

**CALENDAR ITEM
C45**

A	33	10/13/16 PRC 4024.2 PRC 4025.2 PRC 4026.2 PRC 4027.2
S	16	C. Hudson

**TERMINATION OF GENERAL LEASE – RIGHT-OF-WAY EASEMENTS AND
ISSUANCE OF A GENERAL LEASE – RIGHT-OF-WAY USE**

APPLICANT:

Southern California Edison Company
2 Innovation Way, 2nd Floor 280-I
Pomona, CA 91768

PROPOSED LEASE:

AREA, LAND TYPE, AND LOCATION:

130.16 acres, more or less, of State-owned school lands within portions of Section 36, Township 12 North, Range 20 East, SBM; Section 36, Township 10 North, Range 13 East, SBM; Section 36, Township 10 North, Range 14 East, SBM; Section 36, Township 10 North, Range 15 East, SBM near the Mojave National Preserve, San Bernardino County.

AUTHORIZED USE:

Use and maintenance of an existing 500 kilovolt (kV) overhead transmission line, steel towers, and access road.

LEASE TERM:

25 years, beginning October 13, 2016.

CONSIDERATION:

\$4,100 per year, with an annual Consumer Price Index adjustment, and the State reserving the right to adjust the rent at each 10-year anniversary, as provided in the lease.

SPECIFIC LEASE PROVISIONS:

Insurance: Liability insurance in an amount no less than \$2,000,000 per occurrence, or equivalent staff-approved self-insurance program.

CALENDAR ITEM NO. **C45** (CONT'D)

Bond: Performance guaranty in lieu of a surety bond.

STATE'S BEST INTERESTS ANALYSIS:

Southern California Edison Company (SCE), a regulated utility, generates and distributes electric power across the Southern California region. On August 28, 1968, the Commission authorized four, 49-year term General Lease – Right-of-Way Easements to SCE for the construction, use and maintenance of a 500 kV overhead transmission line, steel towers, and access road (Calendar Items [C24](#), [C25](#), [C26](#), and [C27](#), August 28, 1968). The 500 kV overhead transmission line, steel towers, and access road were authorized by the Commission under four separate leases, Lease Nos. PRC 4024.2, PRC 4025.2, PRC 4026.2 and PRC 4027.2. It is the desire of both Commission staff and SCE to merge the four leases involving different stretches of the same 500 kV overhead transmission line, steel towers, and access road under one lease, which would be referenced as Lease No. PRC 4024.2.

The proposed lease is limited to a 25-year term, does not alienate the State's fee simple interest, and does not grant the lessee exclusive rights to the lease premises. The lease requires the lessee to insure and indemnify the State for any liability incurred as a result of the lessee's activities thereon. The lease requires the lessee to maintain the overhead transmission line, steel towers and access road at no expense to the State. The lease also requires the payment of annual rent, generating revenue for the California State Teachers' Retirement System, consistent with the School Lands Bank Act. For the reasons stated above, Commission staff believes the termination of the existing four leases, the consolidation of the various improvements in a single lease through the issuance of Lease No. PRC 4024.2 is in the best interests of the State.

OTHER PERTINENT INFORMATION:

1. On April 23, 2014, the Commission authorized amendments to all SCE leases to include a performance guaranty in the leases where they were not previously required.
2. The proposed action is consistent with Strategy 1.1 of the Commission's Strategic Plan to deliver the highest levels of public health and safety in the protection, preservation and responsible economic use of the lands and resources under the Commission's jurisdiction; and Strategy 2.1, to optimize return for the responsible development and use of State lands and resources, both onshore and offshore.

CALENDAR ITEM NO. **C45** (CONT'D)

3. Termination of a lease is not a project as defined by the California Environmental Quality Act (CEQA) because it is an administrative action that will not result in direct or indirect physical changes in the environment.

Authority: Public Resources Code section 21065 and California Code of Regulations, title 14, section 15378, subdivision (b)(5).

4. Staff recommends that the Commission find that this activity is exempt from the requirements of CEQA as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; California Code of Regulations, title 14, section 15301.

Authority: Public Resources Code section 21084 and California Code of Regulations, title 14, section 15300.

5. 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 staff's consultation with the persons nominating such lands and through the CEQA review process, it is staff's opinion that the project, as proposed, is consistent with its use classification.

EXHIBITS:

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

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the activity 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 14, section 15301.

STATE'S BEST INTERESTS FINDING:

Find that the proposed lease is in the best interests of the State.

CALENDAR ITEM NO. **C45** (CONT'D)

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 termination, effective October 12, 2016, of Lease Nos. PRC 4024.2, PRC 4025.2, PRC 4026.2, PRC 4027.2, General Lease – Right of Way Easements issued to Southern California Edison Company.

2. Authorize issuance of a General Lease – Right-of-Way Use to Southern California Edison Company beginning October 13, 2016, for a term of 25 years, for an existing 500 kV overhead transmission line, steel towers, and access road as described in Exhibit A and shown on Exhibit B (for reference purposes only) attached and by this reference made a part hereof; annual rent in the amount of \$4,100, with an annual Consumer Price Index adjustment and the State reserving the right to adjust the rent at each 10-year anniversary, as provided in the Lease; liability insurance in an amount no less than \$2,000,000 per occurrence, or equivalent staff-approved self-insurance program; and a performance guaranty in lieu of a surety bond.

EXHIBIT A
LAND DESCRIPTION

PRC 4024.2

Four parcels of State owned School Lands situate in the County of San Bernardino, State of California, more particularly described as follows:

PARCEL ONE - EXHIBIT B 1

That portion of Section 36, Township 12 North, Range 20 East, San Bernardino Base and Meridian, lying within a strip of land TWO HUNDRED NINETY (290) feet wide, the side lines thereof being 80 feet Northwesterly and 210 feet Southeasterly, measured at right angles, respectively, from the surveyed reference line which is described as follows:

Beginning at a point in the Westerly line of said Section 36, said point being North 01° 31' 58" West 708.51 feet, measured along said Westerly line from a U.S.G.L.O. Brass Cap Monument set at the West one-quarter corner of said Section 36; thence North 54° 50' 39" East 3492.67 feet, more or less, to a point in the Northerly line of said Section 36, last mentioned point being North 88° 07' 26" East 272.63 feet, measured along said Northerly line from a U.S.G.L.O. Brass Cap Monument set at the North one-quarter corner of said Section 36, containing 24.20 acres more or less.

The side lines of said strip of land TWO HUNDRED NINETY (290) feet wide, shall be prolonged or shortened so as to terminate in the Northerly and Westerly lines of said Section 36.

PARCEL TWO - EXHIBIT B 2

That portion of Section 36, Township 10 North, Range 15 East, San Bernardino Base and Meridian, lying within a strip of land TWO HUNDRED NINETY (290) feet wide, the side lines thereof being 80 feet Northerly and 210 feet Southerly, measured at right angles, respectively, from the surveyed reference line which is described as follows:

Beginning at a point in the Westerly line of Section 34, Township 10 North, Range 15 East, San Bernardino Base and Meridian, said point being North 00° 47' 56" West 3133.57 feet, measured along said Westerly line from a 2" iron pipe with tag stamped "R.E. 7208", set at the Southwest corner of said Section 34; thence North 82° 20' 14" East 16,100.49 feet, more or less, to a point in the Easterly line, of said Section 36, last mentioned point being North 01° 21' 45" West 4998.92 feet, measured along said

Easterly line from a U.S.G.L.O. Brass Cap Monument set at the Southeast corner of said Section 36, containing 35.73 acres more or less.

The side lines of said strip of land TWO HUNDRED NINETY (290) feet wide, shall be prolonged or shortened so as to terminate in the Easterly line of said Section 36.

PARCEL THREE - EXHIBIT B 3

That portion of Section 36, Township 10 North, Range 14 East, San Bernardino Base and Meridian, lying within a strip of land TWO HUNDRED NINETY (290) feet wide, the side lines thereof being 80 feet Northerly and 210 feet Southerly, measured at right angles, respectively, from the surveyed reference line which is described as follows:

Beginning at a point in the Westerly line of said Section 36, said point being North 01° 23' 01" West 1091.23 feet, measured along said Westerly line from a U.S.G.L.O. Brass Cap Monument set at the Southwest corner of said Section 36; thence South 89° 27' 43" East 2925.34 feet; thence North 82° 20' 14" East 2360.02 feet, more or less, to a point in the Easterly line of said Section 36, said last mentioned point being North 01° 22' 01" West 1279.85 feet, measured along said Easterly line, from a U.S.G.L.O. Brass Cap Monument set at the Southeast corner of said Section 36, containing 35.19 acres more or less.

The side lines of said strip of land TWO HUNDRED NINETY (290) feet wide, shall be prolonged or shortened so as to terminate in the Westerly and Easterly line of said Section 36.

Subject to the provisions recited in P.R.C. 2531.2, a 50 foot easement issued March 3, 1960, to Pacific Lighting Gas Supply Company.

PARCEL FOUR - EXHIBIT B 4

That portion of the South one-half of Section 36, Township 10 North, Range 13 East, San Bernardino Base and Meridian, lying within a strip of land TWO HUNDRED NINETY (290) feet wide, the side lines thereof being 80 feet Northerly and 210 feet Southerly, measured at right angles, respectively, from the surveyed reference line which is described as follows:

Beginning at a point in the Easterly line of said Section 36, said point being South 01° 24' 56" East 715.30 feet, measured along said Easterly line from a U.S.G.L.O. Brass Cap Monument set at the East one-quarter corner of said Section 36; thence North 89° 27' 43"

West 4807.20 feet; thence South 74° 41' 15" West 485.89 feet, more or less, to a point in the Westerly line of said Section 36, said last mentioned point being North 01° 24' 22" West 1989.41 feet, measured along said Westerly line from a U.S.G.L.O. Brass Cap Monument set at the Southwest corner of said Section 36, containing 35.24 acres more or less.

The side lines of said strip of land TWO HUNDRED NINETY (290) feet wide, shall be prolonged or shortened so as to terminate in the Westerly and Easterly lines of said Section 36.

The above descriptions are based on those original descriptions prepared by Southern California Edison Company as found in Work Order files 6246, 6369, 6370, and 6371.

END OF DESCRIPTION

Prepared 06/21/2016 by the California State Lands Commission Boundary Unit.



NO SCALE

SITE



LEASE AREA

APN 0568-361-06

SECTION 36

NORTHWEST 1/4, SECTION 36, TOWNSHIP 12 NORTH, RANGE 20 EAST, SBM

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit B - 1

PRC 4024.2
SOUTHERN CALIFORNIA
EDISON COMPANY
APN 0568-361-06
GENERAL LEASE -
RIGHT-OF-WAY USE
SAN BERNARDINO COUNTY

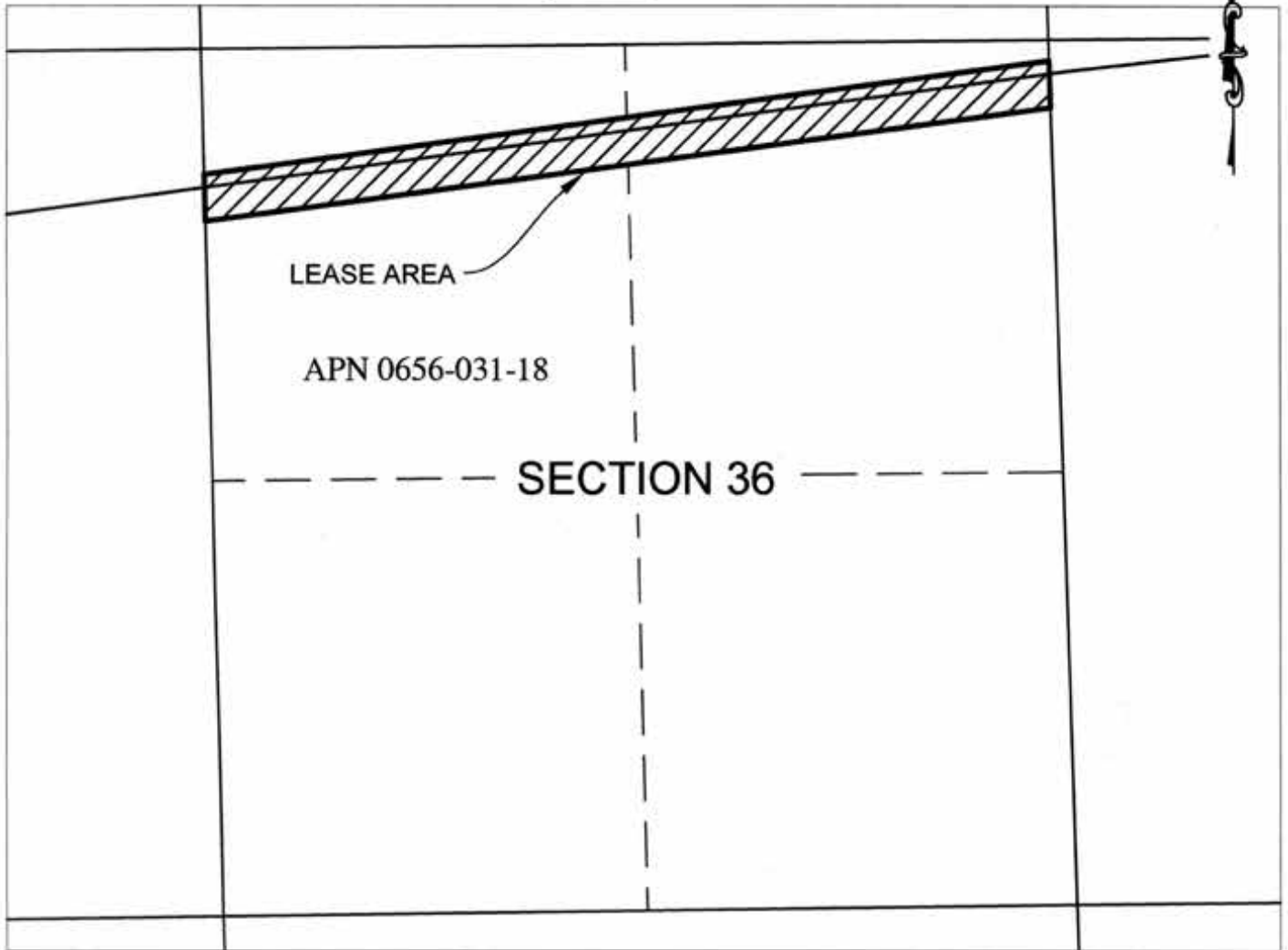


This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.

RGB 06/21/16

NO SCALE

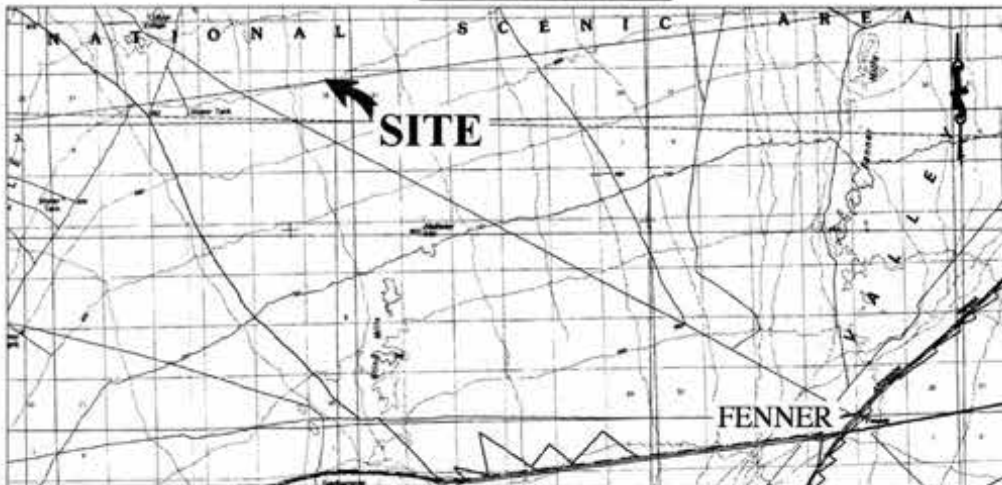
SITE



NORTH 1/2 SECTION 36, TOWNSHIP 10 NORTH, RANGE 15 EAST, SBM

NO SCALE

LOCATION



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.

Exhibit B - 2

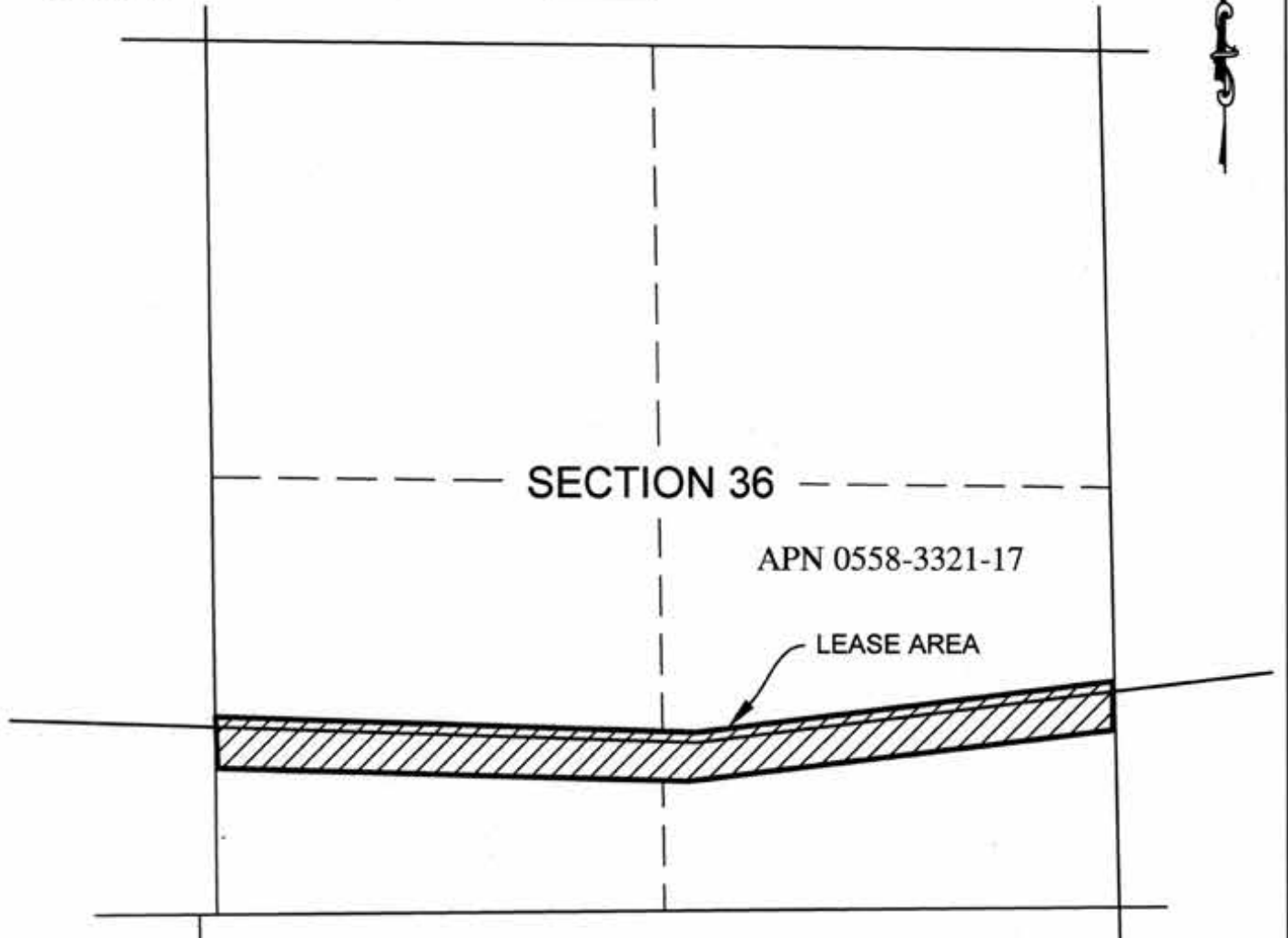
PRC 4024.2
 SOUTHERN CALIFORNIA
 EDISON COMPANY
 APN 0656-031-18
 GENERAL LEASE -
 RIGHT-OF-WAY USE
 SAN BERNARDINO COUNTY



RGB 06/21/16

NO SCALE

SITE



SOUTH 1/2 OF SECTION 36, TOWNSHIP 10 NORTH, RANGE 14 EAST, SBM

NO SCALE

LOCATION



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.

Exhibit B - 3

PRC 4024.2
 SOUTHERN CALIFORNIA
 EDISON COMPANY
 APN 0558-3321-17
 GENERAL LEASE -
 RIGHT-OF-WAY USE
 SAN BERNARDINO COUNTY



RGB 06/21/16

NO SCALE

SITE



SECTION 36

LEASE AREA

APN 0563-271-01

SOUTH 1/2 OF SECTION 36, TOWNSHIP 10 NORTH, RANGE 13 EAST, SBM

NO SCALE

LOCATION



SITE

MAP SOURCE: USGS QUAD

Exhibit B - 4

PRC 4024.2

SOUTHERN CALIFORNIA
EDISON COMPANY

APN 0563-271-01

GENERAL LEASE -
RIGHT-OF-WAY

SAN BERNARDINO COUNTY



SITE

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.

RGB 06/21/16