

MINUTE ITEM

This Calendar Item No. C83
was approved as Minute Item
No. 83 by the State Lands
Commission by a vote of 3
to 0 at its 10-17-95
meeting.

CALENDAR ITEM
C83

A 73, 74

10/17/95

PRC 932.1

WP 932.1

S 38

Fossum

A. Scott

J. Smith

AMENDMENT OF GENERAL LEASE - INDUSTRIAL USE

APPLICANT:

San Diego Gas and Electric Company
P.O. Box 1831
San Diego, California 92112

LOCATION:

A 102-acre parcel of tide and submerged land in the Pacific Ocean at Carlsbad, San Diego County.

EXHIBITS:

A. Location and Site Map

AB 884:

N/A

OTHER PERTINENT INFORMATION:

1. On November 15, 1994, by Minute Item 84, the Commission authorized the issuance to San Diego Gas & Electric Company (SDG&E) of a 10-year General Lease - Industrial Use beginning September 1, 1994, for the deposition of spoils from Agua Hedionda Lagoon. This is a continuation of an ongoing activity under an existing State lease (PRC 932.1) first entered into in 1954.
2. Commission staff forwarded the draft lease to SDG&E for review on November 15, 1994. SDG&E requested revisions to certain standard and special lease conditions. The revisions concern:
 - a. lease termination notification language;
 - b. new language relative to lease assignment; and
 - c. self-insurance provisions.

Commission staff and SDG&E have agreed on appropriate lease language which satisfies SDG&E's concerns. Such changes were considered significant enough to warrant Commission approval.

CALENDAR ITEM NO. C83 (CONTD)

RECOMMENDED

ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA

FINDING:

FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND 14 CAL. CODE REGS. 15378.

SIGNIFICANT LANDS

INVENTORY FINDING:

FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED FOR THE LAND PURSUANT TO PUBLIC RESOURCES CODE SECTION 6370, ET SEQ.

AUTHORIZATION:

AUTHORIZE AMENDMENT OF GENERAL LEASE - INDUSTRIAL USE (PRC 932.1) EFFECTIVE SEPTEMBER 1, 1994, TO ACCOMMODATE REVISIONS TO THE LEASE DOCUMENT, AS SPECIFIED IN THOSE PROPOSED MODIFICATIONS CONTAINED IN SECTION 2 OF THE LEASE AND ATTACHED AS EXHIBIT "B".

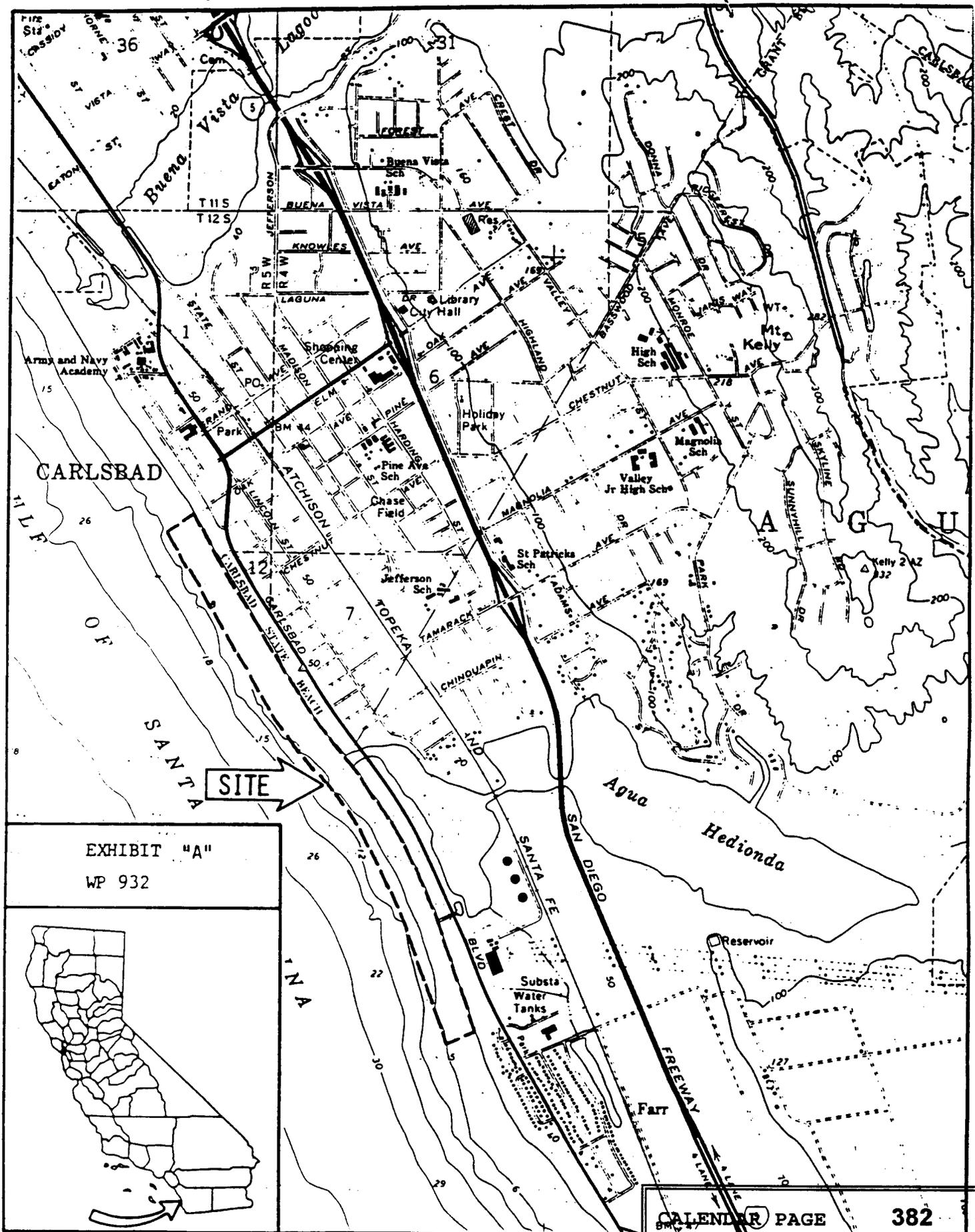


EXHIBIT "A"
WP 932



EXHIBIT B

SECTION 2

1. Lessee agrees that no spoil deposition will occur on the lease premises between Memorial Day and Labor Day, unless Lessee has first obtained written approval from the California Department of Parks and Recreation.
2. Lessee agrees, in depositing the dredge spoils seaward of the Ordinary High Water Mark, that it has and claims no ownership or other interest in or to any land, whether heretofore or hereafter filled or unfilled, lying seaward of said Ordinary High Water Mark, except as expressly granted by the State Lands Commission.
3. This lease may be terminated by Lessee upon sixty (60) days prior written notice and formal approval by the State Lands Commission. Such approval shall not be unreasonably withheld.
4. SECTION 4, Paragraph 8. INSURANCE, is amended by the following new paragraph:

(d) The insurance clause in SECTION 4, Paragraph 8 is modified to permit Lessee to self-insure to the minimum amount specified in SECTION 1, BASIC PROVISIONS, under the following conditions:

- (1) That Lessee provide an annual letter of assurance signed by its Financial Officer stating that it is self-insured.
 - (2) That Lessee meets financial responsibility strength as described in Title 14, Cal. Code Regs. 795(b)(1)(B)(Test 1).
 - (3) If Lessee fails to provide the letter of assurance, Lessee shall then provide the insurance required in SECTION 1, BASIC PROVISIONS. Written notice from the Executive Officer of the State Lands Commission will establish Lessee's duty to provide such insurance.
5. SECTION 4, Paragraph 10. ASSIGNMENT, ENCUMBRANCING OR SUBLETTING, is amended by the following new paragraph:

i) Notwithstanding the foregoing, Lessor's consent shall be deemed given, if no objection by Lessor to the assignment is transmitted to Lessee within sixty (60) days following notice and information (as provided for in paragraph (d) above) of the intended transfer or assignment,

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transfer to the following:

- (1) Any entity controlled by, controlling or under common control with SDG&E.
- (2) Any entity which results from a reorganization or merger of SDG&E.

Lessor's consent shall not be unreasonably withheld.

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