

**CALENDAR ITEM  
C02**

A 8, 9, 11

02/21/14

S 4, 6, 7

PRC 3277.1

R. Boggiano

**REVISION OF RENT**

**LESSEE:**

Chevron U.S.A., Inc.

**LAND TYPE AND LOCATION:**

Sovereign land in Honker Bay, Roaring River Slough, Montezuma Slough and Grizzly Slough, and the Sacramento River, Solano, Contra Costa, Yolo, and Sacramento counties.

**AUTHORIZED USE:**

Continued use and maintenance of an existing eight-inch diameter refined products pipeline used to transport gasoline, diesel, and jet fuel.

**LEASE TERM:**

25 years, beginning May 1, 1997.

**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 the rent be revised from \$4,440 per year to \$4,977 per year, effective May 1, 2014.

**OTHER PERTINENT INFORMATION:**

1. On June 19, 1998, the Commission authorized a General Lease – Right-of-Way Use to Chevron U.S.A. Inc. (Chevron) for an eight-inch refined products pipeline used to transport gasoline, diesel and jet fuel, within a 25-foot wide right-of-way. That lease will expire April 30, 2022. An amendment to the lease to authorize the decommissioning of a portion of the existing pipeline and the installation of a new pipeline within the existing lease right-of-way located within Honker Bay was approved by the Commission on June 14, 1999. The decommissioned portion of the pipeline remains under lease, with Chevron maintaining responsibility through a pipeline abandonment agreement.

CALENDAR ITEM NO. **C02** (CONT'D)

2. Staff conducted a rent review called for in the lease and recommends the rent be increased.
3. Staff recommends that the Commission find that the subject revision of rent does not have a potential for resulting in either a direct or a reasonably foreseeable indirect physical change in the environment, and is, therefore, not a project in accordance with the California Environmental Quality Act (CEQA).

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

**EXHIBIT:**

- A. Site And Location Map

**RECOMMENDED ACTION:**

It is recommended that the Commission:

**CEQA FINDING:**

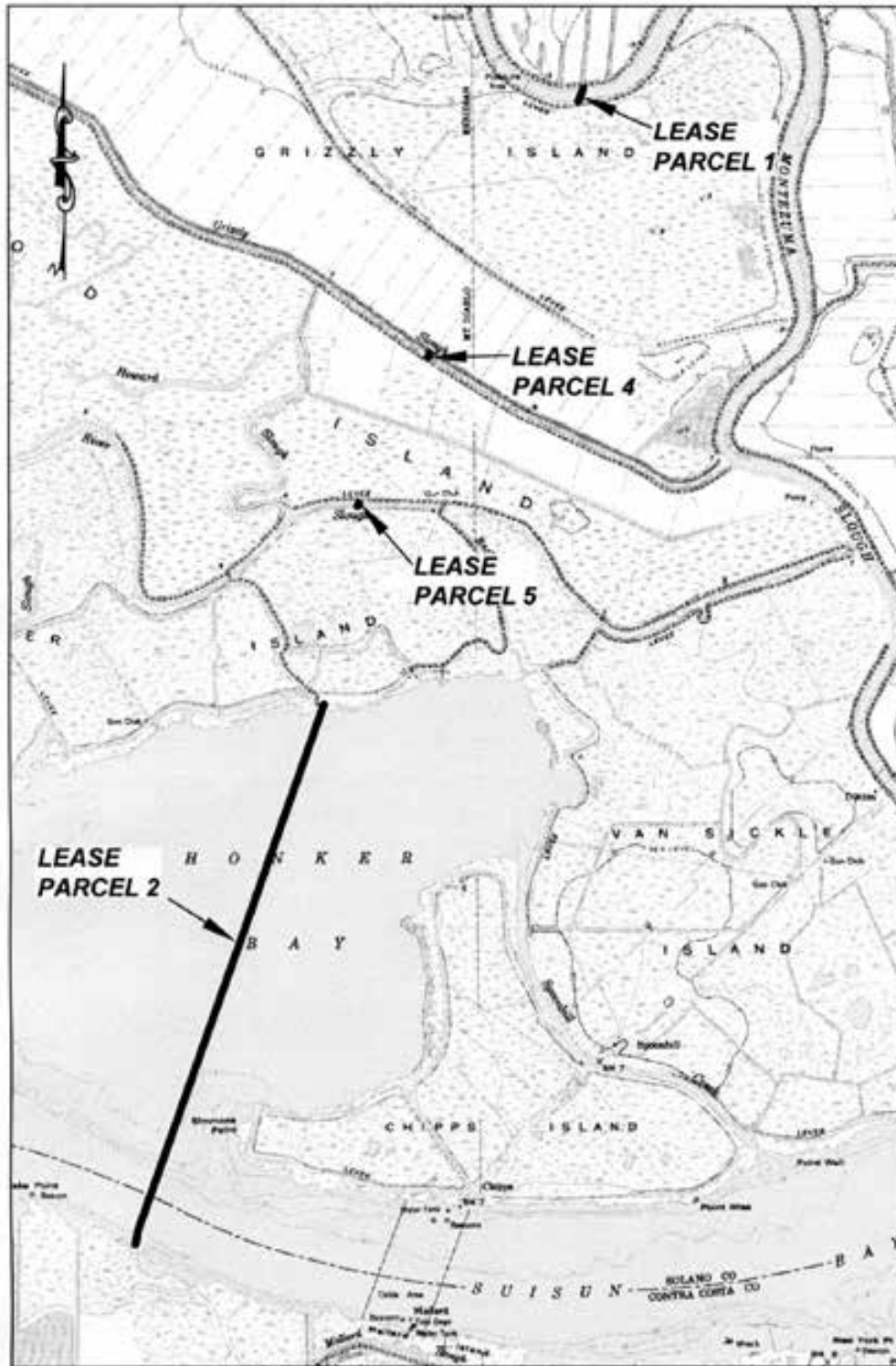
Find that the subject revision of rent is not subject to the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15060, subdivision (c)(3), because the subject activity is not a project as defined by Public Resources Code section 21065 and California Code of Regulations, Title 14, section 15378.

**AUTHORIZATION:**

Approve the revision of rent for Lease No. PRC 3277.1 from \$4,440 per year to \$4,977 per year, effective May 1, 2014.

NO SCALE

# SITE



**HONKER BAY, ROARING RIVER SLOUGH,  
GRIZZLY SLOUGH, MONTEZUMA SLOUGH &  
SACRAMENTO RIVER**

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.



NO SCALE



## LOCATION

**Exhibit A**  
 PRC 3277.1  
 CHEVRON  
 GENERAL LEASE-  
 RIGHT-OF-WAY USE  
 CONTRA COSTA, SOLANO,  
 SACRAMENTO & YOLO  
 COUNTIES



TS 11/01/13