

This Calendar Item No. C33 was approved as Minute Item No. 33 by the California State Lands Commission by a vote of 3 to 0 at its 4-26-05 meeting.

**CALENDAR ITEM
C33**

A 20, 21

04/26/05

S 10, 11

PRC 8596

W 25706

T. Lipscomb

**TERMINATION OF TWELVE EXISTING GENERAL LEASE AGREEMENTS
AND ISSUANCE OF A MASTER LEASE-RIGHT OF WAY USE**

APPLICANT:

Cargill, Incorporated

AREA, LAND TYPE, AND LOCATION:

Tide and submerged lands in the South San Francisco Bay area at locations including: Patterson Creek, San Francisco Bay, Alviso Slough, Coyote Creek, Mud Slough, Alameda Creek, Mallard Slough, Ravenswood Slough, Mowry Slough, and Newark Slough near the cities of Fremont, Newark, and Palo Alto, in Santa Clara, San Mateo, and Alameda counties.

AUTHORIZED USE:

The continued use and maintenance of an overhead electric transmission line, twelve existing brine pipelines, siphons, water intakes, and three dredge locks, previously authorized by the Commission, and four new horizontally drilled brine and water pipelines.

LEASE TERM:

25 years, beginning December 1, 2004.

CONSIDERATION:

Annual rent in the amount of \$4,950, with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

SPECIFIC LEASE PROVISIONS:

1. Liability insurance with coverage of no less than \$1,000,000.
2. Surety in the amount of \$100,000.

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3. Lessee shall notify the California State Lands Commission, and obtain its consent, in writing, before conducting any repair, maintenance, modification, abandonment, or change in use of the pipelines and dredge locks included in the lease agreement.
4. Lessee shall notify the California Department of Fish and Game and the United States Fish and Wildlife Service a minimum of 30 days before conducting any repair, maintenance, modification, abandonment, or change in use of the pipelines and dredge locks included within the South Bay Salt Pond Restoration Project area.

OTHER PERTINENT INFORMATION:

1. Applicant owns or has the right to use the uplands adjoining the lease premises.
2. Cargill Salt has applied for a new Master Lease to include all of the improvements within the twelve existing lease agreements that were previously authorized by the Commission, and to include four additional pipelines.

The improvements in the existing lease agreements are described as follows and are shown on Exhibit A: a) Parcel A, formerly PRC 375, an 18-inch x 237-foot brine pipeline located in Patterson Creek; b) Parcel B, formerly PRC 574, a 20-inch and 8-inch brine pipelines x 3,500-foot located near the Dunbarton Bridge crossing the San Francisco Bay; c) Parcel C, formerly PRC 674, a 14-inch x 501-foot brine pipeline crossing Alviso Slough; d) Parcel D, formerly PRC 675, a 12-inch x 1,858-foot brine pipeline crossing Coyote Slough; e) Parcel E, formerly PRC 765, a 12-inch x 440-foot brine pipeline crossing Mud Slough; f) Parcel F, formerly PRC 1528, a 48-inch x 400-foot brine pipeline crossing Alameda Creek; g) Parcel G, formerly PRC 3972, a 36-inch x 600-foot brine pipeline located in Coyote Creek; h) Parcel H, formerly PRC 3973, a 42-inch x 260-foot siphon, crossing Mallard Slough; i) Parcel I, formerly PRC 3974, a 36-inch x 380-foot brine pipeline crossing Ravenwood Slough; j) Parcel J, formerly PRC 4971, a 18-inch x 106-foot brine pipeline crossing Mowry Slough; k) Parcel K, formerly PRC 6404, a water intake and electric overhead transmission line crossing Mowry Slough; and l) formerly PRC 7865, three dredge locks located on San Francisco Bay (Parcel L1), Mud Slough (Parcel L2), and Coyote Slough (Parcel L3). The 8-inch brine pipeline crossing the San Francisco Bay at the Dunbarton Bridge (formerly

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PRC 574), and the 12-inch brine pipeline crossing Coyote Slough (formerly PRC 675) have been abandoned in place, but will remain under lease.

3. The four new additional pipelines include two 36-inch x 184 foot brine pipelines (shown on Exhibit A as Parcel M-1) and one 16-inch x 207-foot brine pipeline (Parcel M-2) that have been added to Newark Slough and one 36-inch x 156-foot brine pipeline that was added to Mowry Slough (shown on Exhibit A as Parcel K). These four pipelines were installed using a horizontal drilling technique.
4. All rents are current.
5. On March 14, 1995, the San Francisco Bay Conservation and Development Commission (BCDC) granted Permit # 4-93 under its certified program. [Title 14, California Code of Regulations, section 15251 (h)].

Staff has reviewed the document and determined that the conditions, as specified in Title 14, California Code of Regulations, section 15253 (b) have been met for the Commission to use the environmental analysis document certified by the BCDC as a Negative Declaration equivalent in order to comply with the requirements of the CEQA.

6. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code sections 6370, et seq. Based upon the staff's consultation with the persons nominating such lands and through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.

APPROVALS OBTAINED:

U. S. Army Corps of Engineers, U.S. Fish and Wildlife Service, California Department of Fish and Game, California Regional Water Quality Control Board, San Francisco Bay Region, San Francisco Bay Area Conservation and Development Commission.

EXHIBIT:

- A. Location Map

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PERMIT STREAMLINING ACT DEADLINE:

N/A

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT AN ENVIRONMENTAL ANALYSIS DOCUMENT (SF BCDC PERMIT # 4-93), WAS ADOPTED FOR THIS PROJECT BY THE SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION (BCDC) UNDER ITS CERTIFIED PROGRAM (TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15251 (h)), AND THAT THE CALIFORNIA STATE LANDS COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION THEREIN AND CONCURS IN BCDC'S DETERMINATION.

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 SECTIONS 6370, ET SEQ.

AUTHORIZATION:

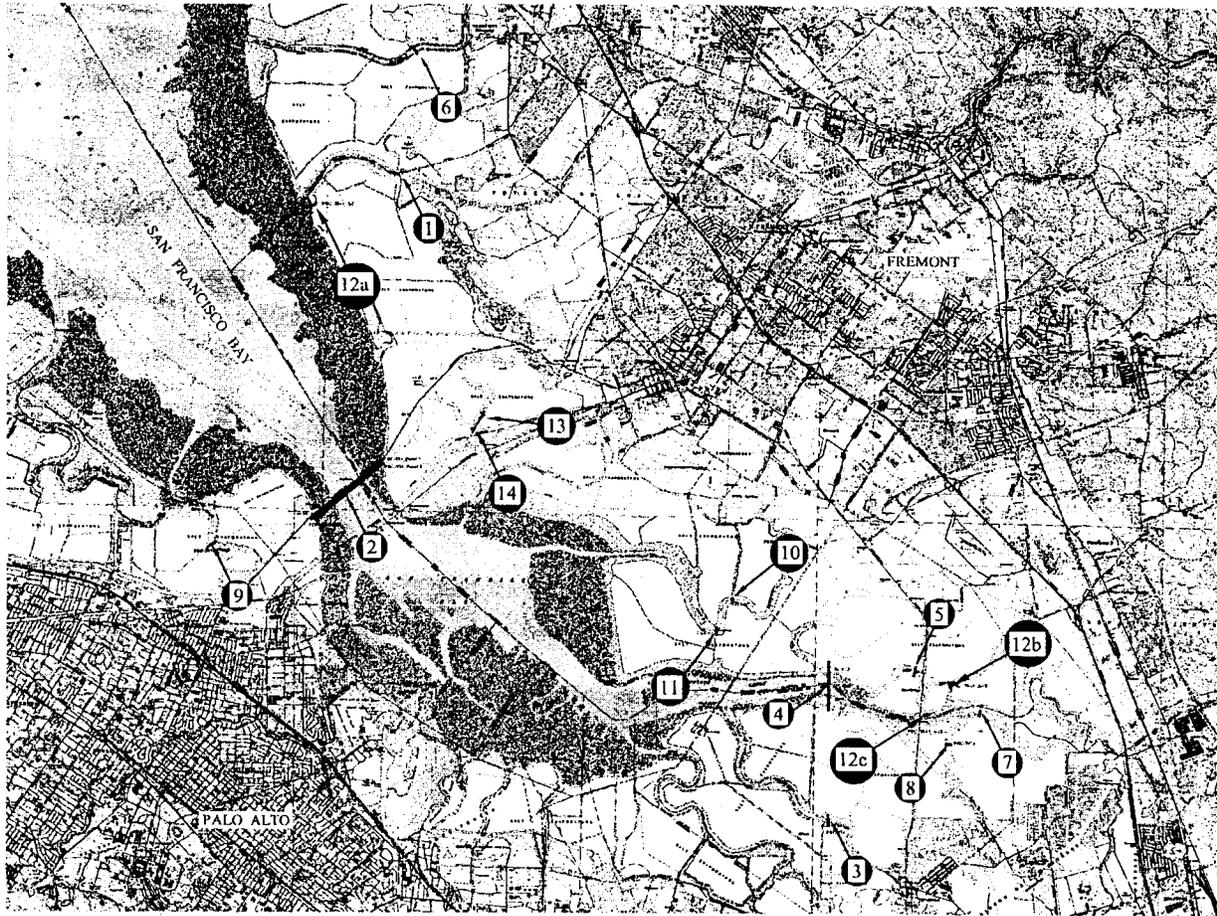
1. AUTHORIZE TERMINATION OF GENERAL LEASE-RIGHTS-OF-WAY USE, PRC 375, PRC 574, PRC 674, PRC 675, PRC 765, PRC 1528, PRC 3972, PRC 3973, PRC 3974, PRC 4971, PRC 6404, AND PRC 7865, SUCH LEASE RIGHTS-OF-WAY EFFECTIVE NOVEMBER 30, 2004.
2. AUTHORIZE ISSUANCE TO CARGILL, INCORPORATED OF A MASTER LEASE -RIGHT-OF-WAY USE, BEGINNING DECEMBER 1, 2004, FOR A TERM OF 25 YEARS, FOR THE CONTINUED USE AND MAINTENANCE OF AN OVERHEAD ELECTRIC TRANSMISSION LINE, TWELVE EXISTING BRINE PIPELINES, SIPHONS, WATER INTAKES, AND THREE DREDGE LOCKS PREVIOUSLY AUTHORIZED BY THE COMMISSION, AND FOUR NEW HORIZONTALLY DRILLED BRINE AND WATER PIPELINES ON THE LAND SHOWN ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF; CONSIDERATION: ANNUAL RENT IN THE AMOUNT OF \$4,950 PER YEAR WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENT

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PERIODICALLY DURING THE LEASE TERM, AS PROVIDED IN THE
LEASE; LIABILITY INSURANCE WITH COVERAGE OF NO LESS
THAT \$1,000,000; SURETY IN THE AMOUNT OF \$100,000.

NO SCALE

LOCATION



PROPOSED AND EXISTING LEASE AREAS

- | | |
|--|---|
| 1. Parcel A - Patterson Creek Crossing
Existing 18" Pipeline | 9. Parcel I - Ravenswood Slough Crossing
Existing 36" Pipeline |
| 2. Parcel B - San Francisco Bay Crossing
Existing 8" and 20" Pipeline | 10. Parcel J - Mowry Slough Crossing
Existing 18" Pipeline |
| 3. Parcel C - Alviso Slough Crossing
Existing 14" Pipeline | 11. Parcel K - Mowry Slough Crossing
Existing Water Intake, Electrical
Overhead Transmission Lines
and Existing 36" Pipeline |
| 4. Parcel D - Coyote Creek Crossing
Existing 12" Pipeline | 12a. Parcel L1 - San Francisco Bay - Dredge Lock |
| 5. Parcel E - Mud Slough Crossing
Existing 12" Pipeline | 12b. Parcel L2 - Mud Slough - Dredge Lock |
| 6. Parcel F - Alameda Creek Crossing
Existing 48" Pipeline | 12c. Parcel L3 - Coyote Creek - Dredge Lock |
| 7. Parcel G - Coyote Creek Crossing
Existing 36" Pipeline | 13. Parcel M1 - Newark Slough Crossing
Existing (2) 36" Pipeline |
| 8. Parcel H - Mallard Slough Crossing
Existing 42" Pipeline | 14. Parcel M2 - Newark Slough Crossing
Existing 16" Pipeline |

EXISTING PIPELINE CROSSINGS IN SANTA CLARA, SAN MATEO AND ALAMEDA COUNTIES

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.

MAP SOURCE: USGS QUAD

Exhibit A

W25706
CARGILL SALT
MASTER LEASE
AGREEMENT



RAB 05/04

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