MINUTE ITEM
This Calendar Item No. C26
was approved as Minute Item
No. 26 by the State Lands
Commission by a vote of 3
to 0 at its 12/17/92
meeting

CALENDAR ITEM

C26

A 61

S 25

12/17/92
SA 5703
Reese
Pelkofer

AUTHORIZE, AS SCHOOL LAND BANK TRUSTEE,
SALE AND SUBSEQUENT ISSUANCE OF A
TRANSFER OF POSSESSION AND CONTROL DOCUMENT OR PATENT
FOR 11,700± ACRES OF STATE SCHOOL LAND

PARTIES:

Kern River Gas Transmission Company,
a general partnership
P. O. Box 58900
Salt Lake City, Utah 84158-0900

Mojave Pipeline Company, a general
partnership
P. O. Box 10269
Bakersfield, California 93389-0269

California Department of Fish and Game
1416 Ninth Street
Sacramento, California 95814

BACKGROUND:

The Commission, on March 6, 1991, approved the Kern-Mojave Pipeline, which crosses State-owned school lands, and authorized the Executive Officer to execute the Habitat Mitigation and Acquisition agreements approved by all parties.

Pursuant to the Habitat Mitigation/Acquisition plans, the pipeline companies are required to acquire desert tortoise habitat to compensate for the related, unavoidable impacts of their pipeline project. Staff identified numerous State school land parcels located in areas of high density desert tortoise habitat which could be made available to the pipeline companies for habitat. The Department of Fish and Game has

determined the parcels will be acceptable for acquisition by pipeline companies pursuant to the Habitat Mitigation/Acquisition Plan. Staff has concluded negotiations with the pipeline companies for the sale of the school land parcels having desert tortoise habitat.

CURRENT SITUATION:
Staff and the pipeline companies have agreed upon the transfer of approximately 11,700 acres, valued at approximately $1,740,000 to the Department of Fish and Game, in compliance with the provisions set forth in the agreements for Habitat Mitigation/Acquisition. The question of direct transfer of the property, by transfer of possession and control to the Department of Fish and Game or by patent to the pipeline companies and then to the Department of Fish and Game, is being discussed by all parties. Either method of transfer complies with the provisions of the agreements. Therefore, staff is requesting authorization to transfer the property either way.

STATUTORY AND OTHER REFERENCES:

A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.

B. Cal. Code Regs.: Title 3, Div. 3; Title 14, Div. 6.

AB 884:
N/A

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 15061), the staff has determined that this activity is exempt from the requirements of the CEQA as a statutorily exempt project. The project is exempt because it involves an action taken pursuant to the School Land Bank Act, P.R.C. 8700, et seq.

   Authority: P.R.C. 8710.

2. The consideration of $1,740,000± will be deposited in the School Land Bank Fund to facilitate the management of school lands for the purpose of generating revenue and carrying out the goals of the School Lank Bank Act, the State Lands Commission will be acting as trustee for the School Land Bank Fund, pursuant to Division 7.7 of the P.R.C.

3. Staff has filed a General Plan for this activity with the Legislature, pursuant to P.R.C. 6373.

EXHIBIT:

A. General Plan

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 AS A STATUTORILY EXEMPT PROJECT PURSUANT TO P.R.C. 8710, AN ACTION TAKEN PURSUANT TO THE SCHOOL LAND BANK ACT, P.R.C. 8700, ET SEQ.

2. FIND THAT A GENERAL PLAN FOR THIS ACTIVITY WAS PREPARED BY COMMISSION STAFF AND FILED WITH THE LEGISLATURE PURSUANT TO P.R.C. 6373.

3. AUTHORIZE THE SALE AND SUBSEQUENT ISSUANCE OF TRANSFER OF POSSESSION AND CONTROL TO THE DEPARTMENT OF FISH AND GAME AND, IN THE ALTERNATIVE, THE ISSUANCE OF A PATENT TO MOJAVE PIPELINE COMPANY, A GENERAL PARTNERSHIP, SUBJECT TO APPLICABLE STATUTORY AND CONSTITUTIONAL RESERVATIONS. AUTHORIZE STAFF TO DO THAT WHICH IS NECESSARY AND REQUIRED TO IMPLEMENT WHICHEVER OF THESE OPTIONS IS AGREED TO BY THE PARTIES AND IS IN THE BEST INTERESTS OF THE STATE.

4. AUTHORIZE THE DEPOSIT OF THE CONSIDERATION RECEIVED IN THE SCHOOL LAND BANK FUND.

EXHIBIT "A"

GENERAL PLAN SA 5703

The State Lands Commission (Commission), on March 6, 1991, approved the Kern-Mojave Pipeline, which crosses State-owned School lands. As part of the endangered species consultation with the Department of Fish and Game (Department), the Department required the pipeline operators to enter in Habitat Mitigation Agreements, which provided that the pipeline operators would purchase suitable replacement habitat to mitigate for the impacts caused by the construction activities on the habitat of certain threatened and endangered species; e.g. the desert tortoise. The Commission was a signatory to these agreements since the Commission, the State lead agency, is responsible for enforcing the mitigation measures.

Commission staff has identified replacement habitat on State School land and the Department has agreed that the parcels will be acceptable for acquisition by the pipeline operators pursuant to the Habitat Mitigation Agreements.

Therefore, Commission staff, pipeline operators, and the Department have agreed upon the sale to the pipeline operators and subsequent transfer of approximately 11,700 acres of State School land, valued at approximately $1,740,000, to the Department, in compliance with the provisions set forth in the Habitat Mitigation Agreements.