

**CALENDAR ITEM
C22**

A 2
S 4

12/17/09
W 25919
N. Lee

GENERAL LEASE - PUBLIC AGENCY USE

APPLICANT:

U.S. Department of Energy
Western Area Power Administration
114 Parkshore Drive
Folsom, CA 95630

AREA, LAND TYPE, AND LOCATION:

Sovereign lands in the Feather River, adjacent to Assessor Parcel Number 25-290-006, south of the city of Yuba City, Sutter County.

AUTHORIZED USE:

Construction, use, and maintenance of a double-circuit 230-kilovolt (kV) overhead transmission line and the retention, use and maintenance of an existing 230-kV overhead transmission line as shown on the attached Exhibit A.

LEASE TERM:

49 years, beginning December 17, 2009.

CONSIDERATION:

The public use and benefit; with the State reserving the right at any time to set a monetary rent if the Commission finds such action to be in the State's best interest.

OTHER PERTINENT INFORMATION:

1. Applicant has an easement on the uplands adjoining the lease premises.
2. The U.S. Department of Energy, Western Area Power Administration (WAPA), in collaboration and coordination with the Sacramento Municipal Utility District (SMUD) and the City of Roseville, is proposing to build a new double-circuit 230- kV transmission line as part of the Sacramento Voltage Support (SVS) Transmission Line Project. The proposed transmission line would extend from WAPA's O'Banion Substation in Sutter County, pass through SMUD's Elverta Substation, and terminate at

CALENDAR ITEM NO. C22 (CONT'D)

SMUD's Natomas Substation in Sacramento County. The proposed line, where it crosses the Feather River, in Sutter County is located over State-owned sovereign land. In addition, WAPA maintains an existing 230-kV overhead transmission line crossing the Feather River just southwest of the proposed line, which was constructed in 1963 and has not been previously authorized by the Commission. An application has been submitted by WAPA for a General Lease – Public Agency Use to authorize the construction, use, and maintenance of the proposed transmission line and the retention of the existing transmission line.

3. WAPA, as a federal agency, markets and transmits wholesale electricity from multi-use, federal water projects to more than 70 preference customers in central and northern California and Nevada. WAPA's transmission lines are interconnected to other greater Sacramento-area transmission system owners, load serving entities, and utilities. Additions and upgrades are needed to maintain system voltage stability, reliability, and security in accordance with the North American Electric Reliability Corporation (NERC) and the Western Electricity Coordinating Council (WECC) Planning/Operation Reliability Standards, and for WAPA to continue to meet its legislative and contractual requirements. The SVS project additions and upgrades would provide additional power-importing capabilities to the greater Sacramento-area.
4. The portion of the project that crosses State-owned sovereign land consists of constructing a double-circuit transmission line on steel pole structures. The only improvements that are subject to the Commission's jurisdiction are the two overhead transmission lines crossing over the Feather River. No other improvements are or will be placed on the proposed Lease Premises or any construction activities. Clearing for the transmission line may require removing trees and shrubs; however, to the extent possible, understory plants, shrubs, and low-growing bushes or trees would be left in place to reduce erosion and visual impacts and to preserve habitat. Once the steel poles are erected, the stringing line would be affixed through pulleys. Material and equipment would be delivered by truck from the staging areas. Equipment that would be used for stringing generally include one rubber-tired 50-ton crane, two one-ton line trucks, two ¾-ton pickups, two bucket trucks, and three tractor trailer rigs. The proposed construction of the project is anticipated to begin in Spring 2010 and be completed by December 2012.
5. **PROPOSED TRANSMISSION LINE:** An Environmental Impact Report, State Clearinghouse No. 2006052119, was prepared and certified by the Sacramento Municipal Utility District and certified on April 17, 2008. The

CALENDAR ITEM NO. **C22** (CONT'D)

California State Lands Commission staff has reviewed such document and Mitigation Monitoring Program prepared in conformance with the provisions of the CEQA (Public Resources Code Section 21081.6) and adopted by the lead agency. Findings made in conformance with State CEQA Guidelines (Title 14, California Code of Regulations, sections 15091 and 15096) are contained on file in the Sacramento Office of the California State Lands Commission.

6. **EXISTING TRANSMISSION LINE:** Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15061), staff has determined that this activity is exempt from the requirements of CEQA as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; Title 14, California Code of Regulations, section 15301.

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

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.

APPROVALS OBTAINED:

U.S. Fish and Wildlife Service, California Regional Water Quality Control Board, Central Valley Flood Protection Board, and the Department of Fish and Game

FURTHER APPROVALS REQUIRED:

U.S. Army Corps of Engineers

EXHIBITS:

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

PERMIT STREAMLINING ACT DEADLINE:

May 15, 2010

CALENDAR ITEM NO. **C22** (CONT'D)

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

PROPOSED TRANSMISSION LINE:

FIND THAT AN EIR SCH NO. 2006052119 WAS PREPARED FOR THIS PROJECT BY THE SACRAMENTO MUNICIPAL UTILITY DISTRICT AND CERTIFIED ON APRIL 17, 2008, AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.

ADOPT THE FINDINGS MADE IN CONFORMANCE WITH TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTIONS 15091 AND 15096 (h), AS CONTAINED ON FILE IN THE SACRAMENTO OFFICE OF THE CALIFORNIA STATE LANDS COMMISSION.

ADOPT THE MITIGATION MONITORING PROGRAM, AS CONTAINED ON FILE IN THE SACRAMENTO OFFICE OF THE CALIFORNIA STATE LANDS COMMISSION.

EXISTING TRANSMISSION LINE:

FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 AS A CATEGORICALLY EXEMPT PROJECT, CLASS 1, EXISTING FACILITIES; TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15301.

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 – PUBLIC AGENCY USE TO U.S. DEPARTMENT OF ENERGY, WESTERN AREA POWER ADMINISTRATION, BEGINNING DECEMBER 17, 2009, FOR A TERM OF 49 YEARS, FOR CONSTRUCTION, USE, AND MAINTENANCE OF A DOUBLE-CIRCUIT 230KV OVERHEAD TRANSMISSION LINE AND THE RETENTION OF AN EXISTING 230KV OVERHEAD TRANSMISSION LINE AS SHOWN ON EXHIBIT A (FOR REFERENCE PURPOSES ONLY) AND DESCRIBED IN EXHIBIT B ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF; THE PUBLIC USE AND

CALENDAR ITEM NO. **C22** (CONT'D)

BENEFIT, WITH THE STATE RESERVING THE RIGHT AT ANY TIME TO SET A MONETARY RENT IF THE COMMISSION FINDS SUCH ACTION TO BE IN THE STATE 'S BEST INTEREST.