

**CALENDAR ITEM
C06**

A 8, 15
S 5

04/09/09
PRC 8077.1
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.

CALENDAR ITEM NO. **C06** (CONT'D)

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.