

Staff Report 59

APPLICANT:

Pacific Gas and Electric Company

PROPOSED ACTION:

Amendment of a General Lease – Right-of-Way Use.

ORIGINAL AREA, LAND TYPE, AND LOCATION:

0.355 acre of State-owned school land, Assessor’s Parcel Number 008-340-016, located near the town of Midpines, Section 28, Township 4 South, Range 18 East, Mount Diablo Baseline & Meridian, Mariposa County (as shown in Figure 1 and as Parcel 1 in Figure 2).

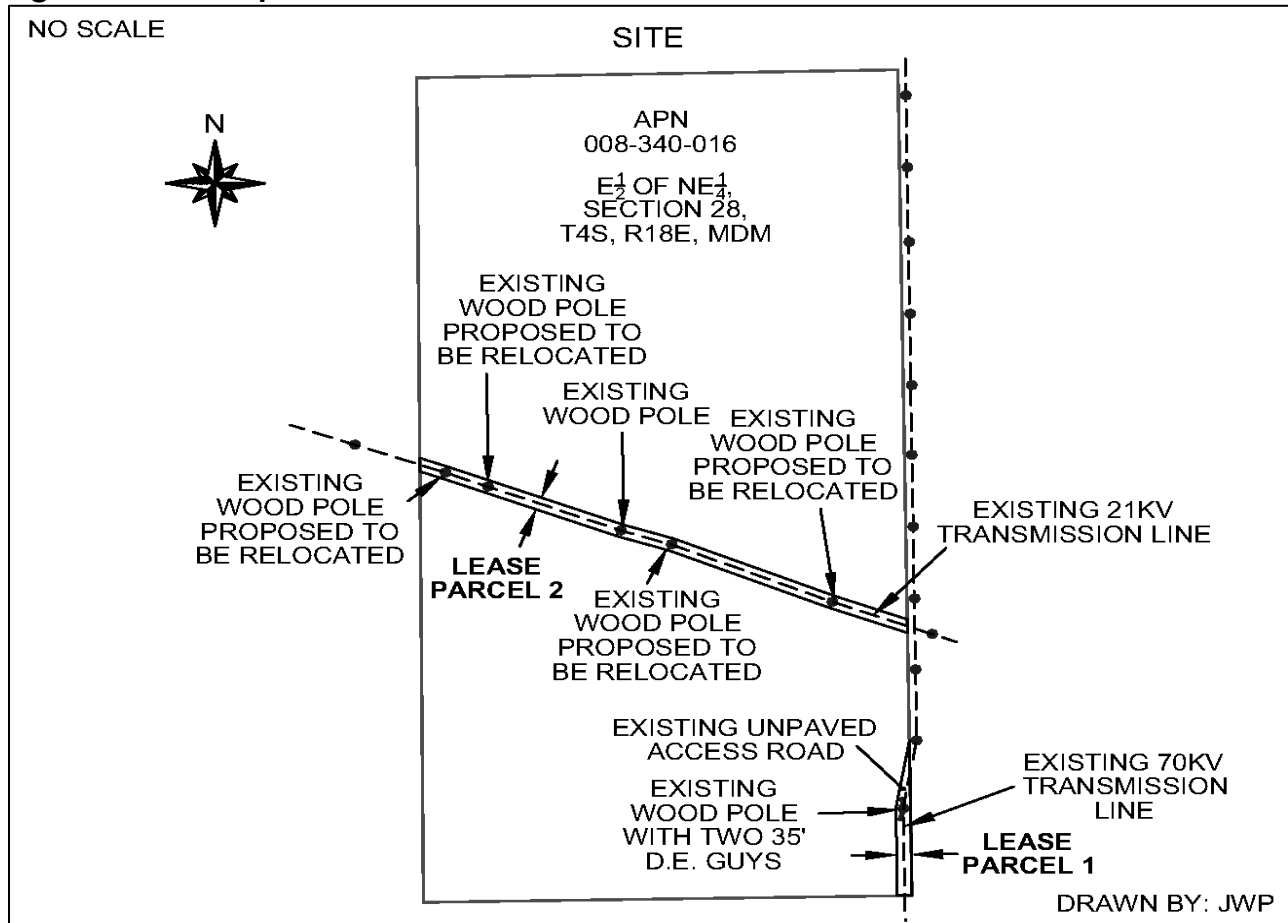
Figure 1. Location Map



ORIGINAL AUTHORIZED USE:

The continued use and maintenance of one existing 70-kilovolt (kV) overhead distribution line, together with the use and maintenance of existing unimproved access roads. The use of the access road is necessary for the operation, inspection, repair, replacement, and maintenance of the existing 70 kV overhead distribution line and related facilities (as shown as Parcel 1 in Figure 2).

Figure 2. Site Map



NOTE: This depiction of the lease premises is based on unverified information provided by the Applicant or other parties and is not a waiver or limitation of any State interest in the subject or any other property.

TERM:

25 years, beginning July 1, 2009.

ORIGINAL CONSIDERATION:

Rent: \$599 per year.

PROPOSED AMENDMENTS:

1. Section 1, add 1.317 acres to the Lease area for a total of 1.672 acres (Parcels 1 & 2 and their access roads as shown on Figure 2 above).
2. Section 1, revise the Authorized Use section to read as follows: The continued use and maintenance of one existing 70 kV overhead distribution line and an existing 21 kV overhead distribution line not previously authorized by the Commission, together with the use and maintenance of existing unimproved access roads on State-owned school land, as described in Exhibit A as Parcels 1 and 2.
3. Section 1, adjust the consideration of the Lease to indicate rent of \$603 per year with a yearly Consumer Price Index adjustment.
4. Section 1, Update the Land Description for the Lease with information related to the new lease area and access roads, Exhibit A.
5. Section 2, increase the original \$30,000 bond to a \$60,000 blanket bond or other security acceptable to the State to guarantee performance by the Lessee of all the terms and conditions of the leases and rules and regulations of the State.
6. Section 2, add the following provisions:
 - a. Lessor shall have the right to examine and obtain copies of all records and data associated with maintenance activities of the overhead distribution lines on the Lease Premises.
 - b. Lessee shall take all reasonable and necessary actions to prevent, suppress, and control fires on the Lease Premises, including addressing any vegetation that poses a potential risk to the overhead distribution lines on the Lease Premises.
 - c. No herbicidal chemical may be used for vegetation control on the Lease Premises without prior written approval from Lessor. Any herbicidal chemicals that are approved and used by Lessee or its contractors on the Lease Premises must be registered with the California Department of Pesticide Regulation and must be applied in conformity with current Material Safety Data Sheets.
 - d. In the event of an emergency within the Lease Premises requiring immediate action to remove, repair, or install an overhead distribution line, Lessee shall notify Lessor without delay and within 24 hours at (562) 590-5201.

STAFF ANALYSIS AND RECOMMENDATION:

BACKGROUND:

On October 22, 2009, the Commission authorized a 25-year General Lease – Right-of-Way Use ([Item 31](#)) to the Applicant. On February 1, 2010, the Commission authorized a rescission of the October 2009 approval of lease ([Item 14](#)) and approved a new lease with a provision for self-insurance that was requested by the Applicant. On June 28, 2019, the Commission authorized a revision of annual rent ([Item 79](#)) from \$100 to \$450, effective July 1, 2019. On June 7, 2024, the Commission authorized another revision of annual rent to \$599 ([Item 55](#)). The lease will expire on June 30, 2034.

AUTHORITY:

Public Resources Code sections 6005, 6216, 6501.1, 6503, and 8705; California Code of Regulations, title 2, sections 2000 and 2003.

STATE'S BEST INTERESTS:

On August 17, 2023, the Applicant applied for an amendment to a General Lease – Right-of-Way Use to add an existing 1,425 feet long 21 kV overhead distribution line and access road that were not previously authorized by the Commission. The Applicant has occupied State-owned school land without authorization since the previous lease did not include the existing 21 kV distribution line. The unauthorized improvements occupy approximately 1.317 additional acres of State land and serve as valuable energy infrastructure to deliver power to communities in Mariposa County.

The proposed lease amendment does not alienate the State's fee simple interest or permanently impair public rights on school land. The lease will expire on June 30, 2034, and does not grant the Lessee exclusive rights to the lease premises. The lease amendment will also requires the payment of increased annual rent, generating additional revenue for the California State Teachers' Retirement System, consistent with Public Resources Code section 6217.5. Additionally, the amendment would require new financial security in the amount of \$60,000.

CLIMATE CHANGE:

INTRODUCTION:

Climate change is significantly altering northern California's forests and rangelands. As the atmosphere warms, there are more extremely hot days and unpredictable rainfall. Longer droughts are expected, and precipitation patterns will change in timing and intensity, affecting plant growth and distribution. This region is likely to see a corresponding increase in wildfires. These impacts may affect the existing 21 kV distribution line subject to the proposed lease, located just south of Sherlock Road in Mariposa County.

DATA & PROJECTIONS:

In the Sierra Nevada region of California, daily average high temperatures are projected to increase by 6 to 10 degrees Fahrenheit by the end of the century ([Sierra Nevada Region](#), California's Fourth Climate Change Assessment, 2018). As temperatures rise, the region is projected to experience more frequent and intense heat waves and an increased number of extreme heat days. The rise in temperature and increase in extreme heat and drought conditions is expected to result in more frequent and intense wildfires.

California's climate will cycle between extremely dry and extremely wet periods. Driven by climate change, dry years are expected to become even drier, while wet years will become even wetter in the next several decades. The rise in whiplash events, where conditions shift rapidly from drought to deluge, will challenge water storage and flood control systems in the region. Further, future wet seasons are projected to have more precipitation as rain than snow due to higher temperatures. Changes to precipitation patterns and increases in temperature are expected to affect amounts of snowpack and timing of snowmelt. These changes will alter streamflow timing and intensity in the region and are anticipated to affect water resources and availability for the region's communities. Meanwhile, wildfire is expected to increase throughout the region as projected changes in climate are associated with large increases in areas burned by wildfire. These large wildfires can delay forest recovery and lead to long-term habitat shifts.

ANALYSIS:

The lease premises will likely experience increased wildfire risk and watershed vulnerability due to changes in precipitation, reduced snowpack volume, and warming temperatures. These conditions may increase the risk of wildfire to the

lease premises. The lease area is primarily forested habitat featuring Oregon white oak, California black oak, and Canyon live oak trees. Wildfire risk is likely to increase in the region due to extreme heat events and drought, but proactive vegetation management can play a significant factor in mitigating or exacerbating wildfire risk. Timing and intensity of grazing activity within and adjacent to the lease premises may also affect wildfire vulnerability. Damage to transmission lines during high wind or extreme heat events could increase the risk of ignition and wildfire on the lease premises.

RECOMMENDATION:

The Applicant has indicated that the lease is subject to routine inspections and vegetation management. Maintenance and operation activities along the alignment are subject to the Applicant's policies and procedures related to wildfire prevention. This regular maintenance of vegetation within the lease premises and access roads to the lease premises will help minimize the threat of fire hazards to the lease area.

Any future construction activities on State land would require a separate authorization from the Commission. Pursuant to the proposed lease, the Applicant acknowledges that the lease premises are located in an area that may be subject to the effects of climate change.

CONCLUSION:

For the reasons stated above, staff believes that approval of the lease amendments 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. Upon expiration or prior termination of the lease, the lessee 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 15061.

EXHIBIT:

A. Land Description

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 amendments are in the best interests of the State.

AUTHORIZATION:

Authorize the amendment of the General Lease 4078, a General Lease – Right-of-Way Use to the Applicant, effective June 23, 2026, revise the annual rent to \$603 with an annual Consumer Price Index adjustment, adjust the Lease area to a total of 1.672 acres, authorize operation and maintenance of an existing 21 kV overhead distribution line and adjacent maintenance road, not previously authorized, revise the Surety Bond to \$60,000 and amend Section 2 – Special Provisions; update section 3, Land Description section for the Lease with information related to both Parcel 1 and Parcel 2 and their access roads; all other terms and conditions of the lease shall remain in effect.

EXHIBIT A

Lease 6703

LAND DESCRIPTION

Two parcels of State School Lands situate in the E ½ of the NE ¼ of Section 28, Township 4 South, Range 18 East, Mount Diablo Meridian as shown on the official U.S. Government Plat dated May 2, 1935, located in Mariposa County, State of California, and being more particularly described as follows:

PARCEL 1

BEGINNING at the East ¼ Corner of said Section 28; thence along the East line of said Section 28, North 00°50'20" West 492.70 feet; thence leaving said east line South 09°46'34" West 218.20 feet; thence South 00°52'44" East 278.29 feet to the South line of the said NE ¼ of Section 28; thence along said South line, North 89°04'06" East 40.00 feet to the point of beginning.

PARCEL 2

A strip of land 40 feet wide, lying 20 feet on each side of the following described centerline:

COMMENCING at the East ¼ Corner of said Section 28; thence along the East line of said Section 28, North 00°50'20" West 700.00 feet; thence leaving said east line North 27°09'37" East 143.80 feet to the POINT OF BEGINNING, being the center of an existing power pole; thence North 69°30'05" West 293.05 feet; thence North 67°40'35" West 477.68 feet; thence North 72°03'37" West 145.28 feet to the center of an existing power pole; thence North 69°13'07" West 391.46 feet; thence North 69°08'48" West 124.02 feet; thence North 70°29'06" West 264.06 feet to the terminus of said centerline.

The sidelines of said strip shall be lengthened or shortened to terminate on the West at the West line of said E ½ of the NE ¼ of Section 28, and on the East at the East line of said E ½ of the NE ¼ of Section 28.

EXCEPTING THEREFROM any portions not lying within the said E ½ of the NE ¼ of Section 28.

END OF DESCRIPTION

Prepared on 11/26/2025 by the California State Lands Commission Boundary Unit.

