

MINUTE ITEM
This Calendar Item No. C19 was approved as
Minute Item No. 19 by the California State Lands
Commission by a vote of 3 to 0 at its
8/24/06 meeting.

**CALENDAR ITEM
C19**

A 4

PRC 944

08/24/06

WP 944.1

M. Hays

S 1

AMENDMENT OF LEASE

LESSEE:

Sierra Pacific Power Company
6100 Neil Road
P. O. Box 10100
Reno, NV 89520-4011

AREA, LAND TYPE, AND LOCATION:

Sovereign lands in Lake Tahoe, Emerald Bay, El Dorado County.

AUTHORIZED USE:

Continued use and maintenance of an existing submarine electrical power cable.

LEASE TERM:

20 years, beginning December 1, 2002.

CONSIDERATION:

\$549 per annum with the State reserving the right to fix a different rent periodically during the lease term.

PROPOSED AMENDMENT:

Authorize the retention of an existing three-inch diameter inoperable submarine power cable abandoned in place and the installation of a new 4.5-inch submarine power cable; revise the land area and description; revise the annual rent from \$549 to \$1,038 per year; and include additional special provisions related to the installation and abandonment of the existing in place. All other terms and conditions of the lease shall remain in effect without amendment.

OTHER PERTINENT INFORMATION:

1. The Lessee has the right to use the upland adjoining the lease premises, which is owned by the California State Department of Parks and Recreation.

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2. On June 18, 2002, the Commission authorized the issuance to the Lessee of a General Lease-Right of Way Use, Lease No. PRC 944.1 for the use and maintenance for an existing three-inch submarine power cable that was originally placed on the bed of Emerald Bay in 1929. The existing submarine cable connects to two overhead electric distribution line sections that provide electrical service to public services, businesss and residences on the west shore of Lake Tahoe. Due to the growth in the Tahoe Basin and the unreliability of the aged power cable, the Lessee is proposing to bring this section of the power service up to current technology to meet the rating of the adjacent overhead sections of the system. The Lessee is now applying for the abandonment in place of the existing inoperable power cable and the installation of a new submarine power cable on the bed of Emerald Bay.
3. The Lessee proposes to lay a new 4.5-inch diameter armored submarine power cable on the bed of Emerald Bay at the same time and parallel to the AT&T proposed installation of a new two-inch diameter submarine fiber optic cable in Emerald Bay. The parties have partnered in coordinating their respective projects to have both cables installed simultaneously to minimize cost of installation and environmental impacts. A separate application has been submitted by AT&T for the continued use of an existing copper submarine telephone cable and the installation of a new submarine fiber optic cable. AT&T's application has also been placed on the Commission's August 24, 2006, agenda.
4. The proposed project includes the abandonment in place of the entire existing aged power cable because of the following: it is entangled with a portion of the existing operable AT&T telephone cable; the environmental concerns regarding the creation of turbidity in the removal of the heavy cable; and the cable's eligibility as a Tahoe Regional Planning Agency (TRPA) and California historical resource of significance. TRPA has conditioned its permit by requiring the cable to be cut and removed from the high water mark toward the Lake to a vertical depth of 25 feet or where the cable is no longer visible. The cut ends of the cable will be covered using rock consisting of pre-washed native rock, six-inches to 12-inches in diameter, placed in pyramid shaped piles approximately two feet square over the ends of the cable. The rock will be transported by boat and will be placed over the cable by divers. For the first three years after completion of the project, the Lessee will conduct underwater inspections of each end of the cables to a depth of 30 feet to insure that the rock cairn is

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maintaining its integrity and that rock has not migrated. No further inspection of the entire submarine cable will take place unless it is warranted based on the cable's electrical performance.

5. The Emerald Bay cable laying activities will begin with the cable reels and other material delivery via truck to the Tahoe Keys Marina dock and will then be transported to the installation site via portable barge. The barge will be towed to the site using two shallow draft work boats and anchored using cables affixed to the shore using a temporarily installed pole or stake to facility barge stability and prevent drag. The combined installation of approximately 3,000 feet of cable will take place from the barge deck by off-spooling from the cable reels into the water with the assistance in placement by a boat and divers. The first end of the cable will be pulled ashore, the barge will then commence the lay, buoys will be placed along the route, and a laser on shore will guide the installation. One work boat will move the barge on a short tow and one boat will be placed at the side to act as a thruster. Once the placement is complete, the cable will be connected to a splice box at each shore and from there connected to a riser pole with the exposed portions of the cable buried in a trench and covered with clean excavated spoils and rock.
6. The cable laying and abandonment activities are anticipated to take two to three days and will take place between mid-September and mid-October 2006. During construction activities, a U. S. Coast Guard broadcast will advise boaters to use caution in the area and to follow instructions given from the project's safety boat. A safety boat will be on the site to warn off boaters traveling in the vicinity of the construction site. One-half of Emerald Bay will be open to water-born traffic at all times. In addition, a notice will be placed at local marinas to advise the public of the construction activities and schedule as well as notification to the operators of the Lake Tahoe tour boats will be provided.
7. A Mitigated Negative Declaration and Mitigation Monitoring Program were prepared and adopted for this project by the California State Department of Parks and Recreation. The California State Lands Commission's staff has reviewed such document.
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

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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:

Tahoe Regional Planning Agency
California Department of Fish and Game
California State Department of Parks and Recreation
California Department of Transportation
U. S. Forest Service

EXHIBIT:

A. Site and Location Map

PERMIT STREAMLINING ACT DEADLINE:

January 21, 2007

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT A MITIGATED NEGATIVE DECLARATION AND A MITIGATION MONITORING PROGRAM WERE PREPARED AND ADOPTED FOR THIS PROJECT BY THE CALIFORNIA STATE DEPARTMENT OF PARKS AND RECREATION AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.

ADOPT THE MITIGATION MONITORING PROGRAM, AS CONTAINED ON FILE IN THE SACRAMENTO OFFICE OF THE CALIFORNIA STATE LANDS COMMISSION.

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:

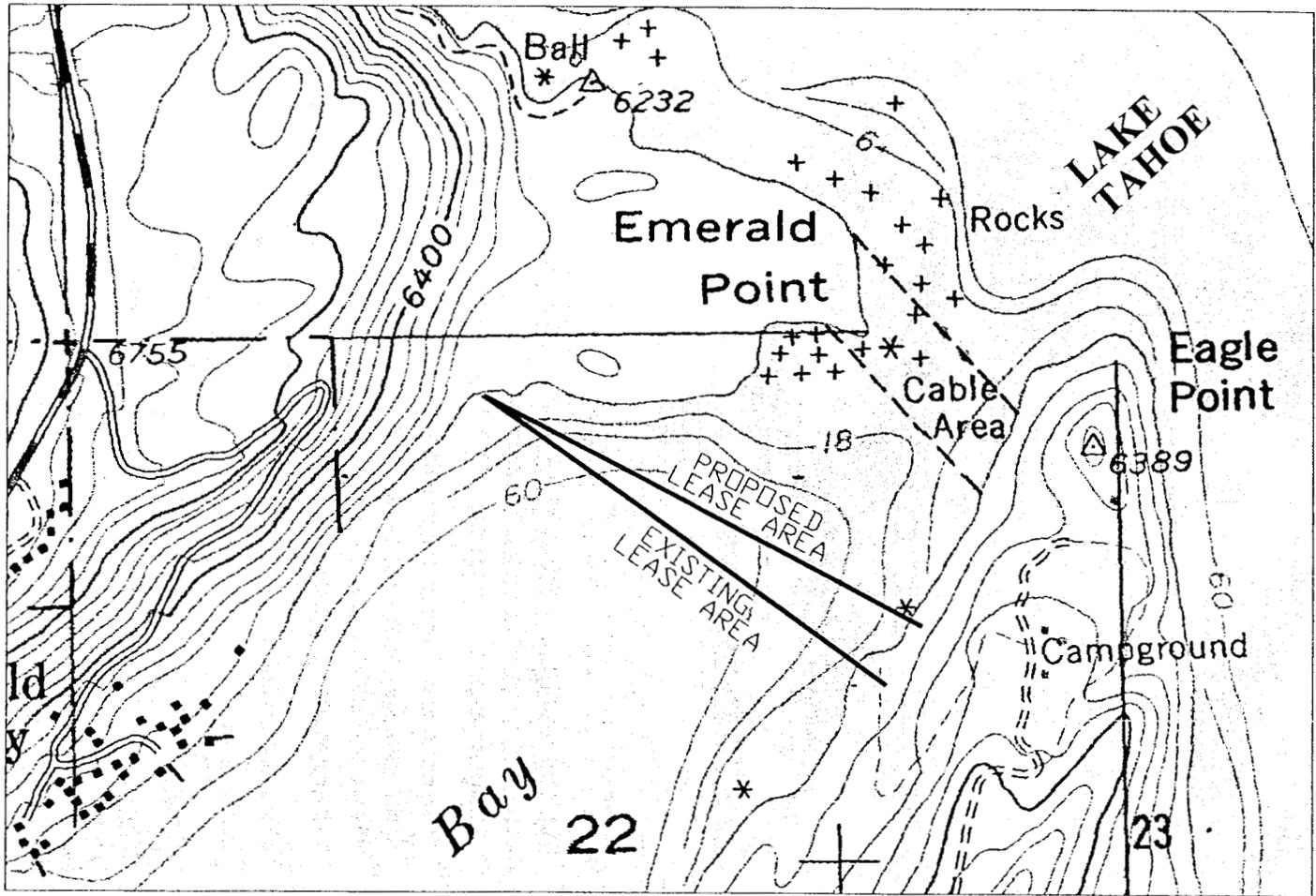
AUTHORIZE THE AMENDMENT OF LEASE NO. PRC. 944.1, A GENERAL LEASE-RIGHT OF WAY USE, ON THE LAND SHOWN ON

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EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART
HEREOF, EFFECTIVE AUGUST 24, 2006 TO AUTHORIZE THE
RETENTION OF AN INOPERABLE SUBMARINE POWER CABLE
ABANDONED IN PLACE; THE INSTALLATION OF A NEW SUBMARINE
POWER CABLE; REVISE THE LAND AREA AND DESCRIPTION;
REVISE THE RENT FROM \$549 TO \$1,038 PER YEAR, EFFECTIVE ON
DECEMBER 1, 2006; AND INCLUDE ADDITIONAL SPECIAL
PROVISIONS RELATED TO THE INSTALLATION AND ABANDONMENT
OF EXISTING IN PLACE; ALL OTHER TERMS AND CONDITIONS OF
THE LEASE WILL REMAIN IN EFFECT WITHOUT AMENDMENT.

NO SCALE

SITE MAP



Sierra Pacific Power Submarine Cable Crossing at Emerald Bay

NO SCALE

LOCATION MAP

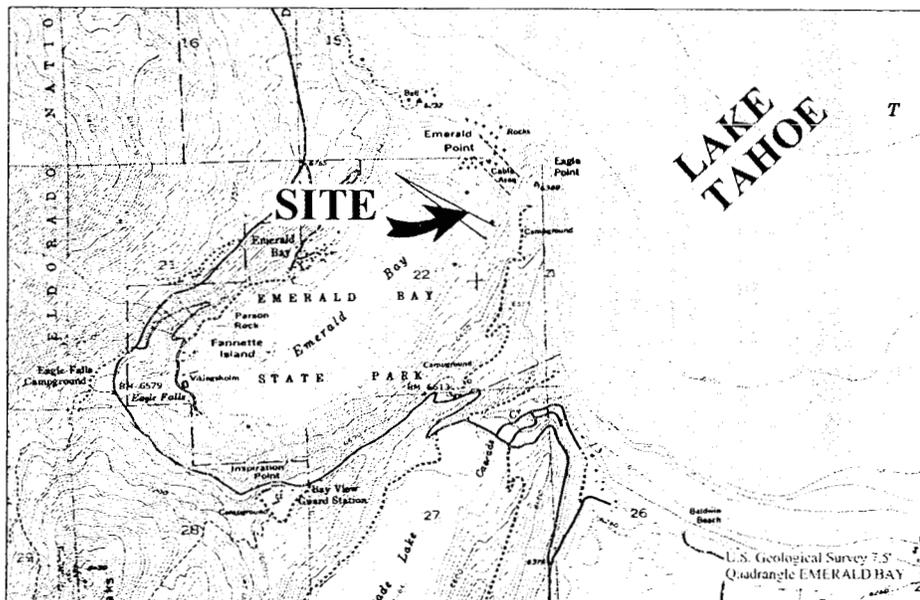


EXHIBIT A

WP 944.1

APN 018-041-04

& 018-060-05

General Lease - R/W Use
El Dorado County



This Exhibit is solely for purposes of generally defining the lease premises, is based on unverfied information provided by 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.

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DWC 02-28-2006