

**CALENDAR ITEM  
C55**

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S 2

12/17/14  
PRC 8610.2  
C. Hudson

**REVISION OF RENT**

**LESSEE:**

Geysers Power Company, LLC

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

1.3 acres, more or less, of State indemnity school land in portions of Sections 3 and 4, Township 11 North, Range 9 West, MDM, near the city of Cloverdale, Sonoma County.

**AUTHORIZED USE:**

Continued use and maintenance of an existing six- to eight-inch diameter water transportation line.

**LEASE TERM:**

25 years, beginning June 1, 2005.

**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 the rent be revised from \$450 per year to \$1,128 per year, effective June 1, 2015.

**BACKGROUND:**

School Lands were granted to the State of California by the federal government under the Act of March 3, 1853 (10 Stat. 244), and consisted of the 16<sup>th</sup> and 36<sup>th</sup> sections of land in each township (with the exceptions of lands reserved for public use, lands taken by private land claims, and lands known to be mineral in character). In cases of preemption due to the exceptions described above, the State was given the opportunity to select replacement lands from the United States in lieu of a Section 16 or a Section 36. These replacement lands are now known as Indemnity School Lands or Lieu Lands.

**OTHER PERTINENT INFORMATION:**

1. On June 20, 2005, the Commission authorized a General Lease – Right-of-Way Use with Geysers Power Company, LLC (Geysers). The lease will expire on May 31, 2030.

CALENDAR ITEM NO. **C55** (CONT'D)

2. The existing water transportation line, which transitions from eight inches to six inches in diameter, is used by the Lessee in conjunction with its Geysers power plant for the production of steam. Geysers inspects its water transportation line annually.
3. 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:**

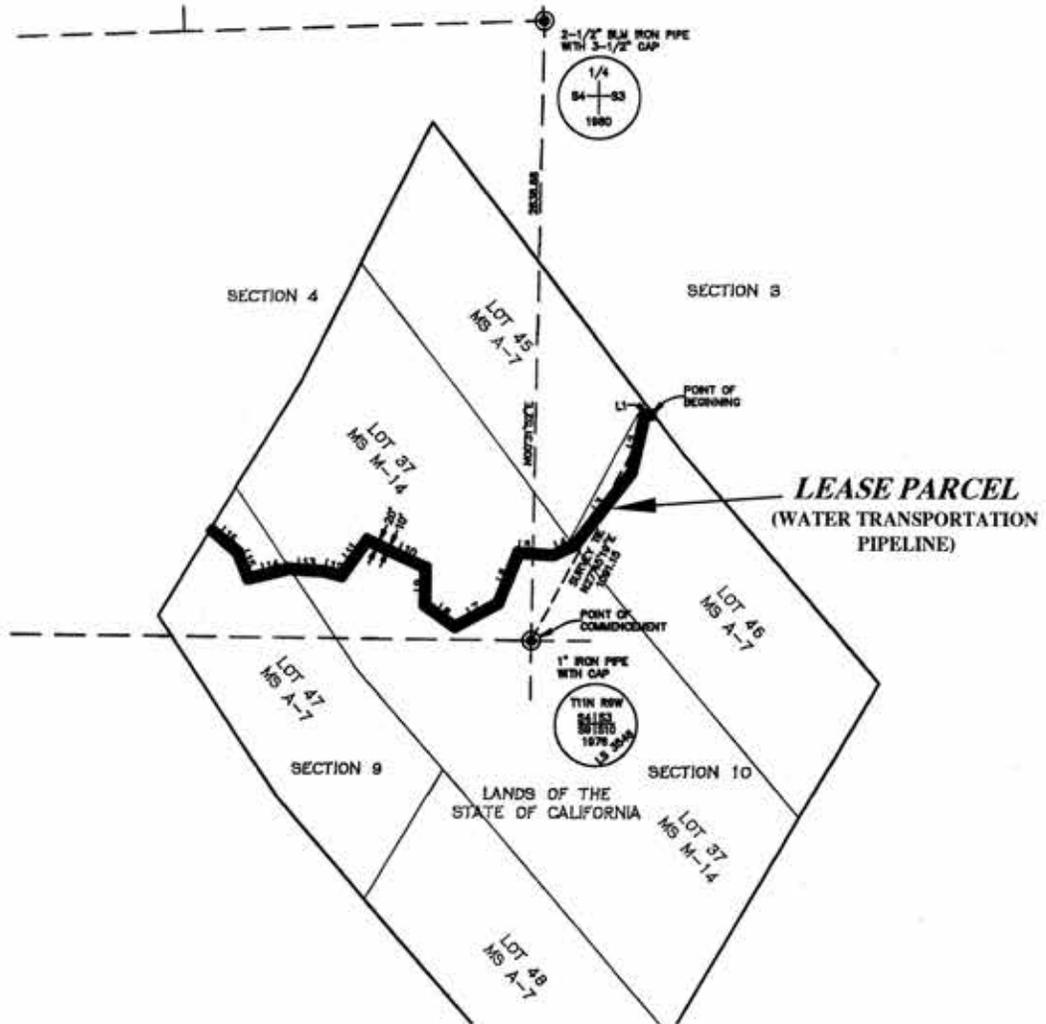
Find that the subject revision of rent is not subject to the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15060, subdivision (c)(3), because the subject activity is not a project as defined by Public Resources Code section 21065 and California Code of Regulations,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

**AUTHORIZATION:**

Approve the revision of rent for Lease No. PRC 8610.2 from \$450 per year to \$1,128 per year, effective June 1, 2015.

NO SCALE

# SITE



SECTIONS 3 & 4, T11N, R9W, MDM, NEAR CLOVERDALE

NO SCALE

# LOCATION



MAP SOURCE: USGS QUAD

# Exhibit A

PRC 8610.2  
 GEYSERS POWER CO., LLC  
 APNs 117-140-002, 003,  
 004 & 005  
 GENERAL LEASE -  
 RIGHT-OF-WAY USE  
 SONOMA COUNTY



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.

TS 09/18/14