

**STAFF REPORT
C98**

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08/23/18
PRC 7265.2
J. Porter

GENERAL LEASE – RIGHT-OF-WAY USE

APPLICANT:

Pacific Gas and Electric Company

PROPOSED LEASE:

AREA, LAND TYPE, AND LOCATION:

0.37 acre, more or less, of State-owned school land located within a portion of Section 16, Township 37 North, Range 3 East, MDM, north of Burney, Shasta County.

AUTHORIZED USE:

Use and maintenance of one 12 kV electrical distribution line.

LEASE TERM:

20 years, beginning November 30, 2018.

CONSIDERATION:

\$450 per year, with an annual Consumer Price Index adjustment.

SPECIFIC LEASE PROVISIONS:

1. Liability insurance in the amount of no less than \$5,000,000 per occurrence or equivalent staff-approved self-insurance program.
2. Lessee will take all reasonable and necessary actions to prevent, suppress, and control fires on the Lease Premises.
3. No herbicidal chemical may be used for vegetation control without the prior written consent of the Lessor's staff.

STAFF ANALYSIS AND RECOMMENDATION:

Authority:

Public Resources Code sections 6005, 6216, 6217.5, 6501.1, and 6503;
California Code of Regulations, title 2, sections 2000 and 2003.

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State's Best Interests Analysis:

On December 13, 1988, the Commission authorized a 30-year General Lease – Right-of-Way Use to Pacific Gas and Electric Company for one 12 kV electrical distribution line ([Item C29, December 13, 1988](#)). The lease will expire on November 29, 2018. The Applicant has submitted an application requesting a new General Lease – Right-of-Way Use for the continued use and maintenance of the existing facilities. The proposed lease involves an existing electrical distribution line that has been under lease in the past, is limited to a 20-year term, does not alienate the State's fee simple interest, and does not grant the lessee exclusive rights to the lease premises. The lease requires that the lessee obtain a lease amendment before any further improvements are placed on the State's land. The lease requires the lessee to insure and indemnify the State for any liability incurred as a result of the lessee's activities thereon. The lease also requires the payment of annual rent, which generates revenue for the California State Teachers' Retirement System, consistent with the School Land Bank Act (Public Resources Code, § 8700, et seq.).

Climate Change:

The combination of more frequent and longer duration weather patterns contributing to high winds, low humidity, extreme heat, and thunderstorm and lightning events for California's forested mountain regions has contributed to an increasingly aggressive wildland fire season as a related product of climate change. This threat can be further elevated through prolonged drought conditions and a lack of forest fuels reduction management for forest land areas. In addition, as stated in the *Safeguarding California Plan: 2018 Update* (California Natural Resources Agency 2018), climate change is projected to increase the frequency and severity of natural disasters related to flooding, fire, drought, extreme heat, and storms.

The forest land setting of the subject State parcel and surrounding land is vulnerable to these weather events and the threat of wildland fires. Pursuant to the proposed lease, the Applicant acknowledges that the lease premises is located in an area that may be subject to effects of climate change. The Applicant is also responsible for ensuring that the lease premises and electrical distribution line are maintained in a manner that does not contribute to wildland fire hazards. Regular maintenance of vegetation within the lease premises, the existing facilities under lease, and access to the lease premises will help minimize the threat of fire hazards to the lease premises.

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Conclusion:

For the reasons stated above, Commission staff believes that issuance of this lease is in the best interests of the State.

OTHER PERTINENT INFORMATION:

1. This action is consistent with Strategy 1.1 of the Commission's Strategic Plan to deliver the highest levels of public health and safety in the protection, reservation and responsible economic use of the lands and resources under the Commission's jurisdiction and Strategy 2.1 to optimize returns for the responsible development and use of State lands and resources, both onshore and offshore.
2. Staff recommends that the Commission find that this activity is exempt from the requirements of the California Environmental Quality Act (CEQA) as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; California Code of Regulations, title 14, section 15301, example (b).

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

EXHIBITS:

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

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the activity is exempt from the requirements of CEQA pursuant to California Code of Regulations, title 14, section 15061 as a categorically exempt project, Class 1, Existing Facilities; California Code of Regulations, title 14, section 15301, example (b).

STATE'S BEST INTERESTS FINDING:

Find that the proposed lease is in the best interests of the State.

AUTHORIZATION:

Authorize issuance of a General Lease – Right-of-Way Use to Pacific Gas and Electric Company beginning November 30, 2018, for a term of 20 years, for use and maintenance of one 12 kV electrical distribution line on 0.37 acre, more or less, of State-owned school land as described on Exhibit A and shown on Exhibit B (for reference purposes only) attached

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and by this reference made a part hereof; rent in the amount of \$450 per year, with an annual Consumer Price Index adjustment; and liability insurance in an amount no less than \$5,000,000 per occurrence, or equivalent staff-approved self-insurance program.

EXHIBIT A

PRC 7265.2

LAND DESCRIPTION

A strip of State School Land, 20 feet wide, situated in Section 16, Township 37 North, Range 3 East, Mount Diablo Meridian, Shasta County, State of California, and lying 10 feet on each side of the following described centerline:

COMMENCING at the southwest corner of the of SE $\frac{1}{4}$ of the of SW $\frac{1}{4}$ of said Section 16; thence north along the west line of said of the SE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of said Section 16, 12 feet to the POINT OF BEGINNING; thence easterly along a line parallel with and 12 feet north of the south line of said Section 16 to the westerly right-of-way line of State Highway 89 and the TERMINUS of said centerline.

The sidelines of said 20 feet wide strip to be extended or shortened so as to begin at the west line of the SE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of said Section 16 and terminate at the westerly right-of-way line of State Highway 89.

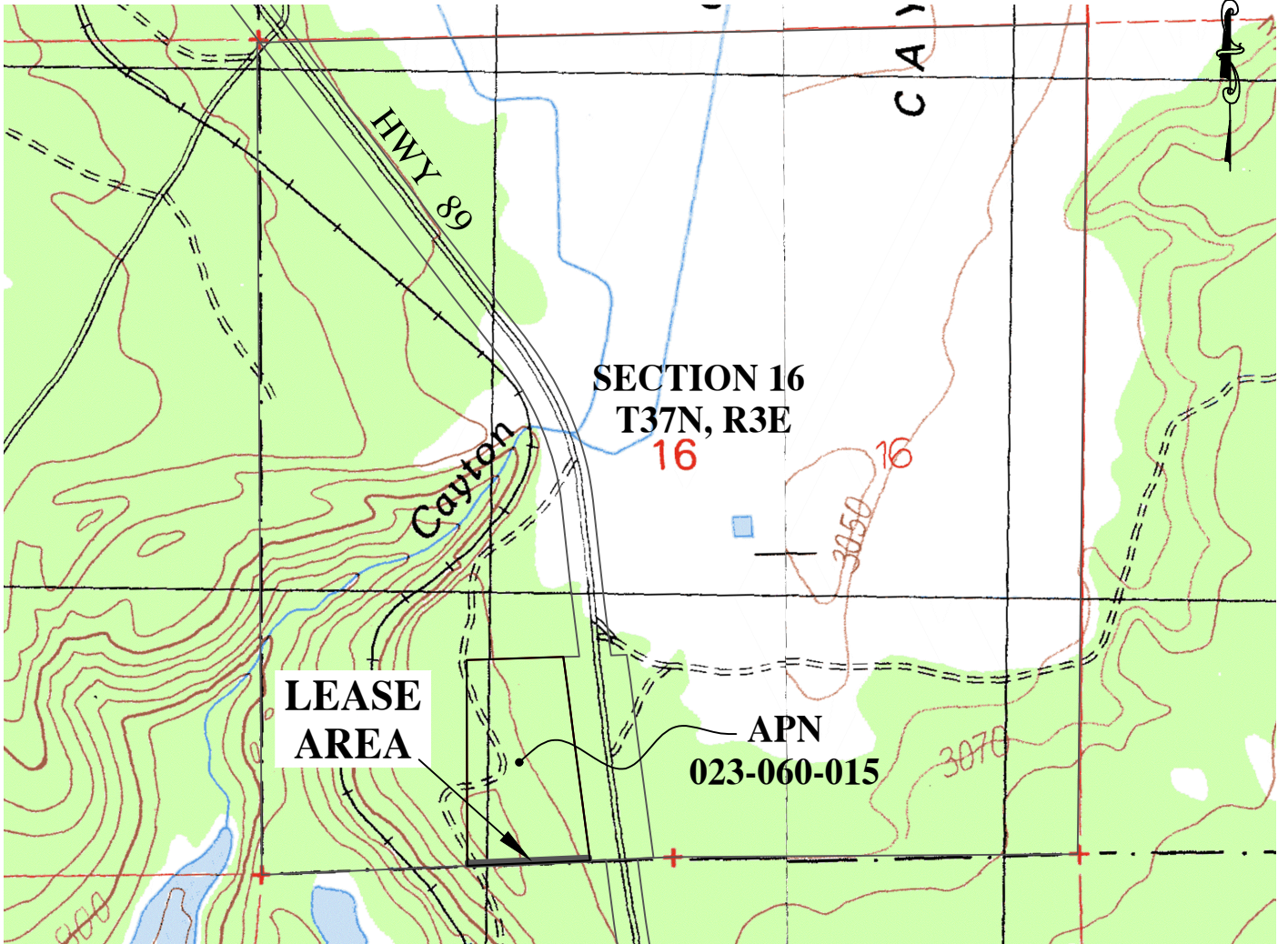
END OF DESCRIPTION

Revised by the California State Lands Commission Boundary Unit on 06/15/2018.
Original description prepared by BIU 1 on 09/22/1988 as found in PRC 7265 file,
Calendar Item C29.



NO SCALE

SITE



PORTION OF SECTION 16, T37N, R3E, MDM

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit B

PRC 7265.2
 PACIFIC GAS & ELECTRIC
 COMPANY
 APN 023-060-015
 GENERAL LEASE -
 RIGHT-OF-WAY USE
 SHASTA COUNTY



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.