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MEETING  
STATE LANDS COMMISSION  
STATE OF CALIFORNIA

ORIGINAL

ROOM 447  
STATE CAPITOL  
SACRAMENTO, CALIFORNIA

THURSDAY, JULY 16, 1987  
10:10 A.M.

Nadine J. Parks  
Shorthand Reporter

MEMBERS PRESENT

1  
2 Leo T. McCarthy, Lieutenant Governor, Chairman  
3 Nancy Ordway, representating Jesse R. Huff,  
4 Director of Finance, Commissioner  
5  
6  
7 Jim Tucker, representating Gray Davis, State Controller,  
8 Commissioner

STAFF PRESENT

9 Claire T. Dedrick, Executive Officer  
10 J. Trout, Assistant Executive Officer  
11 Robert Hight, Chief Counsel  
12 Jan Stevens, Deputy Attorney General  
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upon her retirement from the Commission

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June 30, 1987

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Item 20 (Off Calendar)

Item 21 (Off Calendar)

Item 22 (Off Calendar)

Item 23

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Item 24

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Item 25

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Item 28

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P R O C E E D I N G S

--ofo--

1  
2  
3 CHAIRMAN MC CARTHY: Good morning, ladies and  
4 gentlemen. Welcome to this meeting of the State Lands  
5 Commission.

6 On my right is Nancy Ordway. And we have some  
7 very mixed feelings this morning, because this is  
8 Commissioner Ordway's last meeting as a member of the  
9 State Lands Commission.

10 In 1983, she was appointed Deputy Director of the  
11 Department of Finance, and in 1984, the Chief Deputy  
12 Director of the Department of Finance. She is viewed by  
13 both Democrats and Republicans in this building as one of  
14 the most able people in State service and someone who,  
15 through a lot of gut-wrenching crises, manages to keep a  
16 sense of humor, and never lets the grinding of her teeth be  
17 heard by anyone.

18 (Laughter.)

19 CHAIRMAN MC CARTHY: It's been sheer pleasure  
20 to attend a lot of these State Lands Commission meetings  
21 with her because she has an extraordinary level of  
22 intelligence; she's very incisive, and she's fun to work  
23 with. Being a good professional and being a good person  
24 is often very tough in this building with the level of  
25 stress that occurs here. And I think on behalf of Gray

1 Davis, who is not here -- but Jim Tucker's here representing  
2 him in sitting this morning -- all of the staff who admire  
3 Nancy very, very much, and myself -- I want to say, we're  
4 really going to miss you, Commissioner. Thank you.

5 EXECUTIVE OFFICER DEDRICK: Mr. Chairman.

6 CHAIRMAN MC CARTHY: Yes.

7 EXECUTIVE OFFICER DEDRICK: We have kind of a  
8 token of service, which is traditional here, which I  
9 think --

10 COMMISSIONER ORDWAY: Is it edible?

11 (Laughter.)

12 EXECUTIVE OFFICER DEDRICK: No, it is not edible.

13 CHAIRMAN MC CARTHY: Here we go.

14 COMMISSIONER ORDWAY: Do I soak it in water  
15 first?

16 (Laughter.)

17 CHAIRMAN MC CARTHY: Listen, if one of the  
18 highest execs in the Department of Finance doesn't know  
19 how to defuse things --

20 EXECUTIVE OFFICER DEDRICK: Open it.

21 (Thereupon Commissioner Ordway opened  
22 a gift package.)

23 CHAIRMAN MC CARTHY: A map of Washington, D.C.

24 (Laughter.)

25 EXECUTIVE OFFICER DEDRICK: Turn it over, Nancy.

1 This is a survey monument.

2 COMMISSIONER ORDWAY: This is wonderful.

3 EXECUTIVE OFFICER DEDRICK: You might want to  
4 read the caption.

5 COMMISSIONER ORDWAY: It says, "California  
6 State Lands Commission, valuable survey marker, Nancy  
7 Ordway, State Lands Commissioner, 1983 to 1987. Do not  
8 disturb."

9 I will put it outside my new office door. This  
10 is wonderful.

11 CHAIRMAN MC CARTHY: I wanted to do this at the  
12 beginning of the meeting instead of at the end to give us--

13 COMMISSIONER ORDWAY: Get another one at the  
14 end?

15 (Laughter.)

16 COMMISSIONER ORDWAY: May I make some comments  
17 now or would you prefer it later?

18 CHAIRMAN MC CARTHY: I hope so. No, I'd like it  
19 right now.

20 COMMISSIONER ORDWAY: I'm not going to --

21 (Laughter.)

22 COMMISSIONER ORDWAY: In Finance, you get to do  
23 some things that are fun and some things that are less  
24 fun. But one of the things that's a real joy is to serve  
25 on the Lands Commission, particularly with the

1 Commissioners I've been able to work with and their  
2 delegates and the staff, and the type of issues we deal  
3 with.

4 It has not always been great fun, but it has  
5 always been a wonderful experience. Thank you all very,  
6 very much for it. And I look forward to getting your  
7 phone calls and I look forward to seeing you in  
8 Washington. Thank you for a good time.

9 CHAIRMAN MC CARTHY: Thank you.

10 To begin the rest of the meeting, off calendar  
11 today -- for those of you who may be on these particular  
12 items -- are the following: 13, 16, 17, 20, 21, 22, and  
13 29. Those are all off calendar.

14 We'll begin with Item No. 1.

15 EXECUTIVE OFFICER DEDRICK: Excuse me, Mr.  
16 Chairman, we have the confirmation of the minutes, which  
17 is hiding at the bottom of the page.

18 CHAIRMAN MC CARTHY: I was forgetting a  
19 critical part of the meeting.

20 EXECUTIVE OFFICER DEDRICK: And stimulating.

21 CHAIRMAN MC CARTHY: And stimulating part of the  
22 meeting.

23 COMMISSIONER ORDWAY: Motion.

24 CHAIRMAN MC CARTHY: Motion from Commissioner  
25 Ordway. Second by Commissioner Tucker. Minutes of the last

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1 meeting are approved.

2 Item No. 1.

3 COMMISSIONER ORDWAY: I move the consent  
4 calendar, Item C-1 through C-10.

5 CHAIRMAN MC CARTHY: 1 through C-10 is the  
6 consent calendar. Without objection, those items are  
7 approved. No. 11.

8 EXECUTIVE OFFICER DEDRICK: Commissioners,  
9 this is relating to the Manila Galleon off the Pt. Reyes  
10 National Seashore area of California.

11 Robert Marx, the applicant. The issue was  
12 heard extensively at the last Commission meeting. The  
13 Commission -- particularly Susan Wallace -- asked for some  
14 clarification and changes in the way the permit was  
15 structured. Those changes have been made. We have received  
16 a letter from the Park Service, from Lowell Smith, in  
17 which they expressed some concerns that I'd like to  
18 address if I may.

19 There was a basic misunderstanding I think in  
20 relation to the fundamental environmental issues or the  
21 issues that have to do with the protection of the  
22 archeological resource. And I have talked to Lowell and  
23 explained to him that that aspect of his concern is  
24 addressed in the memorandum of agreement between the  
25 applicant, ourselves, and the State Historic Preservation

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1 Office. That, I believe, satisfied his concern there. But  
2 they raised another question that I think really needs to be  
3 stated. And that is as to the specific location of the  
4 permit that would be granted. We have never released  
5 that information publicly at the request of the archeological  
6 community, because that kind of asks for trouble from  
7 folks coming out to look at it. But certainly, there's  
8 no reasonable reason why the National Park Service should  
9 not be made aware of the location. And if you do grant the  
10 permit, we'd be happy to have our people sit down with the  
11 National Park Service people and make sure that the  
12 location -- that they know the location.

13 The permit, as it would be granted, would not  
14 allow any exploration on the lands that have been granted  
15 by the Legislature to the Pt. Reyes National Seashore,  
16 which is the first quarter mile of submerged land. With  
17 that clarification, if you would like to hear from  
18 Robert Hight, he has some comments he'd like to make.

19 CHAIRMAN MC CARTHY: I'd like to call on our  
20 legal counsel. Mr. Hight.

21 MR. HIGHT: Yes. At the Commission's direction  
22 last month, I revised the permit agreement. And somehow  
23 in the process, it didn't turn out exactly the way I  
24 intended it. It's my understanding that Mr. Marx has  
25 agreed to the concept that the items salvaged will be

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1 valued as an entity and as individually, and the  
2 Commission shall be the ultimate arbitrator of the  
3 value of the archives.

4 And I would like just to kind of clean up the  
5 language just a very little bit. So, with that caveat --

6 CHAIRMAN MC CARTHY: Questions from the  
7 Commissioners? Any other staff comments?

8 COMMISSIONER ORDWAY: Is Mr. Marx here?

9 CHAIRMAN MC CARTHY: I was going to ask Mr.  
10 Marx -- do you have anything you'd like to say?

11 MR. MARX: No, sir. I did last time.

12 I'll answer any questions that you have.

13 COMMISSIONER ORDWAY: I will move the item with  
14 the appropriate amendments.

15 MR. TUCKER: Second.

16 CHAIRMAN MC CARTHY: The Commission unanimously  
17 approves the recommendation.

18 No. 12.

19 EXECUTIVE OFFICER DEDRICK: Item 12, this is a  
20 consideration of a 49-year general permit-public agency  
21 use for the Tahoe Conservancy to authorize the use of  
22 submerged lands for some experimental fish spawning  
23 habitat. Dennis Machida, Executive Officer of the  
24 Conservancy, is here if you have any questions. The item  
25 is noncontroversial. A couple of permits have not yet been

1 issued, but the Commission's permission is dependent upon  
2 those permits being issued. So, there's nothing  
3 inappropriate about your taking action today.

4 COMMISSIONER ORDWAY: I'll move the item  
5 conditioned on the issuance of those permits.

6 CHAIRMAN MC CARTHY: Mr. Machida, do you have  
7 anything you want to add?

8 MR. MACHIDA: No, I don't.

9 CHAIRMAN MC CARTHY: The item's been moved.

10 COMMISSIONER TUCKER: Second.

11 CHAIRMAN MC CARTHY: Seconded. The Commission  
12 unanimously approves.

13 Item No. 12 -- 13.

14 EXECUTIVE OFFICER DEDRICK: Item 13 is off  
15 calendar. Item 14 is Charles Patmon III and Cheryl Lynn  
16 Patmon, the applicants, approval of a ten-year general  
17 permit - protective structure and recreational use in --  
18 I can't read my own writing -- San Joaquin River in  
19 San Joaquin County.

20 CHAIRMAN MC CARTHY: Any questions, from the  
21 audience? Hear a motion?

22 COMMISSIONER ORDWAY: Motion.

23 CHAIRMAN MC CARTHY: Motion by Commissioner  
24 Ordway, seconded by Commissioner Tucker.

25 EXECUTIVE OFFICER DEDRICK: No. 15 is the

1 Burlingame joint venture. I'd like Mr. Trout to present  
2 this item.

3 MR. TROUT: This is a lease of -- actually  
4 three leases of property that were perfected to State  
5 ownership as part of a boundary settlement. These leases  
6 were for the development of these parcels. The current  
7 Burlingame Joint Venture I is about a third of the series  
8 of people who have handled this lease, and we still have no  
9 development underway. The lease is in breach at the  
10 present time, and we're seeking the Commission's approval  
11 to declare it in breach and move ahead to either bring the  
12 lease into compliance or terminate.

13 CHAIRMAN MC CARTHY: Any questions?

14 COMMISSIONER ORDWAY: Move.

15 CHAIRMAN MC CARTHY: Commissioner Ordway  
16 moves. Commissioner Tucker seconds. The recommendation  
17 is adopted. Item 18?

18 EXECUTIVE OFFICER DEDRICK: Item 18, San Joaquin  
19 County Flood Control and Water Conservation District,  
20 approval of a 49-year public agency use for submerged  
21 land in San Joaquin County.

22 CHAIRMAN MC CARTHY: Any questions?

23 COMMISSIONER ORDWAY: Move.

24 CHAIRMAN MC CARTHY: Commissioner Ordway moves.  
25 Commissioner Tucker seconds. The recommendation is

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1 approved. 19?

2 EXECUTIVE OFFICER DEDRICK: 19, this is the  
3 Golden Gate National Recreation Area. At the request  
4 of the GGNRA, we are approving a public agency permit  
5 for a thousand-foot band offshore of the existing National  
6 Recreation Area.

7 CHAIRMAN MC CARTHY: Any questions?

8 COMMISSIONER ORDWAY: Motion.

9 CHAIRMAN MC CARTHY: Commissioner Ordway moves.  
10 Mr. Tucker seconds. Approved. 23?

11 EXECUTIVE OFFICER DEDRICK: Item 23 is a dredging  
12 permit to the City and County of San Francisco for a  
13 maximum of 1.4 million cubic yards of material to improve  
14 access to the container terminal.

15 CHAIRMAN MC CARTHY: Any questions?

16 COMMISSIONER ORDWAY: Motion.

17 COMMISSIONER TUCKER: Second.

18 CHAIRMAN MC CARTHY: Commissioner Ordway moves.  
19 Commissioner Tucker seconds. It's approved. 24.

20 EXECUTIVE OFFICER DEDRICK: 24 is the Bel Marin  
21 Keys Community Services District, dredging permit for a  
22 maximum of 95,000 cubic yards in Marin County.

23 CHAIRMAN MC CARTHY: Any questions?

24 COMMISSIONER TUCKER: Move.

25 CHAIRMAN MC CARTHY: Commissioner Tucker moves.

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1 Commissioner Ordway seconds. Approved. 25.

2 EXECUTIVE OFFICER DEDRICK: 25 is the Corbin  
3 J. Robertson with Quintana Petroleum as the agent. The  
4 approval of an issuance of a negotiated oil and gas lease  
5 in the bed of the Middle River in San Joaquin County. This  
6 is a negotiated lease because the access depends upon the  
7 uplands owner -- well, that's not quite true. Robertson  
8 has the upland lease, so the access can only be reached  
9 through his lease.

10 CHAIRMAN MC CARTHY: This is in San Joaquin?

11 EXECUTIVE OFFICER DEDRICK: That is correct.  
12 The Middle River in San Joaquin County.

13 COMMISSIONER ORDWAY: Motion.

14 CHAIRMAN MC CARTHY: Commissioner Ordway moves.  
15 Commissioner Tucker seconds. Approved. Next.

16 EXECUTIVE OFFICER DEDRICK: This is an  
17 application from the County of Orange, a five-year dredging  
18 permit for a maximum of 156,000 cubic yards to dredge  
19 Huntington Harbor in Orange County.

20 COMMISSIONER ORDWAY: Motion.

21 CHAIRMAN MC CARTHY: Item 26, Commissioner  
22 Ordway moves. Commissioner Tucker seconds. Recommendation  
23 approved. 27.

24 EXECUTIVE OFFICER DEDRICK: 27 is the award of  
25 two crude oil royalty oil contracts both in the -- one in

1 the Wilmington field -- and I guess they're both in the  
2 Wilmington field. The price is 87 cents on both parcels.  
3 Edgington is the winner.

4 COMMISSIONER ORDWAY: Motion.

5 CHAIRMAN MC CARTHY: Motion by Commissioner  
6 Ordway. Second by Commissioner Tucker. Recommendation  
7 approved.

8 28.

9 EXECUTIVE OFFICER DEDRICK: 28 is a negotiated  
10 subsurface oil and gas lease to replace a compensatory  
11 agreement we had with TXO. Again, this is a question of  
12 the leaseholder being the only leaseholder with access,  
13 the only lease area with access.

14 CHAIRMAN MC CARTHY: Any questions?

15 COMMISSIONER ORDWAY: Motion.

16 CHAIRMAN MC CARTHY: Commissioner Ordway moves.  
17 Commissioner Tucker seconds. Approved.

18 And that is the end of today's agenda.

19 COMMISSIONER ORDWAY: Move to adjourn.

20 CHAIRMAN MC CARTHY: Is that your last word?

21 COMMISSIONER ORDWAY: My last word is in the  
22 absence of any further business, I move to adjourn.

23 CHAIRMAN MC CARTHY: All right.

24 EXECUTIVE OFFICER DEDRICK: Thank you,  
25 Commissioners.



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CHAIRMAN MC CARTHY: The meeting is over.  
Thank you, Commissioner Ordway.  
(Thereupon the meeting was adjourned  
at 10:30 a.m.)

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