

**STAFF REPORT
C71**

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06/21/18
PRC 3511.1
D. Simpkin

GENERAL LEASE – RIGHT-OF-WAY USE

APPLICANT:

U.S. Borax, Inc.

PROPOSED LEASE:

AREA, LAND TYPE, AND LOCATION:

Sovereign land on the dry lakebed of Owens Lake, Inyo County.

AUTHORIZED USE:

Use and maintenance of an existing road and drainage ditches.

LEASE TERM:

20 years, beginning July 12, 2018.

CONSIDERATION:

\$982 per year, with an annual Consumer Price Index adjustment; and the State reserving the right to fix a different rent on the 10th anniversary of the lease term, as provided in the lease.

SPECIFIC LEASE CONDITIONS:

Liability insurance in an amount no less than \$2,000,000 per occurrence.

STAFF ANALYSIS AND RECOMMENDATION:

Authority:

Public Resources Code sections 6005, 6216, 6301, 6501.1, and 6503;
California Code of Regulations, title 2, sections 2000 and 2003.

Public Trust and State's Best Interests:

On February 9, 2006, the Commission approved a General Lease – Right-of-Way Use for an existing road and drainage ditches to U.S. Borax, Inc. ([Item C19, February 9, 2006](#)). This lease will expire on July 11, 2018. Under the existing lease, U.S. Borax has an option to renew the lease for an additional 10-year period.

STAFF REPORT NO. C71 (CONT'D)

The Applicant is now applying for a new General Lease – Right-of-Way Use for the use and maintenance of the existing road and drainage ditches on the dry lakebed of Owens Lake which provide access to the Applicant's mineral extraction operation under existing Mineral Lease No. PRC 5464.1. The existing road and drainage ditches are surrounded by the City of Los Angeles Department of Water and Power's (City) Owens Lake Dust Mitigation Program and do not interfere with the City's ongoing dust control operations.

The proposed lease does not alienate the State's fee simple interest or permanently impair public rights. The proposed use does not interfere with current Public Trust uses in the area, which consist primarily of public access, recreation, and aesthetic enjoyment, among others. The lease is limited to a 20-year term and does not grant exclusive rights to the lease premises. The proposed lease requires the lessee to insure the lease premises and indemnify the State for any liability incurred as a result of the lessee's activities thereon.

OTHER PERTINENT INFORMATION:

1. This right-of-way lease provides access to the existing mineral extraction lease PRC 5464.1. Lease PRC 5464.1 includes options to renew for four successive periods of ten years, potentially extending the lease until 2048. The lease was amended and the first option to renew was approved by the Commission on December 17, 2009 ([Item C35, December 17, 2009](#)). The second option to renew the mineral lease is being considered at this Commission meeting.
2. This 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.
3. Staff recommends that the Commission find that this activity 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.

STAFF REPORT NO. **C71** (CONT'D)

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 2, section 2905, subdivision (a)(2).

PUBLIC TRUST AND STATE'S BEST INTERESTS:

Find that the proposed lease for the use and maintenance of existing improvements will not substantially impair public rights or substantially interfere with the Public Trust needs and values at this location, at this time, and for the foreseeable term of the lease; and is in the State's best interests.

AUTHORIZATION:

Authorize issuance of a General Lease – Right-of-Way Use to U.S. Borax, Inc., beginning July 12, 2018, for a term of 20 years, for the use and maintenance of an existing road and drainage ditches, 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 \$982, with an annual Consumer Price Index adjustment, as provided in the lease, with the State reserving the right to fix a different rent on or after the 10th year anniversary, as provided in the lease; and liability insurance in an amount no less than \$2,000,000 per occurrence.

EXHIBIT A

PRC 3511.1

LAND DESCRIPTION

Lake Minerals-Rio Tinto Haul Road
From Meander to North of T1A-4

A strip of land 100 wide in the State-owned bed of Owens Lake, in Inyo County, State of California, being 50 feet on both sides of the following described Center Line:

COMMENCING at a 2" Iron Pipe with Tag "RCE 10467" set as an Owens Lake Meander Line corner on the section line between Sections 18 and 19, Township 18 South, Range 37 East, Mt. Diablo Meridian, shown on that map filed in Book 11, of Record of Surveys at page 47, Official Records of said County; thence South $41^{\circ}43'56''$ West, along said Meander Line 2,382.97 feet to the POINT OF BEGINNING, from whence Mineral Monument No. 58, a white marble stone monument with a metal plate cross stamped "MM #58", as said monument is shown on that map filed in Book 11, of Record of Surveys at page 7, Official Records of the County of Inyo, State of California, bears North $37^{\circ}44'40''$ East, a distance of 62,426.79 feet; thence North $67^{\circ}48'14''$ East, leaving said Meander Line 68.07 feet to the beginning of a tangent curve; thence along said curve, concave southeasterly, through a central angle of $9^{\circ}46'03''$, having a radius of 400.00 feet, an arc length of 68.19 feet; thence North $77^{\circ}34'16''$ East, 258.43 feet to the beginning of a tangent curve; thence along said curve, concave southwesterly, through a central angle of $46^{\circ}29'46''$, having a radius of 395.00 feet, an arc length of 320.55 feet; thence South $55^{\circ}55'58''$ East, 54.46 feet to the beginning of a tangent curve; thence along said curve, concave northeasterly, through a central angle of $30^{\circ}01'29''$, having a radius of 300.00 feet, an arc length of 157.21 feet; thence South $85^{\circ}57'26''$ East, 2,339.26 feet; thence South $86^{\circ}07'47''$ East, 1,692.86 feet; thence South $85^{\circ}26'08''$ East, 3,828.54 feet to the beginning of a tangent curve; thence along said curve, concave northerly, through a central angle of $25^{\circ}02'51''$, having a radius of 810.00 feet, an arc length of 354.10 feet; thence North $69^{\circ}31'01''$ East, 456.26 feet to the beginning of a tangent curve; thence along said curve, concave northwesterly, through a central angle of $77^{\circ}41'35''$, having a radius of 70.00 feet, an arc length of 94.92 feet; thence North $8^{\circ}10'34''$ West, 2,217.63 feet to the beginning of a tangent curve; thence along said curve, concave easterly, through a central angle of $23^{\circ}17'00''$, having a radius of 300.00 feet, an arc length of 121.91 feet; thence North $15^{\circ}06'26''$ East, 1,683.77 feet to the beginning of a tangent curve; thence along said curve, concave southeasterly, through a central

angle of $40^{\circ}36'02''$, having a radius of 300.00 feet, an arc length of 212.58 feet; thence North $55^{\circ}42'28''$ East, 483.43 feet to the beginning of a tangent curve; thence along said curve, concave southeasterly, through a central angle of $20^{\circ}00'00''$, having a radius of 200.00 feet, an arc length of 69.81 feet; thence North $75^{\circ}42'28''$ East, 119.27 feet to the beginning of a tangent curve; thence along said curve, concave northwesterly, through a central angle of $50^{\circ}05'54''$, having a radius of 200.00 feet, an arc length of 174.88 feet; thence North $25^{\circ}36'35''$ East, 247.13 feet, more or less, to the southern boundary of PRC 5464.1 as approved by the California State Lands Commission, and the terminus of said Center Line.

The Bearings used in this description are on the California Coordinate System, NAD83, (CCS83/92), Zone 4. The Coordinate values, in U.S. Survey Feet, of said Mineral Monument No. 58, also known as Triangulation Station "Keeler" are: Northing 2,064,076.37, Easting 6,890,187.91. All distances shown herein are grid distances in U.S. Survey Feet. To obtain ground surface distances, multiply the distances shown by 1.000228742.

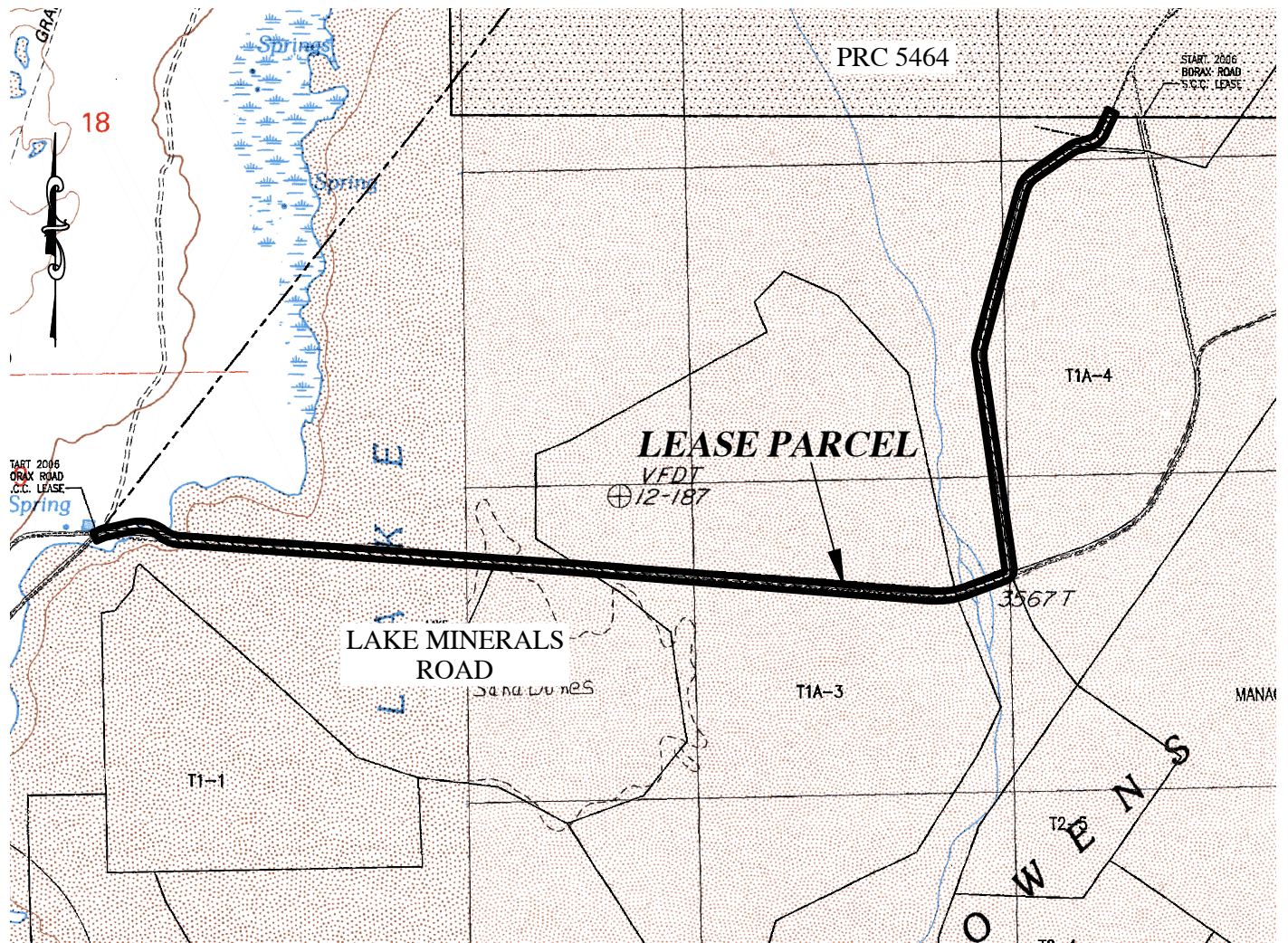
END OF DESCRIPTION.



Patrick R. Maddock
6-23-14

NO SCALE

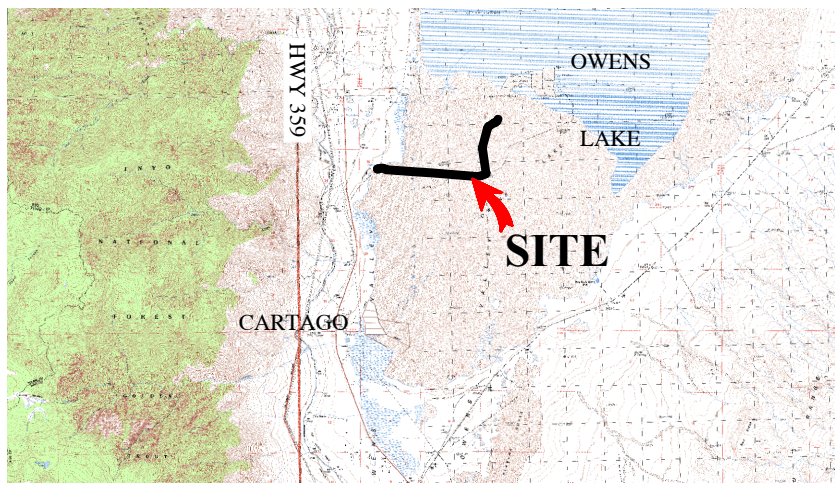
SITE



DRY LAKE BED OF OWENS LAKE

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit B

PRC 3511.1
 U. S. BORAX INC.
 GENERAL LEASE -
 RIGHT-OF-WAY USE
 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.