

**MINUTE ITEM**  
This Calendar Item No. C10 was approved as  
Minute Item No. 10 by the California State Lands  
Commission by a vote of 3 to 2 at its  
8-19-03 meeting.

**CALENDAR ITEM**  
**C10**

A) 10

08/19/03

S) 14

PRC 8442.1

L. Burks

**CONSIDER ACCEPTANCE OF A QUITCLAIM DEED AND TERMINATION OF  
GENERAL LEASE - RIGHT OF WAY USE**

**LESSEE:**

CalPeak Power, LLC and CalPeak Power - Midway, LLC

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

0.04 acres, more or less, of sovereign lands in the Mokelumne River, near the city of Lodi, San Joaquin County.

**AUTHORIZED USE:**

Installation of a horizontal directionally drilled 10-inch diameter low pressure natural gas pipeline under the Mokelumne River from CalPeak's proposed power plant site that interconnects with PG&E's Line 197.

**LEASE TERM:**

20 years, beginning February 21, 2003.

**CONSIDERATION:**

\$100 per year; with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

**SPECIFIC LEASE PROVISIONS:**

Insurance: Lessee shall maintain limits of no less than:

General Liability in the amount of \$1,000,000 each occurrence limit (plus defense costs) subject to a \$1,000,000 products/completed operations aggregate and a \$5,000,000 general aggregate; an umbrella policy that affords a \$15,000,000 limit and an excess umbrella that provides an additional limit of \$35,000,000.

Bond: \$15,000.

CALENDAR ITEM NO. C10 (CONT'D)

**OTHER PERTINENT INFORMATION:**

1. Applicant has a right to use the uplands adjoining the lease premises.
2. Plans for a 49-megawatt electric generating plant in Lodi have been cancelled after San Joaquin County officials expressed concern over the location of a three mile pipeline that would deliver natural gas from a PG&E pipeline in Acampo.
3. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15061), the staff has determined that this activity is exempt from the requirements of the CEQA Pursuant to the Commission's delegation of authority and the State CEQA Guidelines [Title 14, California Code of Regulations, section 15060(c)(3)], the staff has determined that this activity is not subject to the provisions of the CEQA because it is not a "project" as defined by the CEQA and the State CEQA Guidelines.

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

**EXHIBIT:**

- A. Site Plan and Location Map

**PERMIT STREAMLINING ACT DEADLINE:**

N/A

**RECOMMENDED ACTION:**

IT IS RECOMMENDED THAT THE COMMISSION:

**CEQA FINDING:**

FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 FIND THAT THE ACTIVITY IS NOT SUBJECT TO THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15060(c)(3) BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

CALENDAR ITEM NO. C10 (CONT'D)

**AUTHORIZATION:**

AUTHORIZE THE ACCEPTANCE OF A QUITCLAIM DEED AND  
TERMINATION OF GENERAL LEASE – RIGHT OF WAY USE LEASE  
NO. PRC 8442.1, EFFECTIVE AUGUST 1, 2003, FOR THE LAND  
SHOWN ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE  
A PART HEREOF.

