

**CALENDAR ITEM  
C54**

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06/19/14  
PRC 3229.9  
W. Hall

**ISSUANCE OF A GENERAL LEASE – PUBLIC AGENCY USE TO SAN JOAQUIN  
COUNTY AND APPROVAL OF AN INDEMNIFICATION AGREEMENT BETWEEN  
PG&E AND THE STATE LANDS COMMISSION**

**APPLICANT:**

San Joaquin County

**INDEMNIFYING PARTY:**

Pacific Gas and Electric Company

**AREA, LAND TYPE, AND LOCATION:**

1.14 acres, more or less, of sovereign land located in the San Joaquin River adjacent to Airport Way, near the town of Vernalis, San Joaquin County.

**AUTHORIZED USE:**

Continued use and maintenance of an existing public bridge, known as Airport Way Bridge No. 29C-187, with co-location of an existing 24-inch diameter high pressure natural gas pipeline.

**LEASE TERM:**

20 years, beginning January 28, 2014.

**CONSIDERATION:**

The public use and benefit; with the State reserving the right at any time to set a monetary rent if the Commission finds such action to be in the State's best interest.

**OTHER PERTINENT INFORMATION:**

1. Applicant has the right to use the upland adjoining the lease premises.
2. On January 28, 1965, the Commission authorized a Right-of-Way Easement to the San Joaquin County Department of Public Works, for a term of 49 years, for the construction, operation, and maintenance of a public bridge over the San Joaquin River at Airport Way. The construction of the bridge was completed in 1965. The Right-of-Way Easement

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expired on January 27, 2014. The Applicant has applied for a General Lease – Public Agency Use.

3. On December 16, 1983, the Reclamation Board approved an application from Pacific Gas and Electric Company (PG&E) to abandon four existing submerged eight-inch-diameter gas pipelines crossing the San Joaquin River approximately 300 feet downstream of Airport Way, and approved the installation of a 24-inch diameter high pressure natural gas pipeline attached to the bridge. The abandoned pipelines are included in PG&E's master lease with the Commission (Lease No. PRC 5438.1. F), approved by the Commission on January 26, 2012.
4. In 2008, the bridge underwent a seismic retrofit to make it structurally sound in the event of a major seismic event. The upgrades included the construction of two concrete steel shell piles and bent caps, installation of timber bumpers and catcher blocks, and the placement of hinge cable restrainers and pipe seat extenders on the existing bridge. The most recent bridge inspection by the California Department of Transportation was December 10, 2012. The inspection determined that no significant repairs were necessary and only recommended minor maintenance.
5. The Applicant maintains a franchise agreement with PG&E for the 24-inch diameter high pressure natural gas pipeline installed on the bridge. Staff has reviewed the as-built and seismic upgrade plans for the bridge, the existing franchise agreement with PG&E, and the 2013 inspections and monitoring reports for the gas pipelines.
6. Staff first became aware of the abandonment of the submerged PG&E pipelines in the San Joaquin River and co-location of the existing pipeline on the bridge, upon review of project plans for the 2008 bridge seismic retrofit submitted with the lease application on June 4, 2013.
7. Staff and PG&E have negotiated a proposed Indemnification Agreement for the co-location of and continued occupation of PG&E's pipeline on the bridge, and continued maintenance and operation pursuant to the franchise agreement between PG&E and the County. PG&E agrees to indemnify the State, without limitation, for any claim or liability arising from the installation, operation, or maintenance of any PG&E facilities located within the boundary of Lease No. PRC 3229.9.

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8. Staff recommends the Commission authorize a General Lease – Public Agency Use with San Joaquin County. Staff further recommends the Commission authorize the Indemnification Agreement between the State of California, acting by and through the California State Lands Commission, and PG&E.
9. The staff recommends that the Commission find that the issuance of a lease 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 2, section 2905, subdivision (a)(2).

Authority: Public Resources Code section 21084 and California Code of Regulations, Title 14, section 15300 and California Code of Regulations, Title 2, section 2905.

10. Staff further recommends that the Commission find that the Indemnification Agreement 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 CEQA.

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

11. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code section 6370 et seq., but such activity will not affect those significant lands. 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.

**EXHIBITS:**

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

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**RECOMMENDED ACTION:**

It is recommended that the Commission:

**CEQA FINDING:**

Find that the issuance of a lease 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 2, section 2905, subdivision (a)(2).

Find that the Indemnification Agreement 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.

**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 section 6370 et seq.

**AUTHORIZATION:**

1. Authorize issuance of a General Lease – Public Agency Use to San Joaquin County beginning January 28, 2014, for a term of 20 years, for the continued use and maintenance of the existing bridge known as Airport Way Bridge No. 29C-187; as described in Exhibit A and shown on Exhibit B (for reference purposes only) attached and by this reference made a part hereof; consideration for the bridge: the public use and benefit, with the State reserving the right at any time to set a monetary rent if the Commission finds such action to be in the State's best interest.
2. Authorize the Indemnification Agreement between the State Lands Commission and PG&E for the co-location of and continued occupation of a 24-inch diameter high pressure natural gas pipeline on the existing bridge known as Airport Way Bridge No. 29C-187, and continued maintenance and operation pursuant to the franchise agreement between PG&E and San Joaquin County.

**EXHIBIT A**

**PRC 3229.9**

**LAND DESCRIPTION**

A 120 foot wide strip of tide and submerged land situate in the bed of the San Joaquin River, in the vicinity of Vernalis, County of San Joaquin, State of California, and lying 60 feet on each side of the following described centerline:

COMMENCING at the intersection of the centerline of Kasson Road as it approaches from the northwest and the centerline of Airport Way (Durham Ferry Road) and shown on that map designated CXB 6441 and on file with the California State Lands Commission, Sacramento office; thence along the centerline, as shown on said map, the following four courses:

- 1) North 46°35' East 860.99 feet,
- 2) along a 999.76 foot radius curve to the right, having a central angle of 29°04', and an arc length of 507.19 feet,
- 3) North 75°39' East 821.18 feet, and
- 4) along a 999.76 foot radius curve to the left, having a central angle of 8°47', and an arc length of 153.26 feet;

thence leaving said centerline North 23°08' West 110.00 feet to the POINT OF BEGINNING; thence North 66°52' East 500 feet across the San Joaquin River to a point on the right bank of the San Joaquin River.

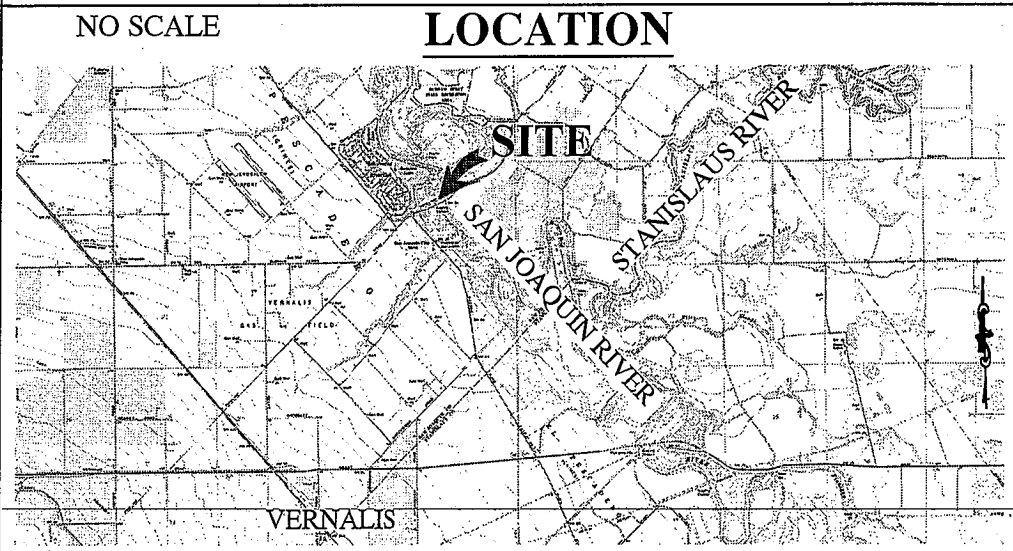
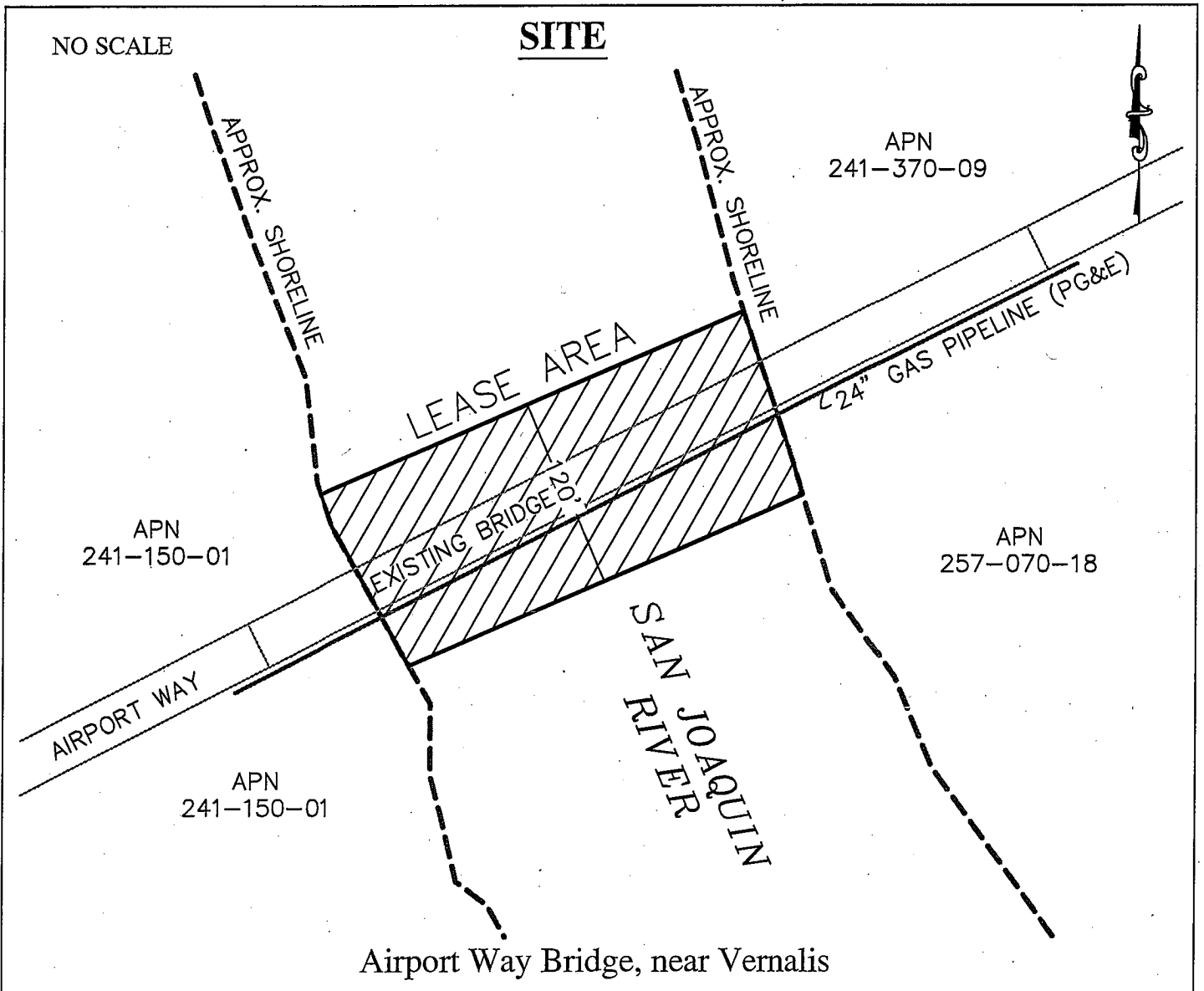
The sidelines of said strip shall be lengthened or shortened so as to terminate on the ordinary high water mark on the left and right banks of the San Joaquin River.

EXCEPTING THEREFROM any portions lying landward of the ordinary high water mark of the left and right banks of the San Joaquin River.

**END OF DESCRIPTION**

REVISED 8/19/13 BY THE CALIFORNIA STATE LANDS COMMISSION BOUNDARY UNIT. ORIGINAL DESCRIPTION AS FOUND IN MINUTE ITEM , DATED 1/28/65 IN CALIFORNIA STATE LANDS COMMISSION LEASE FILE PRC 3229.





MAP SOURCE: USGS QUAD

**Exhibit B**  
 PRC 3229.1  
 SAN JOAQUIN COUNTY  
 APN 241-150-01, 241-370-09  
 & 257-070-18  
 GENERAL LEASE -  
 PUBLIC AGENCY USE  
 SAN JOAQUIN 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.