

MINUTE ITEM

This Calendar Item No. C19 was approved as Minute Item No. 19 by the California State Lands Commission by a vote of 3 to 0 at its 02-09-06 meeting.

CALENDAR ITEM
C19

A 34
S 18

02/09/06
PRC 3511.1
J. Brown

**TERMINATION OF AN EXISTING GENERAL LEASE – RIGHT OF WAY USE;
ACCEPTANCE OF A QUITCLAIM DEED;
ISSUANCE OF A NEW GENERAL LEASE – RIGHT OF WAY USE**

APPLICANT:

U.S. Borax, Inc.
209 North Main Street
Lone Pine, CA 93545

AREA, LAND TYPE, AND LOCATION:

35.8 acres, more or less, of sovereign lands in Owens Lake, Inyo County.

AUTHORIZED USE:

Continued use and maintenance of an existing road and drainage ditches.

LEASE TERM:

13 years, beginning July 12, 2005, with a renewal option of one successive period of ten years.

CONSIDERATION:

Annual rent of \$1,753 beginning July 12, 2005, 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 \$2,000,000.

OTHER PERTINENT INFORMATION:

1. Applicant has the permission to use the lands adjoining the lease premises.
2. On July 12, 1966, the Commission authorized a Right of Way Lease to Morrison & Weatherly Chemical Products for ten years beginning

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July 12, 1966, and the right of renewal for three additional periods of ten years each and one additional period of nine years for a 49.89 acre parcel of sovereign land for an existing road right of way and drainage ditches. This Lease provides access to the existing Mineral Lease PRC 5464.1.

3. Through a series of assignments and renewals, US Borax is how the State's Lessee. Additionally, the Lease area has been periodically amended and now contains 131 acres.
4. On November 1, 2004, the Commission authorized an amendment to mineral extraction Lease PRC 5464.1 for a term of ten years with the option to renew the lease for four successive periods of ten years each, extending the term to July 31, 2048.
5. Presently, U.S. Borax has submitted an application requesting to amend PRC 3511.1 to reduce the lease area from 130.92 acres to 35.8 acres. The Commission has issued a General Lease – Public Agency Use to the City of Los Angeles, Department of Water and Power, for construction and maintenance of dust abatement improvements at Owens Lake. Some of the City's proposed dust abatement improvements are located on or very near US Borax's Lease area. US Borax has reviewed these areas and is requesting that they be removed from the Lease description.
6. U.S. Borax has requested termination of the existing lease, acceptance of a quitclaim deed and consideration of the issuance of a new General Lease - Right of Way Use for a term that coincides more closely to the mineral extraction Lease PRC 5464.1 for which the road right of way within Lease PRC 3511.1 serves.
7. **Termination of Lease and Acceptance of the Quitclaim Deed:**
Pursuant to the Commission's delegation of authority and the State CEQA Guidelines [Title 14, California Code of Regulations, section 15060 (c)(3)], the staff has determined that this activity is not subject to the provisions of the CEQA because it is not a "project" as defined by the CEQA and the State CEQA Guidelines.

Authority: Public Resources Code section 21065 and Title 14, California Code of Regulations, sections 15060 (c)(3) and 15378.

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8. **New Lease Issuance:** Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, Section 15061), the staff has determined that this activity is exempt from the requirements of the CEQA as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; Title 2, California Code of Regulations, Section 2905 (a)(2). Authority: Public Resources Code Section 21084 and Title 14, California Code of Regulations, Section 15300 and Title 2, California Code of Regulations, Section 2905.

9. 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 63470, 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:

Inyo County

EXHIBITS:

- A. Land Description
- B. Site Plan

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

EXISTING LEASE TERMINATION AND ACCEPTANCE OF QUITCLAIM DEED: FIND THAT THE ACTIVITY IS NOT SUBJECT TO THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15060 (c)(3) BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

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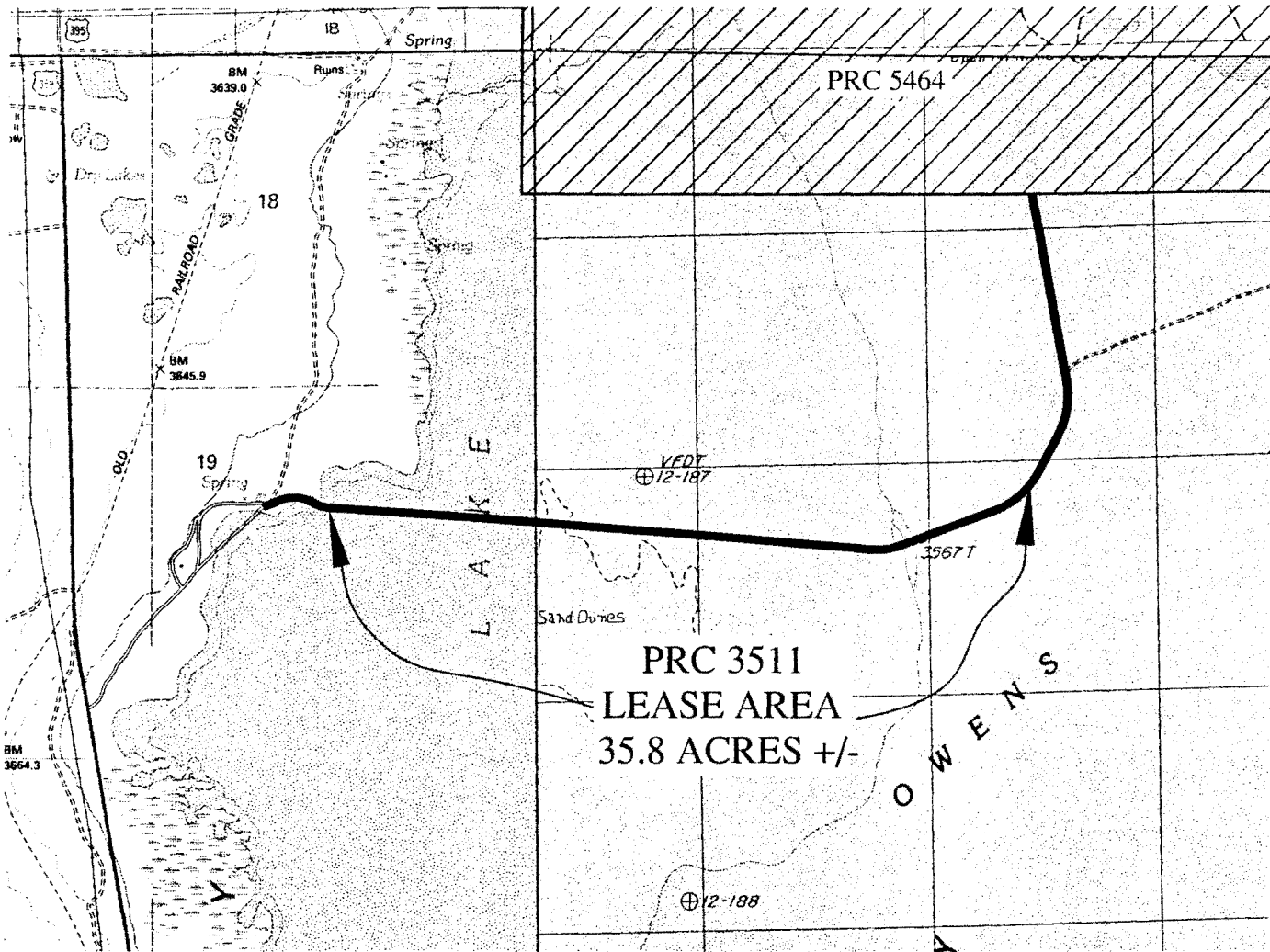
NEW LEASE ISSUANCE: FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 AS A CATEGORICALLY EXEMPT PROJECT, CLASS 1, EXISTING FACILITIES, TITLE 2, CALIFORNIA CODE OF REGULATIONS, SECTION 2905 (a) (2).

AUTHORIZATION:

AUTHORIZE TERMINATION OF GENERAL LEASE - RIGHT OF WAY USE PRC 3511.1, ACCEPTANCE OF QUITCLAIM DEED, AND ISSUANCE TO U.S. BORAX, INC. OF A GENERAL LEASE - RIGHT OF WAY USE, BEGINNING JULY 12, 2005, FOR A TERM OF 13 YEARS, WITH A RENEWAL OPTION OF ONE SUCCESSIVE PERIOD OF TEN YEARS; FOR THE CONTINUED USE AND MAINTENANCE OF A ROAD AND DRAINAGE DITCHES ON THE LAND DESCRIBED ON EXHIBIT "A" ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF; IN CONSIDERATION OF ANNUAL RENT IN THE AMOUNT OF \$1,753, 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 \$2,000,000;

NO SCALE

SITE



U.S. BORAX, INC.
DRY LAKE BED OF OWENS LAKE

NO SCALE

LOCATION

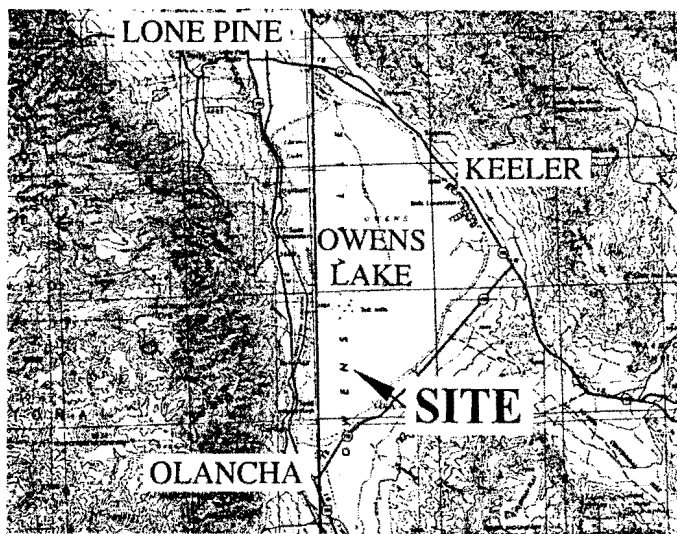


Exhibit A

PRC 3511
GENERAL LEASE
RIGHT OF WAY USE
OWENS LAKE
INYO 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.

CALENDAR PAGE MAP SOURCE: USGS QUADAGE

EXHIBIT B

LAND DESCRIPTION

A strip of land 100 feet wide in the State owned bed of Owens Lake, Inyo County, California, the centerline of which is described as follows:

BEGINNING at a point on the ordinary high water mark of said Owens Lake which bears S 37° 43' 47" W, 62,436.32 feet, more or less, from NGS monument KEELER, said monument having CCS83, Zone 4 (1991.35) coordinates: North 2,064,076.18 feet and East 6,890,187.35 feet; thence N 67° 19' 15" E, 249.89 feet to the beginning of a curve to the right, concave southerly, having a radius of 510.00 feet and a central angle of 50° 56' 59"; thence along the arc of said curve 453.51 feet; thence S 61° 43' 46" E, 60.61 feet to the beginning of a curve to the left, concave northerly, having a radius of 500.00 feet and a central angle of 24° 12' 40"; thence along the arc of said curve 211.28 feet; thence S 85° 56' 26" E, 5,046.20 feet; thence S 85° 23' 03" E, 2,763.48 feet to the beginning of a curve to the left, concave northwesterly, having a radius of 934.00 feet and a central angle of 24° 16' 11"; thence along the arc of said curve 395.63 feet; thence N 70° 04' 37" E, 1,461.20 feet to the beginning of a curve to the left, concave northwesterly, having a radius of 1,175.00 feet and a central angle of 41° 53' 37"; thence along the arc of said curve 859.14 feet; thence N 28° 11' 00" E, 574.34 feet to the beginning of a curve to the left, concave westerly, having a radius of 1,200.00 feet and a central angle of 39° 18' 00"; thence along the arc of said curve 823.10 feet; thence N 11° 07' 00" W, 2,152.48 feet; thence N 12° 21' 18" W, 528.87 feet, more or less, to the southern boundary of PRC 5464 as approved by the California State Lands Commission on October 6th, 2004, and the terminus of said strip.

The sidelines of said strip to be lengthened or shortened so as to terminate at said ordinary high water mark and said southern boundary of PRC 5464.

All distances shown hereon are grid distances, to obtain ground distances, divide grid distances by .99995.

END OF DESCRIPTION

Prepared 9-14-2005 by the Boundary Unit of the California State Lands Commission



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