

**CALENDAR ITEM
C18**

A 17
S 34

12/17/09
WP 8108.2
C. Hudson

GENERAL LEASE – RIGHT OF WAY USE

APPLICANT:

Granite Construction Company
P.O. Box 50085
Watsonville, CA 95076

AREA, LAND TYPE, AND LOCATION:

A 0.37 acre parcel, more or less, of State lieu land in a portion of Section 28, Township 11 North, Range 12 West, SBM, near the town of Mojave, Kern County

AUTHORIZED USE:

Operation, use, and maintenance of an existing underground water pipeline as shown on the attached Exhibit A.

LEASE TERM:

Ten years, beginning September 1, 2009.

CONSIDERATION:

\$100 per year; with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

SPECIFIC LEASE PROVISIONS:

Insurance:

Liability insurance with coverage of no less than \$2,000,000

Bond:

\$5,000

OTHER PERTINENT INFORMATION:

1. School Lands were granted to the State of California by the federal government under the Act of March 3, 1853 (10 Stat. 244), and consisted of the 16th and 36th sections of land in each township (with the exceptions of lands reserved for public use, lands taken by private land claims, and lands known to be mineral in character). In cases of preemption due to the exceptions described above, the State was given the opportunity to select replacement lands from the United States in lieu of a Section 16 or

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a Section 36. These replacement lands are now known as Indemnity School Lands or Lieu Lands.

2. Applicant has the right to use the lands adjoining the lease premises.
3. On September 3, 1999, the Commission authorized a General Lease - Right of Way Use with Granite Construction Company (Granite). That lease expired on August 31, 2009 and Granite is now applying for a new lease.
4. Granite operates a quarry and construction materials production facility on the property adjacent to the west of the State lieu lands. The underground water pipeline is used to convey water for the reclamation and crushing underground overburden rock to make aggregate. Granite has obtained and maintains a water services agreement from Antelope Valley East Kern Water Agency to deliver water and maintain the underground water pipeline that crosses State land. The underground water line stems off the Antelope Valley East Kern Water Agency line that parallels the west side of the California Highway 14 right of way.
5. In addition to Lease No. PRC 8108.2, other portions of the Lieu land parcel are leased to SWEPI, LP under Lease No. PRC 7132.2 for a ground water monitoring well and an overflow pond. These improvements were used in conjunction with Standard Hill Mine, not in conjunction with the Lease Premises. SWEPI, LP is completing the final stages of the clean up and closure of the mine. No mining activity has taken place since the 1990's. The ground water monitoring well will be removed or abandoned pursuant to the anticipated future rescission of the Waste Discharge Requirements (WDR) from the Lahontan Regional Water Quality Control Board (LRWQCB).
6. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15061), the staff has determined that this activity is exempt from the requirements of the CEQA as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; Title 2, California Code of Regulations, section 2905 (a)(2).

Authority: Public Resources Code section 21084 and Title 14, California Code of Regulations, section 15300 and Title 2, California Code of Regulations, section 2905.

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7. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code sections 6370, et seq. Based upon the staff's consultation with the persons nominating such lands and through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.

EXHIBITS:

- A. Location and Site Map
- B. Land Description

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 AS A CATEGORICALLY EXEMPT PROJECT, CLASS 1, EXISTING FACILITIES; TITLE 2, CALIFORNIA CODE OF REGULATIONS, SECTION 2905 (a)(2).

SIGNIFICANT LANDS INVENTORY FINDING:

FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED BY THE COMMISSION FOR THE LAND PURSUANT TO PUBLIC RESOURCES CODE SECTIONS 6370, ET SEQ.

AUTHORIZATION:

AUTHORIZE ISSUANCE OF A GENERAL LEASE – RIGHT OF WAY USE TO GRANITE CONSTRUCTION COMPANY BEGINNING SEPTEMBER 1, 2009, FOR A TERM OF TEN YEARS, FOR THE OPERATION, USE, AND MAINTENANCE OF AN EXISTING WATER PIPELINE AS SHOWN ON EXHIBIT A (FOR REFERENCE PURPOSES ONLY) ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF; ANNUAL RENT IN THE AMOUNT OF \$100 WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENT PERIODICALLY DURING THE LEASE TERM, AS PROVIDED IN THE LEASE; LIABILITY INSURANCE WITH COVERAGE OF NO LESS THAN \$2,000,000; AND SURETY IN THE AMOUNT OF \$5000.