CALENDAR ITEM

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WP 3323.1

S 2, 5 M. Clark

ISSUANCE OF A GENERAL LEASE - RIGHT OF WAY USE AND APPROVAL OF SUBLEASE

APPLICANT/SUBLESSOR:

Knob Hill Mines, Inc.
dba Hastings Island Land Company
1143 Crane Street, Suite 200
Menlo Park, California 94025

SUBLESSEE:

Citizens Telecommunications Company of California, Inc.
dba Frontier Communications of California
9324 West Stockton Boulevard
Elk Grove, California 95758

AREA, LAND TYPE, AND LOCATION:

1.58 acres, more or less, of sovereign lands in Lindsey Slough, adjacent to Assessor's Parcel Numbers 0042-180-320 and 0042-180-110, near the city of Isleton, Solano County.

AUTHORIZED USE:

Continued use and maintenance of an existing vehicular traffic bridge and the retention of an existing copper telecommunications cable in conduit.

LEASE TERM:

Lease: 20 years, beginning October 1, 2008.

Sublease: Beginning April 30, 2009 and ending December 31, 2010, at which time the agreement shall continue on a month to month tenancy, but will not extend beyond the term of the lease.

CONSIDERATION:

Lease: $712 per year; with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

Sublease: No consideration pursuant to Facility Attachment Agreement between Sublessor and Sublessee.

SPECIFIC LEASE PROVISIONS:

Insurance:

Liability insurance with coverage of no less than $2,000,000

Bond:

$10,000

Other:

The lease includes provisions that neither the Applicant/Sublessor, nor the Sublessee shall place any additional utilities on the bridge without the prior approval of the Commission and that the Applicant/Sublessor shall submit to the Commission no later than January 1, 2011, evidence that all recommendations for repair and maintenance as set forth in the Bridge Inspection Report have been completed.

OTHER PERTINENT INFORMATION:

1. Applicant owns and has the right to use the uplands adjoining the lease premises.

2. On June 5, 1979, the Commission authorized a General Lease – Right of Way Use to Knob Hill Mines, Inc., dba Hastings Island Land Company (HILC). That lease expired September 30, 2008 and HILC has now applied for a new General Lease – Right of Way Use and approval of a Sublease.

3. The HILC bridge span is a 30-foot wide structure constructed in 1963 within a 690-foot by 100-foot right of way crossing Lindsey Slough. The bridge was constructed to provide access between Lower Hastings Tract and Egbert Island. In 1985, the original timber superstructure was replaced with a reconditioned steel bridge deck system. On April 4, 2008, an inspection of the bridge was conducted by a licensed engineer with DMJM Harris who recommended minor repair and maintenance work to ensure safe operation of the bridge. HILC has entered into a contract with Galindo Construction Company to perform all recommended repair and maintenance work. Phase I of the bridge repair and maintenance project was completed August 4, 2009.

4. In the1960's, a 25-strand copper telecommunications cable in conduit was attached to the bridge by Citizens Telecommunications Company of California, Inc., dba Frontier Communications of California (Frontier). The telecommunications cable provides telephone service to residents of

Lower Hastings Island Tract. HILC has provided a fully executed Facilities Attachment Agreement that gives Frontier the right to access the bridge for the purpose of operating and maintaining the telecommunication cable. This Agreement serves as the sublease between HILC and Frontier.

5. **Bridge**: 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 as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; Title 2, California Code of Regulations, section 2905 (a)(2).

   Authority: Public Resources Code section 21084 and Title 14, California Code of Regulations, section 15300 and Title 2, California Code of Regulations, section 2905.

6. **Retention of Telecommunications Cable**: 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 as a categorically exempt project. The project is exempt under Class 3, New Construction of Small Structures; Title 14, California Code of Regulations, section 15303.

   Authority: Public Resources Code section 21084 and Title 14, California Code of Regulations, section 15300.

7. **Sublease:** 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.

8. 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.

EXHIBITS:

A. Site and Location Map
B. Land Description

RECOMMENDED ACTION:
IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

BRIDGE: FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 AS A CATEGORICALLY EXEMPT PROJECT, CLASS 1, EXISTING FACILITIES; TITLE 2, CALIFORNIA CODE OF REGULATIONS, SECTION 2905 (a)(2).

RETENTION OF A TELECOMMUNICATIONS CABLE: FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 AS A CATEGORICALLY EXEMPT PROJECT, CLASS 3, NEW CONSTRUCTION OF SMALL STRUCTURES; TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15303 .

SUBLEASE: 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.

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:

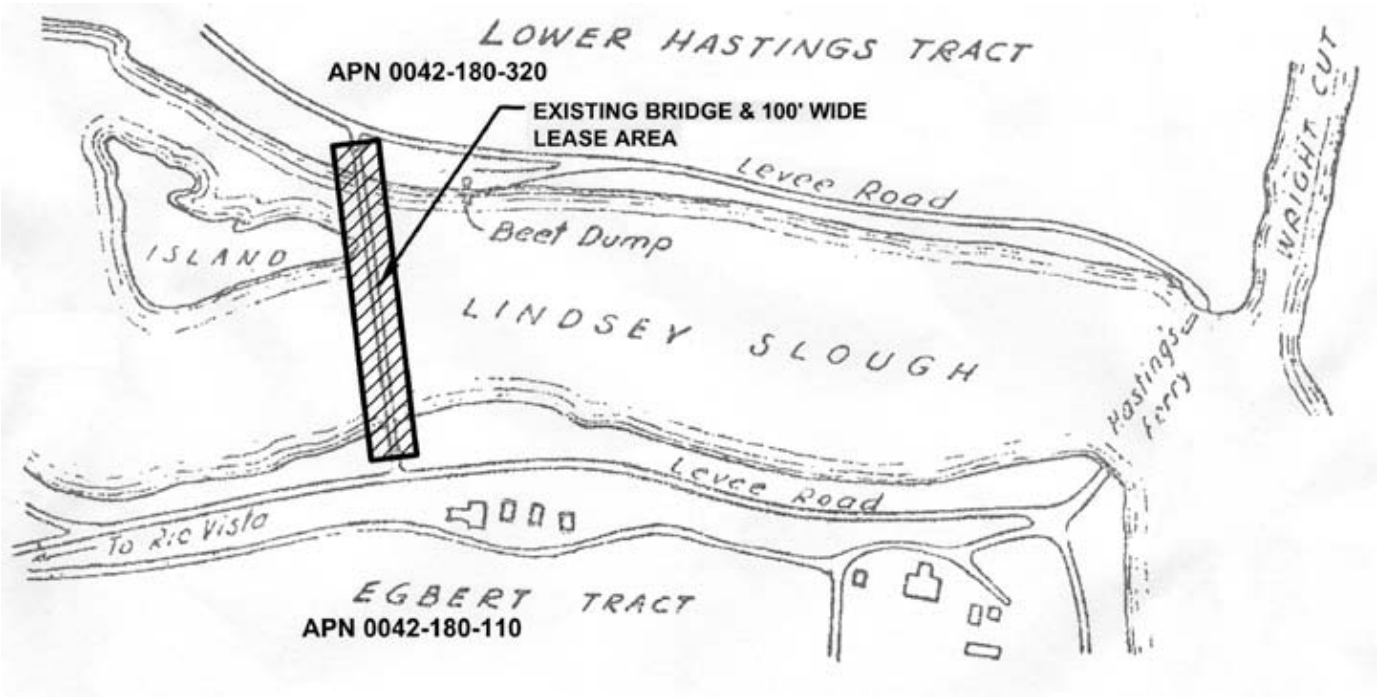
AUTHORIZE ISSUANCE OF A GENERAL LEASE – RIGHT OF WAY USE TO KNOB HILL MINES, INC., DBA HASTINGS ISLAND LAND COMPANY, BEGINNING OCTOBER 1, 2008, FOR A TERM OF 20 YEARS, FOR THE CONTINUED USE AND MAINTENANCE OF AN EXISTING VEHICULAR TRAFFIC BRIDGE AND THE RETENTION OF AN EXISTING TELECOMMUNICATIONS CABLE AS SHOWN ON EXHIBIT A ATTACHED (FOR REFERANCE PURPOSES ONLY) AND AS

DESCRIBED ON EXHIBIT B AND BY THIS REFERENCE MADE A PART HEREOF; ANNUAL RENT IN THE AMOUNT OF $712 WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENT PERIODICALLY DURING THE LEASE TERM, AS PROVIDED IN THE LEASE; LIABILITY INSURANCE IN THE AMOUNT OF NO LESS THAN $2,000,000; AND A SURETY BOND IN THE AMOUNT OF $10,000.

AUTHORIZE THE APPROVAL OF A SUBLEASE FROM KNOB HILL MINES, INC., DBA HASTINGS ISLAND LAND COMPANY, TO CITIZENS TELECOMMUNICATIONS COMPANY OF CALIFORNIA INC., DBA FRONTIER COMMUNICATIONS OF CALIFORNIA.

NO SCALE

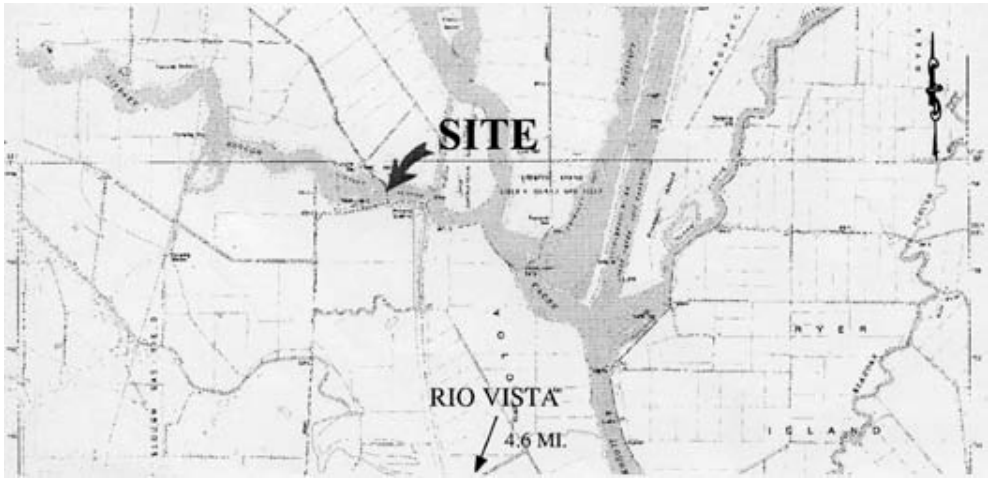
SITE



KNOB HILL MINES, LINDSEY SLOUGH

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

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.

Exhibit A

WP 3323.1
KNOB HILL MINES
APN 0042-180-110, 320
GENERAL LEASE
RIGHT OF WAY USE
SOLANO COUNTY

JAK 01/09