

**CALENDAR ITEM
C69**

A 78
S 39

02/09/16
PRC 4223.1
D. Simpkin

REVISION OF RENT

LESSEE:

California-American Water Company

AREA, LAND TYPE, AND LOCATION:

Sovereign land in San Diego Bay, near San Diego and Coronado, San Diego County

AUTHORIZED USE:

Continued use and maintenance of a 24-inch diameter water transmission pipeline.

LEASE TERM:

49 years, beginning May 29, 1969.

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 rent be revised from \$12,724 per year to \$16,328 per year, effective May 29, 2016.

OTHER PERTINENT INFORMATION:

1. On May 29, 1969, the Commission authorized a General Lease – Right-of-Way Use to the California-American Water Company for a 24-inch diameter water transmission water pipeline in San Diego Bay near San Diego and Coronado.
2. The Lessee maintains a cathodic protection system over the pipeline and conducts annual testing. Pursuant to the 2015 report, the pipeline is in good condition.
3. This authorization is for a revision of rent only. Staff conducted the rent review called for in the Lease and recommends that the annual rent be increased.

CALENDAR ITEM NO. **C69** (CONT'D)

4. This proposed action is consistent with Strategy 2.1 of the Commission's Strategic Plan to optimize returns for the responsible development and use of State lands and resources, both onshore and offshore. .
5. Approving the revision of rent is not a project as defined by the California Environmental Quality Act (CEQA) because it is an administrative action that will not result in direct or indirect physical changes in the environment.

Authority: Public Resources Code section 21065 and California Code of Regulations, Title 14, section 15378, subdivision (b)(5).

EXHIBIT:

- A. Site and Location Map

RECOMMENDED ACTION:

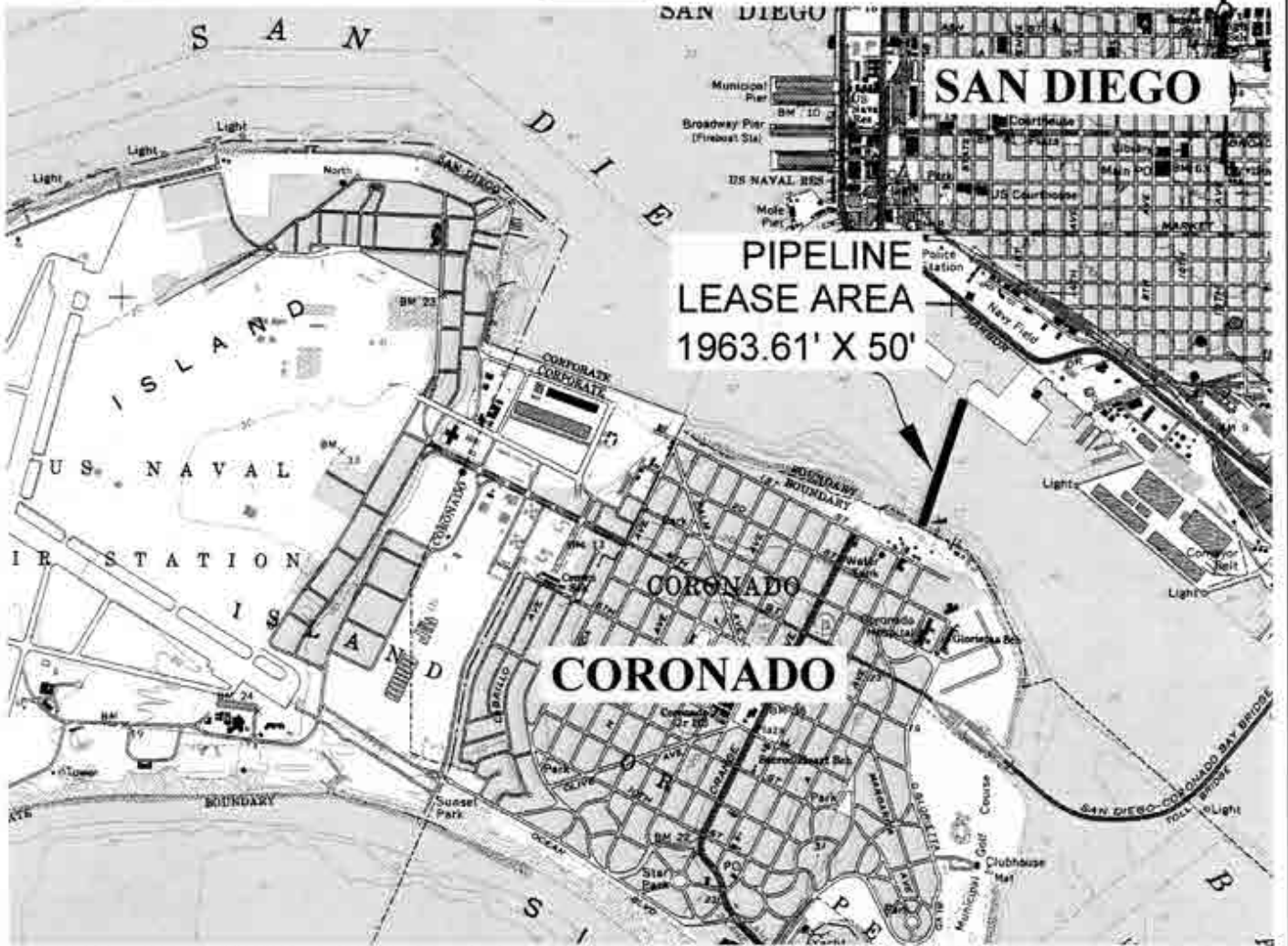
It is recommended that the Commission:

AUTHORIZATION:

Approve the revision of rent for Lease No. PRC 4223.1 from \$12,724 per year to \$16,328 per year, effective May 29, 2016.

NO SCALE

SITE



24" DIAMETER WATER TRANSMISSION PIPELINE IN SAN DIEGO BAY

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.

Exhibit A

PRC 4223.1

CALIFORNIA-AMERICAN
WATER COMPANY
GENERAL LEASE -
RIGHT-OF-WAY USE
SAN DIEGO COUNTY



MJJ 1/20/2016