

MINUTE ITEM
This Calendar Item No. C14 was approved as
Minute Item No. 14 by the California State Lands
Commission by a vote of 3 to 0 at its
06/20/05 meeting.

**CALENDAR ITEM
C14**

A 2
S 1

06/20/05
PRC 8610.2 W 26008
N. Lee

GENERAL LEASE - RIGHT OF WAY USE

APPLICANT:

Geysers Power Company, LLC
10350 Socrates Mine Road
Middletown, CA 95461

AREA, LAND TYPE, AND LOCATION:

1.30 acres, more or less, of school lands near the city of Cloverdale, Sonoma County.

AUTHORIZED USE:

Construction, use and maintenance of a six- to eight-inch diameter water transportation line.

LEASE TERM:

25 years, beginning June 1, 2005.

CONSIDERATION:

\$450 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 \$1,000,000.

Bond:

Surety in the amount of \$5,000.

OTHER PERTINENT INFORMATION:

1. Applicant has the right to use the lands adjacent to the lease premises.
2. This Applicant is seeking permission to construct an 18,000-foot above-ground pipeline partially on State school lands to connect an existing water pipeline to an outlying project area, the existing Aidlin geothermal

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area. The pipeline will contain tertiary-treated, city of Santa Rosa recycled water for injection of up to 1.44 mgd (million gallons per day) into the existing Aidlin geothermal project area. The pipeline will provide a year-round water source to sustain the production of steam to the existing Aidlin Power Plant, which is necessary for the continued operation of the power plant.

3. The pipeline will consist of a six- to eight-inch steel pipe laid on the surface and approximately 2,821 feet of it will cross four adjacent school land parcels, as shown on Exhibit A.
4. A Mitigated Negative Declaration and Mitigation Monitoring Program were prepared and adopted for this project by Sonoma County. The California State Lands Commission's staff has reviewed such document and as provided, in part, by section 15231, State CEQA Guidelines, "A final EIR prepared by a lead agency or a negative declaration adapted by a lead agency shall be conclusively presumed to comply with CEQA for purposes of use by responsible agencies.
5. This activity involves lands which have NOT been identified as possessing significant environmental values pursuant to Public Resources Code sections 6370, et seq. However, the Commission has declared that all state school lands and submerged lands are "significant" by nature of their public ownership (as opposed to "environmentally significant"). Since such declaration of significance is not based upon the requirements and criteria of Public Resources Code sections 6370, et seq., use classifications for such lands have not been designated. Therefore, the finding of the project's consistency with the use classification as required by Title 2, California Code of Regulations, section 2954 is not applicable.

APPROVALS OBTAINED:

County of Sonoma
California Regional Water Quality Control Board, North Coast Region

EXHIBIT:

A. Location and Site Map

PERMIT STREAMLINING ACT DEADLINE:

November 23, 2005

CALENDAR ITEM NO. C14 (CONT'D)

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT A MITIGATED NEGATIVE DECLARATION AND A MITIGATION MONITORING PROGRAM WERE PREPARED AND ADOPTED FOR THIS PROJECT BY SONOMA COUNTY AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.

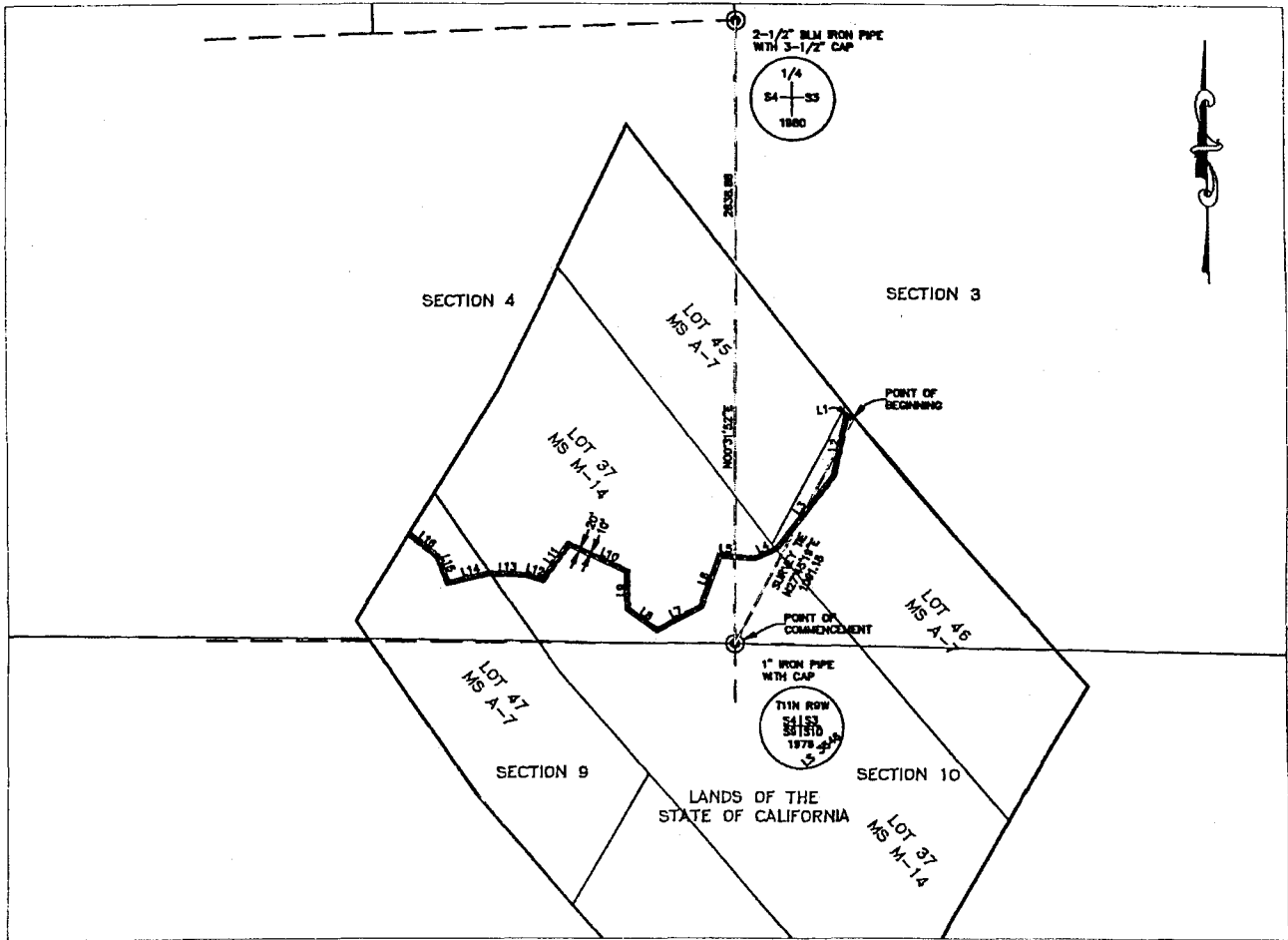
ADOPT THE MITIGATION MONITORING PROGRAM, AS CONTAINED ON FILE IN THE SACRAMENTO OFFICE OF THE CALIFORNIA STATE LANDS COMMISSION.

AUTHORIZATION:

AUTHORIZE ISSUANCE TO GEYSERS POWER COMPANY, LLC OF A GENERAL LEASE – RIGHT OF WAY USE, BEGINNING JUNE 1, 2005, FOR A TERM OF TWENTY-FIVE YEARS, FOR THE CONSTRUCTION, USE AND MAINTENANCE OF A SIX- TO EIGHT-INCH WATER TRANSPORTATION LINE AS REPRESENTED ON THE LAND SHOWN ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF; ANNUAL RENT IN THE AMOUNT OF \$450, 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 \$1,000,000; SURETY IN THE AMOUNT OF \$5,000.

NO SCALE

SITE MAP



NO SCALE

LOCATION MAP

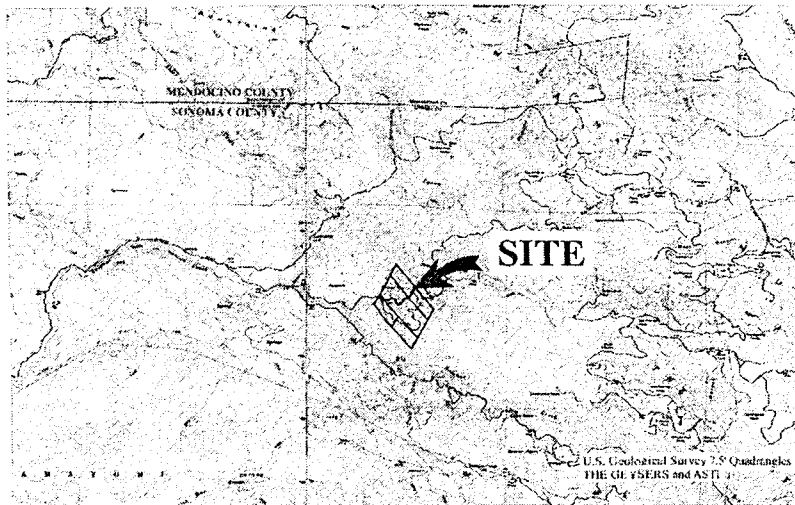


EXHIBIT A

W26008

APNs 117-140-002,
003, 004, and 005

Geysers Power Co., LLC
Sonoma County



This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by 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.

DWC 12-29-04

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