

MINUTE ITEM

2/28/74
JFS

20. RENEWAL OF MINERAL EXTRACTION LEASE PRC 3101.2, SCHOOL LAND IN IMPERIAL COUNTY; RYERSON & PINNER - W 9708, PRC 3101.2.

After consideration of Calendar Item 19 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION:

1. DETERMINES THAT AN ENVIRONMENTAL IMPACT REPORT HAS NOT BEEN PREPARED FOR THIS ACTIVITY BECAUSE IT IS AN ONGOING PROJECT UNDER SECTION 21169 OF THE PUBLIC RESOURCES CODE AND TITLE 14, SECTION 15070 OF THE CALIFORNIA ADMINISTRATIVE CODE.
2. AUTHORIZES THE RENEWAL OF MINERAL EXTRACTION LEASE PRC 3101.2 FOR A FIVE-YEAR TERM COMMENCING JANUARY 29, 1974, WITH AN ANNUAL RENTAL OF \$80. ALL OTHER TERMS OF SAID LEASE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment:

Calendar Item 19 (2 pages)

CALENDAR ITEM

2/74
JFS
W 9708

19.

RENEWAL OF MINERAL EXTRACTION LEASE

LEASE: PRC 3101.2.

LESSEE: Ryerson & Pinner.

LEASE TERM: January 29, 1974, to January 28, 1979.

LEASE LOCATION:

E $\frac{1}{2}$ of SE $\frac{1}{4}$ of Section 16, T 13 S, R 16 E, SBM, Imperial County.

PERTINENT INFORMATION:

1. Ryerson & Pinner entered into a lease with the State on January 30, 1964 for an initial term of five years subject to two five-year extensions. The lease term was renewed for five years on January 29, 1969. Ryerson & Pinner have now requested an additional and final renewal for five years, in accordance with Paragraph 18 of the lease, to commence on January 29, 1974.

2. Existing covenants and royalty requirements include:

a. An annual rental of \$80 per year.

b. Royalty for all sand and gravel extracted computed by the following formula:

$$R = A + B (C-D)$$

Where R = royalty in dollars and cents per cubic yard of sand and gravel extracted.

B = bid factor = (0.07)

C = weighted average sales price of sand and gravel per cubic yard determined at the end of the first lease year and each year thereafter, and utilized in the formula for computing the royalty for the ensuing interval.

D = Initial estimated weighted gross sales for cubic yard of sand and gravel.

Minimum royalty shall be 0.10¢ per cubic yard of sand and gravel extracted. The lessee shall extract at least 7,500 cubic yards of sand and gravel from the demised premises during each year of the term of this lease.

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The maximum royalty hereunder shall not exceed 25 percent of the weighted average gross sales price.

3. Renewal Lease Terms

- a. Annual rent shall remain the same.
 - b. The royalty formula shall remain the same. The "C" factor for the coming year has been recomputed as \$2.34, thus the royalty becomes 0.2218 cents per cubic yard of sand and/or gravel.
4. An environmental impact report is not required as this is an ongoing project. The proposed lease renewal does not include any modification of the basic purpose of the original lease.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN ENVIRONMENTAL IMPACT REPORT HAS NOT BEEN PREPARED FOR THIS ACTIVITY BECAUSE IT IS AN ONGOING PROJECT UNDER SECTION 21169 OF THE PUBLIC RESOURCES CODE AND TITLE 14, SECTION 15070 OF THE CALIFORNIA ADMINISTRATIVE CODE.
2. AUTHORIZE THE RENEWAL OF MINERAL EXTRACTION LEASE PRC 3101.2 FOR A FIVE-YEAR TERM COMMENCING JANUARY 29, 1974, WITH AN ANNUAL RENTAL OF \$80. ALL OTHER TERMS OF SAID LEASE TO REMAIN IN FULL FORCE AND EFFECT.