

**CALENDAR ITEM
C86**

A 33
S 18

10/14/14
PRC 2702.2
C. Hudson

REVISION OF RENT

LESSEE:

CALNEV Pipe Line, LLC
1100 Town & Country Road
Orange, CA 92868

AREA, LAND TYPE, AND LOCATION:

4.04 acres, more or less, on two parcels of State school land located in portions of Tract 37, Township 16 North, Range 11 East, and Section 16, Township 16 North, Range 13 East, SBM, near Valley Wells, San Bernardino County.

AUTHORIZED USE:

Operation, use and maintenance of an existing 8-inch diameter underground petroleum pipeline and a 14-inch diameter underground petroleum pipeline.

LEASE TERM:

25 years, beginning March 7, 2010.

CONSIDERATION:

This lease provides that Lessor may modify the rent periodically during the lease term. Pursuant to this provision, staff has conducted a review of the rent under this lease, and recommends that rent be revised from \$1,548 per year to \$3,871 per year, effective March 7, 2015.

OTHER PERTINENT INFORMATION:

1. On September 1, 2011, the Commission authorized a General Lease – Right-of-Way Use to CALNEV Pipe Line, LLC (CALNEV). The lease will expire on March 6, 2035.

2. The pipelines are within the same right-of-way and originate in Colton, traverse the Cajon Pass and travel through the Mojave Desert to Las Vegas, paralleling I-15 along most of the route.

CALENDAR ITEM NO. **C86** (CONT'D)

3. CALNEV is in compliance with state and federal pipeline safety regulations and is monitored through a comprehensive inspection and enforcement program. CALNEV is also in partnership with the federal Pipeline and Hazardous Materials Safety Administration (PHMSA) to assure pipeline operators are meeting requirements for safe, reliable, and environmentally sound operation of their facilities.
4. The staff recommends that the Commission find that the subject revision of rent does not have a potential for resulting in either a direct or a reasonably foreseeable indirect physical change in the environment, and is, therefore, not a project in accordance with the California Environmental Quality Act (CEQA).

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

EXHIBIT:

- A. Site and Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

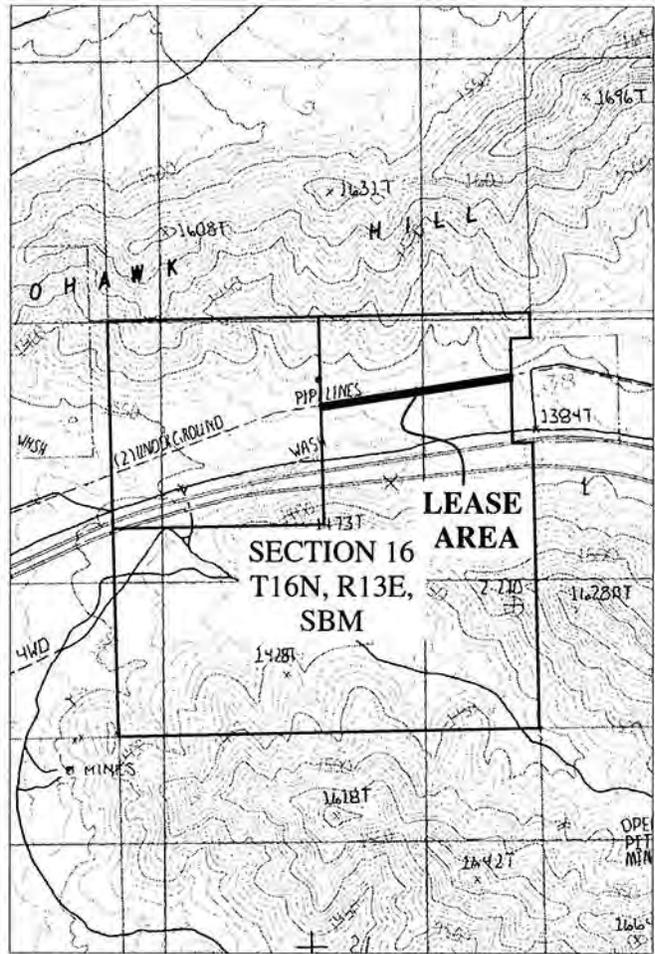
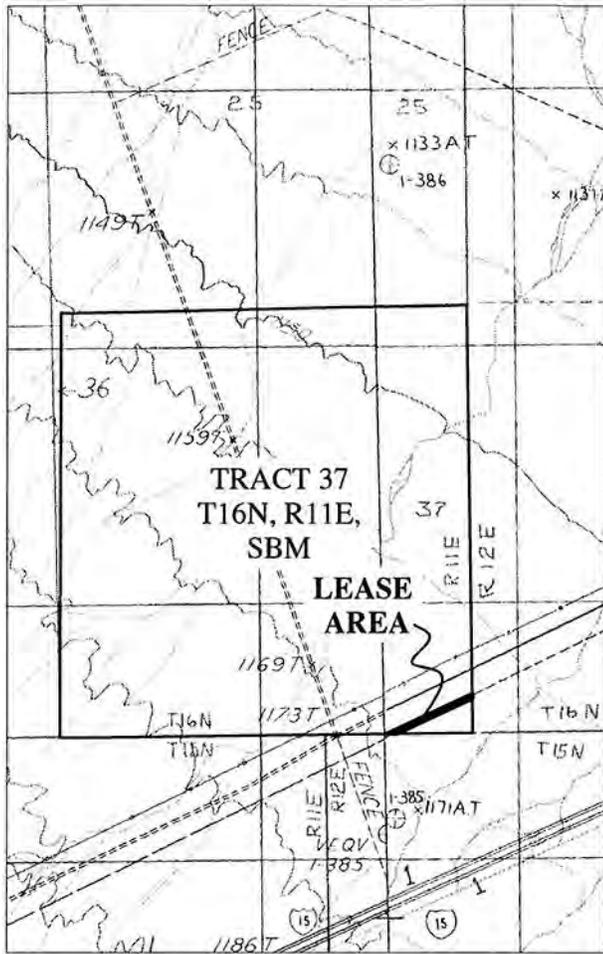
Find that the subject revision of rent is not subject to the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15060, subdivision (c)(3), because the subject activity is not a project as defined by Public Resources Code section 21065 and California Code of Regulations, Title 14, section 15378.

AUTHORIZATION:

Approve the revision of rent for Lease No. PRC 2702.2 from \$1,548 per year to \$3,871 per year, effective March 7, 2015.

NO SCALE

SITE

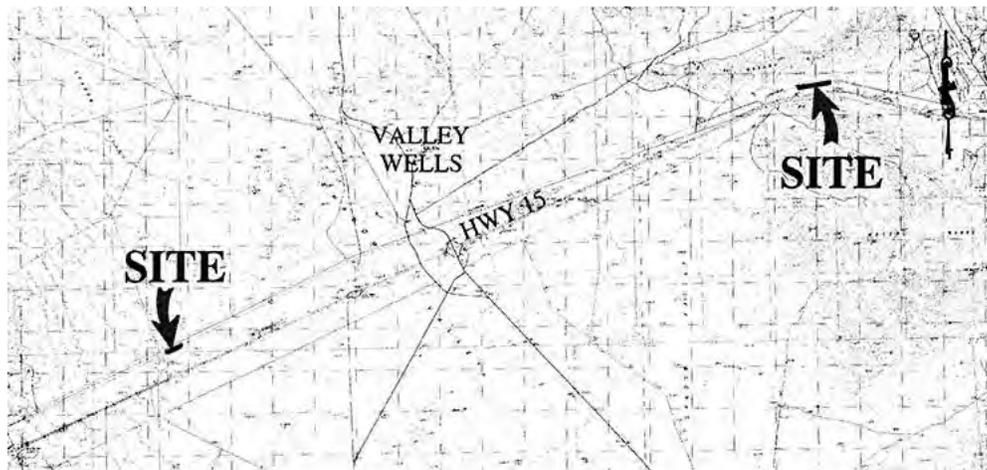


8" & 14" diameter pipelines - 50' right-of-way

TRACT 37, T16N, R11E & SEC. 16, T16N, R13E, SBM NEAR VALLEY WELLS

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

PRC 2702.2
 CALNEV PIPE LINE, LLC
 APNs 0571-221-07, 0572-071-01
 GENERAL LEASE -
 RIGHT-OF-WAY USE
 SAN BERNARDINO COUNTY



TS 09/02/14