessel called the Brother Jonathan which is on State lands
 22 in the ocean off Del Norte County.

23 ACTING CHAIRPERSON McCARTHY: Anybody in the
 24 audience have any questions on this?

25 Commissioners?

Approved as requested.

22.

MR. TROUT: 22 is the authorization for staff or the Office of the Attorney General to take action for the removal of a pier near the Tower Bridge in Yolo County. The former lessee has not paid rent and under the terms of the lease is required at the time he leaves the property or quits paying rent to remove the facility. It's our understanding he has not paid the rent and he has not removed the facility. So this would allow us the opportunity, allow staff the opportunity to go ahead and move against the bonding company and take whatever action is necessary either to bring the lease current in terms of rent and operations or to seek removal of the facility.

ACTING CHAIRPERSON McCARTHY: Any questions in the audience?

from Commissioners?

All right. Approved as recommended.

23.

MR. TROUT: 23 involves three parcels of land, school land in the enumerated counties. The Bureau of Land Management is running recreational areas in the desert and these are intermixed State lands. The Bureau of Land Management is attempting to impose some kind of controls on the recreational use that would make for more beneficial

1 use. The idea is to integrate both the State school lands
2 and the BLM lands under single management and we recommend
3 approval. There is no rent. They will in effect police
4 the lands for us and that's the benefit the State gets.
5 Rent may be charged in the future and, if so, this would
6 be part of the operation.

7 ACTING CHAIRPERSON McCARTHY: All right. Any
8 questions from the audience?

9 From Commissioners?

10 EXECUTIVE OFFICER DEDRICK: This is part of our
11 general effort to consolidate management where we can't
12 work exchanges and it is also Lisa Beutler's first major
13 calendar item since she's been with us.

14 ACTING CHAIRPERSON McCARTHY: First achievement
15 here.

16 All right. Approved as recommended.

17 24.

18 MR. TROUT: Mr. Chairman, 24 involves the dredging
19 of up to 10,000 yards from the Yuba River in Marysville.
20 It will be under guidelines adopted by the Department of
21 Fish and Game. The material is necessary to keep a haul
22 road for an authorized sanitary disposal site available
23 during the winter. They need the gravel to keep the road
24 surfaced for the trash dump.

25 ACTING CHAIRPERSON McCARTHY: Any questions from

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the audience?

From the Commissioners?

Approved as recommended.

25.

MR. TROUT: 25 is the approval of subletting of nine geothermal leases in the Sonoma, Lake and Mendocino Counties from one GRI company to another GRI company. It does have tax implications for the company, but not for the State of California.

ACTING CHAIRPERSON McCARTHY: Questions?

COMMISSIONER RASMUSSEN: No money involved?

EXECUTIVE OFFICER DEDRICK: No.

ACTING CHAIRPERSON McCARTHY: Questions from the audience?

From the Commission?

Approved as recommended.

26.

EXECUTIVE OFFICER DEDRICK: This is a use of a blanket bond for certain geothermal leases in the Geysers Steamfield that Union holds. If you want an explanation of that, it's a little bit complex, but Moose Thompson is here.

MR. TROUT: There are a number of different bond amounts for the operations of Union and this would allow them to have a common bond affecting all the parcels and

1 it improves the State's position.

2 ACTING CHAIRPERSON MCCARTHY: All right.

3 Questions from Commissioners?

4 Audience?

5 Approved as recommended.

6 27.

7 MR. TROUT: 27 is the deferment of a drilling
8 obligation. As you recall, under our leases, the
9 applicants or the lessees are required to keep drilling
10 and commence a new well I think within a hundred and twenty
11 days after finishing one. Texaco has completed a well.
12 It hasn't turned out just as they and we had hoped and
13 they want a deferment so they can do additional seismic
14 work before commencing to drill another well. We feel
15 that's an appropriate request.

16 ACTING CHAIRPERSON MCCARTHY: On this one that's
17 the kind we're going to work with the local government
18 authority?

19 EXECUTIVE OFFICER DEDRICK: That's true. Yes.
20 On all of these items, particularly Santa Barbara County,
21 we make sure that Santa Barbara County knows just what's
22 on the calendar and why. We try to do that with all counties,
23 but in Santa Barbara County there's a higher level of
24 interest.

25 MR. THOMPSON: Also, we're trying to fit into

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1 a drilling window here which starts about mid-April. That's
2 the only time they can get their air quality trade-offs.

3 ACTING CHAIRPERSON McCARTHY: All right.
4 Approved.

5 28.

6 MR. TROUT: 28 is the request for an assignment
7 from one Shell Company to another Shell Company of an oil
8 and gas lease in the Oxnard area and one in Suisun Bay.

9 EXECUTIVE OFFICER DEDRICK: Restructuring.

10 MR. TROUT: Restructuring.

11 ACTING CHAIRPERSON McCARTHY: Questions from
12 Commissioners?

13 From the audience?

14 Authorize as recommended.

15 29.

16 MR. TROUT: 29 is an assignment of an interest,
17 of a partial interest in State oil and gas lease from
18 Terra Resources to Oxtex and if you have questions we can
19 get Mr. Thompson to explain it.

20 ACTING CHAIRPERSON McCARTHY: What's the main
21 point in the transaction?

22 MR. HIGHT: Currently, Mr. Chairman, Oxtex and
23 Terra are both lessees and Terra is getting out of the
24 business and Oxtex is getting into it.

25 ACTING CHAIRPERSON McCARTHY: The State's position,

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1 the terms don't change.

2 MR. WILLARD: No. They're obligated under the
3 same terms and conditions of the existing lease. It's
4 a partial assignment of 25 percent interest in the lease
5 below a certain depth, 5500 feet. It's a very limited
6 assignment. It actually affects royalty barrels of about
7 12 barrels a day, I think.

8 ACTING CHAIRPERSON McCARTHY: And you've routinely
9 checked out the financial ability of the assignee?

10 MR. WILLARD: That's correct. They are capable
11 of meeting their commitments.

12 ACTING CHAIRPERSON McCARTHY: Any questions from
13 Commissioners?

14 EXECUTIVE OFFICER DEDRICK: Mr. Chairman, the
15 next five are royalty oil sales contracts.

16 ACTING CHAIRPERSON McCARTHY: Yes. Any questions
17 from the audience on any of the next five items? From
18 Commissioners on the next five items?

19 All right. We'll approve those.

20 All right. 35.

21 MR. TROUB: 35, Mr. Chairman, the City of Long
22 Beach runs in cooperation with the Harbor Department surveys
23 twice a year to check that there has not been any further
24 subsidence in the Long Beach area. This is the closing
25 of the account to pay for the last incremental survey.

1 There is no subsidence.

2 ACTING CHAIRPERSON McCARTHY: Anybody in the
3 audience have any questions on this issue?
4 From Commissioners?

5 Approved.

6 36.

7 MR. TROUT: On 36 the City of Long Beach wants
8 to spend \$165,400 of their own tideland money for a stairway
9 to the beach at Fifth Place. It's consistent with the
10 going statutes.

11 ACTING CHAIRPERSON McCARTHY: Any questions from
12 the Commissioners?

13 Audience?

14 Approved.

15 37.

16 MR. HIGHT: 37, Mr. Chairman, is a six-month
17 extension to execute an agreement the Commission has
18 previously approved. For some mysterious reason the
19 agreement disappeared and we need to re-create the agreement
20 that disappeared.

21 EXECUTIVE OFFICER DEDRICK: We swear it disappeared
22 after it left our office.

23 MR. HIGHT: So we need --

24 ACTING CHAIRPERSON McCARTHY: We don't keep copies?

25 MR. HIGHT: We have copies. We have to get it

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1 re-executed.

2 EXECUTIVE OFFICER DEDRICK: We have to sign it
3 all the way around again.

4 ACTING CHAIRPERSON McCARTHY: Anybody in the
5 audience have the missing agreement?

6 MR. STEVENSON: It was found in the City of San
7 Mateo. I got a call from the Clerk yesterday.

8 EXECUTIVE OFFICER DEDRICK: Does that mean we
9 don't have to do this?

10 MR. STEVENSON: Not really, because they still
11 have to usher it around and have it signed and get the
12 Governor's signature and we're due by the first of the
13 year to have it completed. So we need an extension of
14 time still. But it was in their hands for the last three
15 or four months lost.

16 EXECUTIVE OFFICER DEDRICK: I'm glad to hear
17 that. So we do need the extension.

18 ACTING CHAIRPERSON McCARTHY: You just want to
19 extend the time for the signing of the agreement?

20 MR. HIGHT: Yes.

21 EXECUTIVE OFFICER DEDRICK: Yes.

22 ACTING CHAIRPERSON McCARTHY: All right. Approved.

23 MR. HIGHT: 38, Mr. Chairman, is authorization
24 to take all steps necessary, including litigation, to bring
25 an existing marina on the Sacramento River under lease.

1 The reason for the authorization for litigation is that
2 there are some boat owners and trespassers there who remain.
3 We're in the process of negotiating a lease with the upland
4 owner and we don't anticipate any problem, but this will
5 give us a little more leverage.

6 ACTING CHAIRPERSON MCCARPHY: All right. Any
7 questions from Commissioners?

8 Audience?

9 Approved as requested.

10 39.

11 MR. TROUT: Mr. Chairman, 39 involves the
12 augmentation of the contract with the law firm that
13 represents the Commission on oil and gas and public land
14 matters in Washington, D.C. Right now we have several
15 issues that were not expected at the start of the year.
16 One was the title problem that the Supreme Court handed
17 us in the block decision from North Dakota.

18 Congressman Howard Berman along with Congressman
19 Column of Florida have introduced legislation which would
20 cure the statute of limitations limit against states.
21 So that the states could file quiet title action against
22 the United States without facing the 12-year statute of
23 limitation. We have a couple of other actions pending
24 in Congress. We have the OCS revenue-sharing bill. There
25 is a royalty accounting correction. Jan, what have I missed?

1 MR. STEVENS: Our school lands obligations.

2 MR. TROUT: The school land obligations,
3 particularly to solve the Elk Hills problem of the 1300
4 acres in Elk Hills that we need indemnity for or else
5 equitable title in the property so we can get the revenue
6 coming from that. As a result of that action, it appears
7 that the current funding is inadequate. The company or
8 the firm has hired, as Miss Detrick talked to you about
9 before, a person from California who is familiar with the
10 State operations and the Congressional Staff there to assist
11 in it and we think it's a very valuable service. We're
12 already getting benefits from the work that's been done
13 with Congressman Berman on the quiet title statutes.

14 EXECUTIVE OFFICER DEDRICK: And this work is
15 all coordinated with the new governor's office in Washington.
16 There are a lot of other bills around we're very interested
17 in, but those are the critical ones at the moment.

18 ACTING CHAIRPERSON McCARTHY: How long has this
19 contract existed?

20 MR. HIGHT: Existed?

21 ACTING CHAIRPERSON McCARTHY: With this person.

22 MR. HIGHT: With the law firm of Lobel, Novins
23 and Lamont, since 1975.

24 ACTING CHAIRPERSON McCARTHY: And what history
25 has it had? How long has it been at the hundred thousand

1 dollar level?

2 MR. HIGHT: Since, I'm guessing, '76 or '77.

3 EXECUTIVE OFFICER DEDRICK: The reason for the
4 augmentation is specifically to cover the person, Elinor
5 Schwartz, who is doing the work at the Congressional level.
6 She also has very good contacts with the Department of
7 Interior. It's a part-time contract and this is just to
8 cover her expenses for a year.

9 ACTING CHAIRPERSON McCARTHY: I'm just wondering
10 how many lobbyists California has in Washington, D.C.

11 EXECUTIVE OFFICER DEDRICK: Not very many.

12 ACTING CHAIRPERSON McCARTHY: You could use some
13 existing people that are there or are you saying that
14 Elinor Schwartz has the particular legal expertise to deal
15 with the problem? We're hiring a lobbyist. I don't
16 understand why California has so many people in from so
17 many departments.

18 MR. HIGHT: Mr. Chairman, you might recall that
19 the legislative analyst's office looked into the situation
20 several years ago, three years ago, I believe, and looked
21 at the representation of California in the Congress and
22 one of their statements was that the Lands Commission in
23 its representation should continue and was being well-
24 coordinated and was in a relatively unique area. So in
25 looking at it two, three years ago, the legislative analyst

1 office recommended continuation of this contract.

2 ACTING CHAIRPERSON McCARTHY: That's a little
3 comforting.

4 EXECUTIVE OFFICER DEDRICK: Last year in getting
5 the Technical Corrections Act through, the firm was really
6 materially responsible for that occurring. That brought
7 in a total of, well, first cash payment, was \$58 million
8 that we received in February or March. So they really
9 do pay their way, I think.

10 ACTING CHAIRPERSON McCARTHY: Well, any questions
11 from the Commissioners?

12 MR. TAYLOR: Governor, I just might add that
13 our office would give the letter of consent to the amendment.

14 ACTING CHAIRPERSON McCARTHY: Thank you.

15 MR. TAYLOR: We have been satisfied with the
16 relationship and they have provided us ability for daily
17 contact which we don't have by being there.

18 ACTING CHAIRPERSON McCARTHY: Okay.

19 MR. TAYLOR: I would say though with regard to
20 California lobbying efforts in Washington, that I think
21 that historically they've been shameful.

22 ACTING CHAIRPERSON McCARTHY: My general
23 impression. I think we ought to have a party and bring
24 them all together so they can meet each other.

25 MR. TAYLOR: That might be helpful. But I think

1 that we're undermanned. When you consider the State of
2 New York which is a few minutes, which is a few minutes
3 from Washington by almost any conveyance, maintains a full-
4 time office and when you look at the amount of grants that
5 go to Eastern states because of their efforts and what
6 California contributes, we get exactly what we advance
7 which is very little.

8 ACTING CHAIRPERSON McCARTHY: I totally agree
9 with that and I tried when I was Speaker to get the
10 governor, the previous governor, to agree to have just
11 one lobbying office in the State of California and then
12 work everybody else into that including people that were
13 hired for specific objectives. But it's never quite worked.

14 Any questions from the audience on this?
15 Commissioners?

16 All right. Approve the request.

17 Any other matters to come before the Commission?

18 Thank you very much.

19 This meeting is adjourned.

20 [Thereupon the State Lands Commission
21 meeting was adjourned at 10:25 a.m.]

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CERTIFICATE OF SHORTHAND REPORTER

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I, CATHLEEN SLOCUM, a Certified Shorthand Reporter of the State of California, do hereby certify:

That I am a disinterested person herein; that the foregoing State Lands Commission meeting was reported in shorthand by me, Cathleen Slocum, and thereafter transcribed into typewriting.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 9 day of January, 1984.

Cathleen Slocum
CATHLEEN SLOCUM
Certified Shorthand Reporter
License No. 2822