

MINUTE ITEM
This Calendar Item No. C25 was approved as
Minute Item No. 25 by the California State Lands
Commission by a vote of 3 to 2 at its
8-19-03 meeting.

CALENDAR ITEM
C25

A 20
S 10

08/19/03
PRC 6827.1
D. Jones

APPROVAL OF ADDENDUM NO. 16 TO MASTER LEASE NO. PRC 6827.1

LESSEE:

Pacific Gas and Electric Company
P. O. Box 770000 Mail Code N10A
San Francisco, California 94177

BACKGROUND:

At its April 25, 1985, meeting, the California State Lands Commission approved the issuance of Master Lease PRC 6827.1 (Minute Item No. 4) to Pacific Gas and Electric Company (PG&E) for various electric transmission facilities, 60kV (kilo Volt) and greater, throughout California.

The master lease provides that the lease may be amended by a series of addenda for the purpose of adding to and deleting from the lease the parcels of State land necessary for the purpose covered under the lease. All other terms and conditions of the lease shall remain in effect without amendment.

CURRENT SITUATION:

PG&E is constructing the Northeast San Jose Transmission Reinforcement Project to meet the projected electric demand in the cities of Fremont, Milpitas, San Jose, and Santa Clara. As part of that project, a new 7.3 mile-long double-circuit 230kV transmission line was constructed from the existing 230kV Newark Substation, in the city of Fremont, to the proposed Los Esteros Substation, in the unincorporated area of Santa Clara County. This new transmission line is located over the beds of Coyote and Scott Creeks, which are located west of Highway 880 in the city of Fremont, Alameda County, but the power poles are located on the upland. The project will not affect public use of the creeks, nor will the new poles block any existing public access or use.

LEASE TERM:

30 years years, beginning May 1, 1985.

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CONSIDERATION:

\$70,424.00 per year, with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

OTHER PERTINENT INFORMATION:

1. Applicant has the right to use the uplands adjoining the lease premises.
2. Under the United States Bankruptcy Court Case No. 01-30923 DM filed July 21, 2001, the Court approved the Notice of Entry of Order Regarding Motion for Authorization to Settle Post Petition Third Party Claims in the Ordinary Course of business which authorizes Pacific Gas and Electric Company to continue their operations.
3. The California Public Utilities Commission (CPUC) approved a Certificate of Public Convenience and Necessity for this project on December 11, 2001.
4. An EIR was prepared and certified for this project by the CPUC. The California State Lands Commission staff has reviewed such document and the Mitigation Monitoring Program adopted by the lead agency.
5. Findings made in conformance with the State CEQA Guidelines (Title 14, California Code of Regulations, sections 15091 and 15096) are on file in the Sacramento Office of the Commission and by reference made a part hereof.
6. A Statement of Overriding Considerations made in conformance with the State CEQA is on file in the Sacramento Office of the Commission and by reference made a part hereof.

The CPUC found that the following impacts of the proposed project cannot be avoided or eliminated:

- a) Bird collision with 230 kV transmission line.
- b) Degradation of recreational experience along regional and subregional trails.
- c) Degradation of visual quality from installation of 230kV towers and lines in open space/bay margin areas.

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- d) Inconsistency with the San Francisco Bay Conservation and Development Commission Bay Plan policies regarding scenic views and appearance/design.
 - e) Loss of Prime Farmland (agricultural soils) at the proposed Los Esteros substation site.
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. Army Corps of Engineers, California Public Utilities Commission

EXHIBITS:

- A. Lease Descriptions
- B. Location Map

PERMIT STREAMLINING ACT DEADLINE:

October 8, 2003

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT AN EIR WAS PREPARED AND CERTIFIED FOR THIS PROJECT BY THE CALIFORNIA PUBLIC UTILITIES COMMISSION 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 ARE ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION AND BY REFERENCE MADE A PART HEREOF.

ADOPT THE MITIGATION MONITORING PROGRAM, AS CONTAINED IN SECTION C.4 OF THE FINAL EIR, ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION AND BY REFERENCE MADE A PART HEREOF.

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ADOPT THE STATEMENT OF OVERRIDING CONSIDERATIONS MADE IN CONFORMANCE WITH TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15093, AS IS ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION AND BY REFERENCE MADE A PART HEREOF.

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 THE AMENDMENT OF LEASE NO. PRC 6827.1, A GENERAL LEASE - RIGHT OF WAY USE, TO ADD LANDS DESCRIBED ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF, EFFECTIVE JUNE 1, 2003, TO CONSTRUCT A 230KV DOUBLE CIRCUIT ELECTRICAL TRANSMISSION LINE; ALL OTHER TERMS AND CONDITIONS OF THE LEASE WILL REMAIN IN EFFECT WITHOUT AMENDMENT.

EXHIBIT "A"

LAND DESCRIPTIONS

Parcel 1

A parcel of Tide and Submerged Lands in the bed of Scott Creek, situate in the City of Fremont, County of Alameda, State of California, described as follows:

Commencing at the found 2 ½ inch diameter brass cap in a monument well, having CCS83 Zone 3 Coordinates of N 1994650.658 and E 6146552.995 feet marking a point on the curve designated C3 in the centerline of Fremont Boulevard as said monument and said curve are shown on sheet 9 of Bayside Business Park, Tract 5187, filed for record in Book 145 of Tract Maps at Pages 6 thru 16, Alameda County Records; thence from said point of commencement

(a) South 30°38'09" East 895.98 feet

to a point in the general northerly boundary line of the parcel of land described and designated PARCEL 3 in the deed from King & Lyons to the State of California dated November 22, 1983 and recorded as Document 83-225688 in the Official Records of Alameda County, being the True Point of Beginning; thence leaving said northerly boundary line of said PARCEL 3

(1) South 24°04'04" East 81.08 feet

to a point in the general southerly boundary line of said PARCEL 3; thence running along said general southerly boundary line

(2) South 65°25'11" West 72.83 feet; thence

(3) South 45°41'12" West 37.16 feet;

thence leaving said general southerly boundary line of said PARCEL 3

(4) North 29°38'17" West 50.98 feet

to a point in said general northerly boundary line of said PARCEL 3; thence running along said northerly boundary line

(5) North 44°39'43" East 120.88 feet, more or less,
to the True Point of Beginning.

EXCEPTING THEREFROM any portion lying landward of the ordinary High Water Mark of Scott Creek.

The foregoing description is based on a survey made by PG&E in June 2000. The bearings used herein are based on the California Coordinate System of NAD 83, Zone 3. All distances are ground distances. To obtain grid distances multiply all distances by 0.9999410.

Parcel 2

A parcel of Tide and Submerged Lands in the bed of Coyote Creek, situate partially within the City of Fremont, County of Alameda, and partially within the City of Milpitas, County of Santa Clara, State of California, described as follows:

Commencing at the found brass disc in a standard city monument having CCS83 Zone 3 coordinates of N 1990266.910 and E 6148506.405 feet, shown upon the parcel map filed for record July 28, 2000 in Book 730 of Maps at page 13, Santa Clara County Records, as marking the northerly terminus of a course in the centerline of North McCarthy Boulevard, which course has a bearing of N 14° 24' 43" W and a length of 710.26 feet; thence continuing

(a) North 42°55'39" West 1279.57 feet

to a point in the southerly boundary line of the parcel of land described and designated PARCEL 1 in the deed from King & Lyons, a California general partnership, to the City of Fremont dated February 16, 1999 and recorded as Document Number 99-206053 in the Official Records of Alameda County; thence along the southerly boundary line of said parcel of land designated PARCEL 1, said point also being the Point of Beginning of herein described Parcel 2; thence

(1) North 72° 29' 54" West 109.00 feet; thence

(2) North 83° 21' 33" West 8.49 feet; thence

leaving the southerly boundary line of said parcel of land designated PARCEL 1

(3) South 14°49'59" East 80.95 feet

to a point in the general southerly boundary line of the parcel of land described and designated PARCEL 5 in the deed from King & Lyons, a California general partnership, to the State of California dated November 22, 1983 and recorded as Document Number 83-225683 in the Official records of Alameda County; thence running along said general southerly boundary line

(4) South 63°56'00" East 132.30 feet;

thence leaving the general southerly boundary line of said PARCEL 5

(5) North 14°49'59" West 106.17 feet, more or less,
to the Point of Beginning.

EXCEPTING THEREFROM any portion lying landward of the ordinary High Water Mark of Coyote Creek.

EXCEPTING THEREFROM any land lying within Rancho RINCON de los ESTEROS confirmed to Ellen E. White, patented May 23, 1862.

EXCEPTING THEREFROM any portion lying within Parcel 5 of SSL 85, dated November 22, 1983 and recorded December 1, 1983 as Document Number 83-225688 in the Official Records of Alameda County.

The foregoing description is based on a survey made by PG&E in June 2000. The bearings used herein are based on the California Coordinate System of NAD 83, Zone 3. All distances are ground distances. To obtain grid distances multiply all distances by 0.9999410.

Parcel 3

A parcel of filled Tide and Submerged Lands in the historic bed of Coyote Creek, situate in the City of Milpitas, County of Santa Clara, State of California, more particularly described as follows:

COMMENCING at the found standard city monument brass disc stamped "RCE 14392" having CCS83 Zone 3 coordinates of N 1990266.910 and E 6148506.405 feet, shown upon the parcel map filed for record July 28, 2000 in Book 730 of Maps at Page 13, Santa Clara County Records, marking the northerly terminus of a course in the centerline of North McCarthy Boulevard, which course has a bearing of N 14° 24' 43" W and a length of 710.26 feet; thence continuing

(a) North 57°42'01" West 883.76 feet to a point on the historical northerly bank of said creek and the POINT OF BEGINNING; thence

(1) South 77°15'09" West 101.47 feet, along said bank; thence

(2) South 14°49'59" East 44.59 feet; thence

(3) South 60°38'43" East 41.06 feet, more or less, to the historical centerline of said creek; thence along said centerline

(4) North 77°16'39" East 149.22 feet; thence

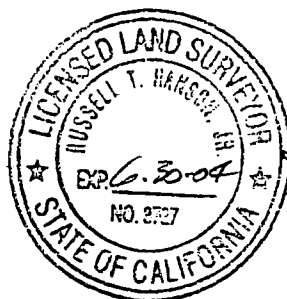
(5) North 60°38'43" West 107.61 feet, more or less,
to the Point of Beginning.

EXCEPTING THEREFROM any portion lying landward of the ordinary High Water Mark of Coyote Creek.

EXCEPTING THEREFROM any land lying within Rancho RINCON de los ESTEROS confirmed to Ellen E. White, patented May 23, 1862.

The foregoing description is based on a survey made by PG&E in June 2000. The bearings used herein are based on the California Coordinate System of NAD 83, Zone 3. All distances are ground distances. To obtain grid distances multiply all distances by 0.9999410.

END OF DESCRIPTIONS



APPROVED AS TO DESCRIPTION

Russell T. Hanson, Jr.
RUSSELL T. HANSON, JR.
LS. 3727

000118

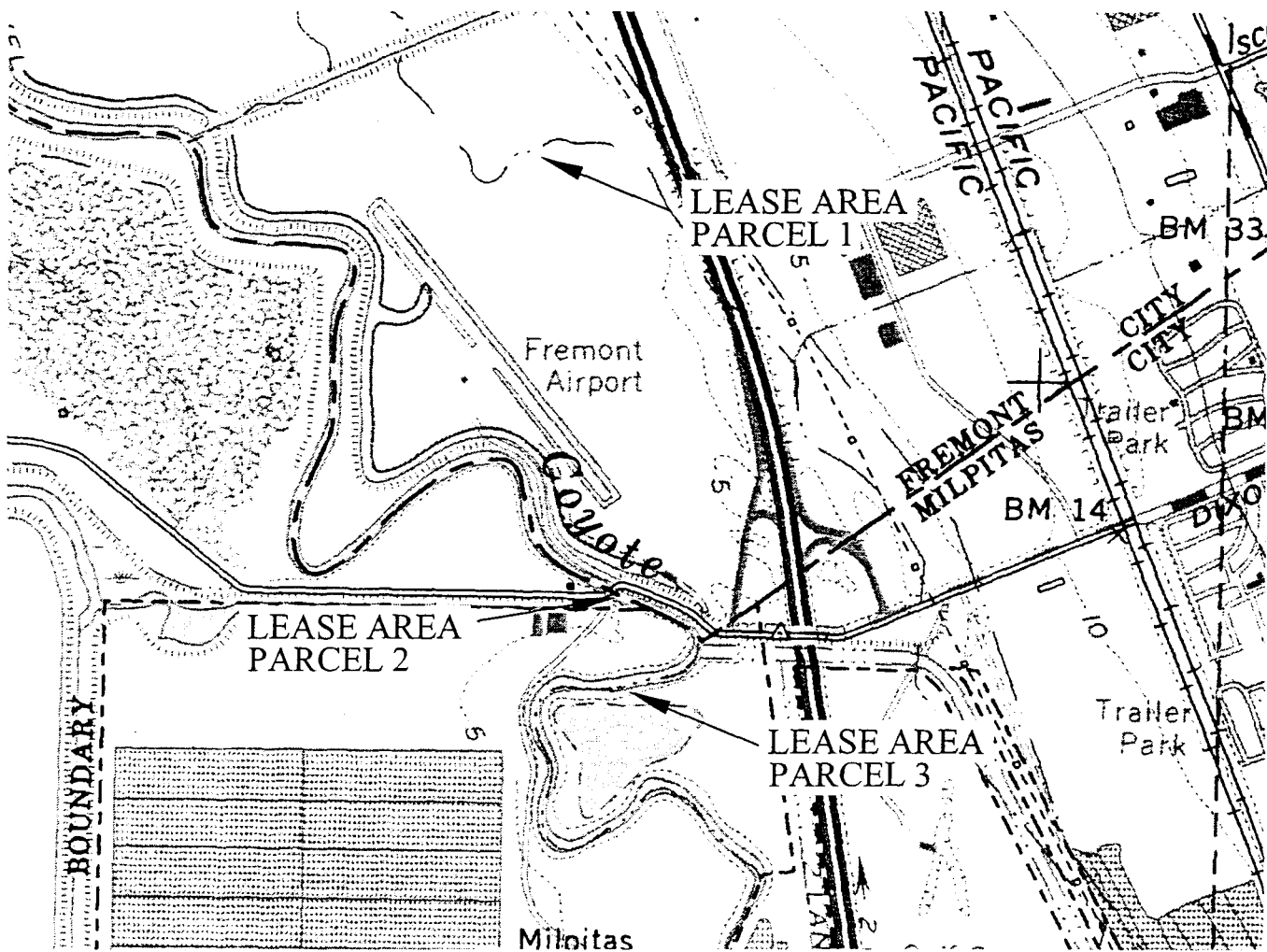
CALENDAR PAGE

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MINUTE PAGE

SITE

NO SCALE



SCOTT CREEK CROSSING, ALAMEDA COUNTY AND
COYOTE CREEK CROSSING, SANTA CLARA COUNTY

NO SCALE

LOCATION

NO SCALE

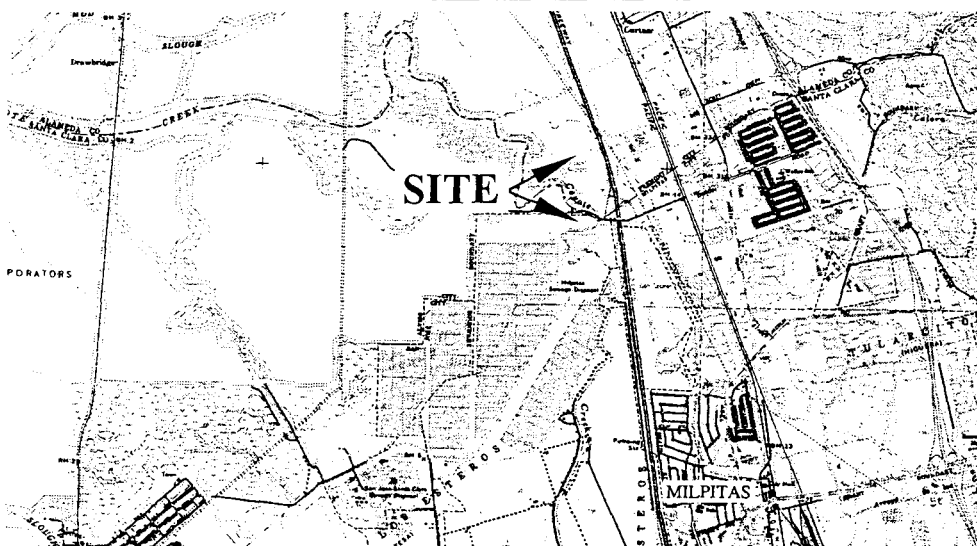


Exhibit B

PRC 6827
P.G.&E. CO.
SCOTT CREEK
ALAMEDA COUNTY
COYOTE CREEK
SANTA CLARA 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. MAP SOURCE: USGS QUAD

RAB 08/03