Meeting Date: 04/26/22 Lease Number: 7528 Staff: R. Collins

Staff Report 46

APPLICANT:

Southern California Edison Company

PROPOSED ACTION:

Issuance of a General Lease – Right-of-Way Use

AREA, LAND TYPE, AND LOCATION:

A strip of land, 25 feet in width, containing a total of 0.76 acre, more or less, of indemnity school land located in a portion of Section 1, Township 2 North, Range 5 East, SBM, near Landers, San Bernardino County.

AUTHORIZED USE:

Use and maintenance of an existing overhead 25 kV electrical distribution line on three wooden poles; and the construction, use, and maintenance of two wooden poles.

TERM:

20 years, beginning December 22, 2020.

CONSIDERATION:

\$503 per year, with an annual Consumer Price Index adjustment, as provided in the lease.

SPECIFIC LEASE PROVISIONS:

- Liability insurance in an amount no less than \$2,000,000 per occurrence, or equivalent staff-approved self-insurance program.
- Surety bond or other security in the amount of \$20,000 with the Lessor reserving the right to increase the bond amount.
- Lessee shall take all reasonable and necessary actions to prevent, suppress, and control fires on the Lease Premises.

- Lessor shall have the right, at any time, and from time to time, upon reasonable prior notice to the Lessee, to examine and obtain copies of all records and data associated with maintenance activities of the electric distribution line within the Lease Premises. Upon request and reasonable prior written notice to Lessee, Lessor may review and obtain copies of Lessee's inspections and tests conducted on the electric distribution line within the Lease Premises.
- Within 60 days of completing the construction of authorized improvements, Lessee will provide Lessor with photographs and a set of "as-built" plans that will show where the improvements have been placed. Lessor shall then replace Exhibit A (Land Description) and Exhibit B (Site and Location Map) to the Lease as necessary to accurately reflect the final location of the authorized improvements. Once approved by Lessor's Executive Officer or designee and Lessee, the revised Exhibits shall replace the Exhibits incorporated in the Lease at the time of Lease execution. The replaced Exhibits shall be incorporated in the Lease as though fully set forth therein.

STAFF ANALYSIS AND RECOMMENDATION:

AUTHORITY:

Public Resources Code sections 6005, 6216, 6301, 6501.1, and 6503; California Code of Regulations, title 2, sections 2000 and 2003.

STATE'S BEST INTERESTS:

On February 6, 1989 (Item 43, February 6, 1989), the Commission authorized acceptance of a patent from the U.S. Bureau of Land Management in a portion of Section 1, Township 2 North, Range 5 East, SBM, near Landers subject to an existing right-of-way. The Commission also authorized the issuance of Lease 7528, a General Lease – Right-of-Way Use to Southern California Edison Company for an existing overhead 25 kV distribution line mounted on three wooden poles in a 25-foot-wide right-of-way. Lease 7528 expired on December 21, 2020, and the Applicant has applied for a new lease. To meet federal requirements, the Applicant is proposing to add two additional wooden poles within the existing lease area.

The Applicant is the primary electricity supply company for much of Southern California. It provides 15 million people with electricity across a service territory of approximately 50,000 square miles. The Applicant relies on the subject distribution line to help provide this service. The existing overhead distribution line does not significantly alter the land; the lease does not alienate the State's fee simple interest; and neither permanently impairs public rights. The lease is limited to a 20year term and does not grant the lessee exclusive rights to the lease premises. The lease requires the Applicant to insure and indemnify the State for any liability incurred as a result of the lessee's activities on the lease premises and maintain the improvements at its sole expense The lease also requires the payment of annual rent, generating revenue for the California State Teachers' Retirement System, consistent with Public Resources Code section 6217.5.

CLIMATE CHANGE:

As stated in Safeguarding California Plan: 2018 Update (California Natural Resources Agency 2018), climate change is projected to increase the frequency and severity of natural disasters related to flooding, drought, and storms. The lease area is open land with moderate to low vegetation fuels, and are vulnerable to the above events, including dust storms and flash flooding from thunderstorms, and to a lesser extent, wildland fires. The leased land and surrounding land may be vulnerable to these weather events; however, these projected climate change effects are not expected to affect the use of the leased land to operate, repair, and maintain overhead distribution poles for electrical facilities.

CONCLUSION:

For the reasons stated above, staff believes issuance of this lease is in the best interests of the State.

OTHER PERTINENT INFORMATION:

- 1. Approval or denial of the application is a discretionary action by the Commission. Each time the Commission approves or rejects a use of school land, it exercises legislatively delegated authority and responsibility as trustee of the State's school lands as authorized by law. If the Commission denies the application, the Applicant has no right to a lease. Upon expiration or prior termination of the lease, the lessee also has no right to a new lease or to renewal of any previous lease.
- 2. This action is consistent with addressing the challenges and opportunities described in the Commission's 2021-25 Strategic Plan to "Embrace and safeguard multi-benefit School Lands and resource management stewardship that equitably balances responsible local and regional economic development, supports living wages, environmental protection, and revenue generation."
- 3. Staff recommends that the Commission find that this activity is exempt from the requirements of the California Environmental Quality Act (CEQA) as a

categorically exempt project. The project is exempt under Class 1, Existing Facilities; California Code of Regulations, title 14, section 15301.

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

EXHIBITS:

- A. Land Description
- B. Site and Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the activity is exempt from the requirements of CEQA pursuant to California Code of Regulations, title 14, section 15061 as a categorically exempt project, Class 1, Existing Facilities; California Code of Regulations, title 14, section 15301.

STATE'S BEST INTERESTS:

Find that the proposed lease is in the best interests of the State.

AUTHORIZATION:

- 1. Authorize the Executive Office or designee to replace Exhibits in the lease and adjust rent upon submission, review, and approval of as-built plans detailing the final location of the new improvements following construction.
- 2. Authorize issuance of a General Lease Right-of-Way Use to the Applicant, beginning December 22, 2020, for a term of 20 years, for use and maintenance of an existing overhead 25 kV electrical distribution line on three wooden poles and the construction, use, and maintenance of two wooden poles, as described in Exhibit A and shown on Exhibit B (for reference purposes only), attached and by this reference made a part hereof; annual rent in the amount of \$503, with an annual Consumer Price Index adjustment; liability insurance in the amount no less than \$2,000,000 per occurrence; Applicant may satisfy all or part of the insurance requirement through maintenance of a staff-approved self-insurance program as specified in the lease; and a surety bond or other security in the amount of \$20,000.

EXHIBIT A

LEASE 7528

LAND DESCRIPTION

THAT PORTION OF GOVERNMENT LOT NO. 2 IN THE NORTHEAST QUARTER (N.E. 1/4) OF SECTION 1, TOWNSHIP 2 NORTH, RANGE 5 EAST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS SHOWN ON THE "DEPENDANT RESURVEY, EXTENSION SURVEY AND SUBDIVISION OF SECTIONS" PLAT, APPROVED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT, ACCEPTED FEBRUARY 27, 1951, SAID PORTION BEING DESCRIBED AS FOLLOWS:

A 25.00 FOOT-WIDE STRIP OF LAND, LYING 12.50 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

A LINE LYING 31.00 FEET WESTERLY OF AND PARALLEL WITH THE EAST LINE OF SAID NORTHEAST QUARTER (N.E. 1/4) OF SECTION 1.

THE SIDELINES OF SAID STRIP ARE TO BE PROLONGED OR SHORTENED SO AS TO TERMINATE NORTHERLY IN THE NORTH LINE OF SAID NORTHEAST QUARTER (N.E. 1/4) OF SECTION 1, AND TERMINATE SOUTHERLY IN THE SOUTH LINE OF SAID GOVERNMENT LOT NO. 2.

END OF DESCRIPTION

PREPARED BY ME OR UNDER MY DIRECTION:

1/5/22

RYAN L. WADDELL, P.L.S. No. 9254

DATE



