CALENDAR ITEM

C06

A 8, 15 04/09/09

PRC 8077.1

S 5 V. Caldwell

**CONTINUATION OF RENT**

**LESSEE:**

Delta Gas Gathering, Inc.

2981 Gold Canal Drive

Rancho Cordova, California 95670

**AREA, LAND TYPE, AND LOCATION**:

0.52 acres, more or less, of sovereign lands in Steamboat Slough, between Grand Island and Ryer Island, near Walnut Grove, Sacramento and Solano Counties.

**AUTHORIZED USE**:

Continued use and maintenance of an existing six-inch diameter, directionally bored, welded steel, natural gas pipeline.

**LEASE TERM**:

20 years, beginning June 14, 1999.

**CONSIDERATION**:

This lease provides that Lessor may modify the rent periodically during the lease term. Pursuant to this provision, staff has conducted a review of the rent under this lease, and recommends that the rent be continued at $187 per year, effective June 14, 2009.

**SPECIFIC LEASE PROVISIONS**:

This lease provides that Lessor may increase the amount of liability insurance periodically during the lease term. Pursuant to this provision, staff recommends that the liability insurance be revised from $500,000 to $1,000,000, effective

June 14, 2009.

**OTHER PERTINENT INFORMATION:**

On June 14, 1999, the Commission authorized a General Lease – Right-of-Way Use to Delta Gas Gathering, Inc., for a term of 20 years. This lease will expire on June 13, 2019.

**EXHIBIT:**

A**.** Site and Location Map

**RECOMMENDED ACTION**:

IT IS RECOMMENDED THAT THE COMMISSION:

**CEQA FINDING:**

FIND THAT THE ACTIVITY IS NOT SUBJECT TO THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15060(c)(3) BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

**AUTHORIZATION:**

APPROVE THE CONTINUATION OF RENT FOR LEASE NO.

PRC 8077.1 AT $187 PER YEAR AND THE REVISION OF LIABILITY INSURANCE FROM $500,000 TO $1,000,000, EFFECTIVE

JUNE 14, 2009.