

13. AMENDMENT TO INDUSTRIAL LEASE PRC 1390, TIDE AND SUBMERGED LANDS OFFSHORE FROM THE CITY OF MORRO BAY, SAN LUIS OBISPO COUNTY; PACIFIC GAS AND ELECTRIC COMPANY - WP 1390, PRC 1390.

After consideration of Calendar Item 11 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION;

1. DETERMINES THAT A FINAL ENVIRONMENTAL IMPACT REPORT HAS BEEN PREPARED FOR THIS PROJECT BY THE DIVISION FOLLOWING EVALUATION OF COMMENTS AND CONSULTATION WITH PUBLIC AGENCIES WHICH WILL ISSUE APPROVALS FOR THE PROJECT.
2. CERTIFIES THAT THE FINAL ENVIRONMENTAL IMPACT REPORT (EIR 173) HAS BEEN COMPLETED IN COMPLIANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT OF 1970, AS AMENDED, AND THE STATE GUIDELINES AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.
3. DETERMINES THAT THE PROJECT WILL HAVE A POTENTIALLY SIGNIFICANT EFFECT ON THE ENVIRONMENT (I.E. IN THE EVENT OF A MAJOR OIL SPILL). HOWEVER, AN OVER-RIDING CONSIDERATION IS THE MAINTENANCE OF AN ADEQUATE SUPPLY OF FUEL FOR THE APPLICANT'S THERMAL ELECTRIC GENERATING PLANT; THEREFORE, THE PROJECT IS APPROVED.
4. AUTHORIZES THE FOLLOWING ACTION WITH RESPECT TO LEASE PRC 1390: THE ISSUANCE OF AN AMENDMENT TO CHANGE THE LAND DESCRIPTION TO THAT SHOWN ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF; CHANGE THE ANNUAL RENTAL TO \$28,420.08, WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENTAL ANY TIME DURING THE FIRST YEAR AFTER THE EFFECTIVE DATE OF THIS AMENDMENT AND ON EACH FIFTH ANNIVERSARY OF SUCH EFFECTIVE DATE; TO ADD LIABILITY INSURANCE IN AMOUNTS TO BE DETERMINED NOT LATER THAN OCTOBER 1, 1975; TO ADD THE PROVISION OF A \$50,000 SURETY BOND; AND PROVIDED THAT ALL OTHER TERMS AND CONDITIONS OF LEASE PRC 1390 SHALL REMAIN IN FULL FORCE AND EFFECT. THE EFFECTIVE DATE OF THE AMENDMENT SHALL BE AND IS MARCH 1, 1975.

Attachment:

Calendar Item 11 (5 pages)

CALENDAR ITEM

3/75
GRH
WP 1390

11.

AMENDMENT TO INDUSTRIAL LEASE PRC 1390

APPLICANT: Pacific Gas and Electric Company.

AREA, TYPE LAND AND LOCATION:
62.74 acres of tide and submerged lands off-shore from the City of Morro Bay, San Luis Obispo County.

LAND USE: Marine oil terminal and appurtenant pipelines.

TERMS OF ORIGINAL LEASE:
Initial period: 49 years, from May 26, 1954.
Consideration: \$375 for the full 49-year term.

TERMS OF AMENDED LEASE:
Surety bond: \$50,000
Public liability insurance:
Amount to be determined at a later date.

- Special:
1. Immediate notification of the State Office of Emergency Services by telephone of a spill or leak of oil or other liquid pollutants into the waters over State land followed by a complete written report within 30 days, stating the source, cause, size of spill and action taken.
 2. Provision of an approved Oil Spill Contingency Plan and a Terminal Operations Manual on the forms required by existing Federal and State regulations.

CONSIDERATION: \$28,420.08 per annum, with the State reserving the right to fix a different rental any time during the first year beginning March 1, 1975, and on each fifth anniversary of the lease beginning March 1, 1980.

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BASIS FOR CONSIDERATION:

8% of appraised value of land underlying the terminal and \$0.015 per diameter inch per lineal foot for the land underlying the pipelines.

PREREQUISITE TERMS:

Applicant is lessee or permittee of upland.

STATUTORY AND OTHER REFERENCES:

- a. Public Resources Code: Div. 6, Parts 1 & 2.
- b. Administrative Code: Title 2, Div. 3, Arts. 1, 2 & 10; Title 14, Div. 6, Chapter 3.

OTHER PERTINENT INFORMATION:

1. An environmental impact report covering P.G. & E.'s proposed expansion of its marine terminal to accommodate larger tankers was circulated by the Division in accordance with the provisions of CEQA, as amended, and State EIR Guidelines. As a result of the review process, the Division conducted two meetings with P.G. & E. and the State Department of Fish and Game to discuss the biological impact of this project and a similar project by P.G. & E. at Moss Landing, Monterey County.

The EIR concludes that the construction impacts associated with this project are not significant. However, operation of the marine terminal does present the potential for a significant detrimental environmental impact (i.e. in the case of a major oil spill). The terminal has been designed to operate efficiently and measures have been presented that substantially reduce the likelihood of a major oil spill. The over-riding consideration in this project is to maintain an adequate supply of fuel for P.G. & E.'s Morro Bay thermal electric generating plant.

2. The amendment changes the land description to reflect the actual area of use. The rent is predicated on suggested changes to the Commission's rules and regulations;

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however, provision has been made to allow a change in the rent any time during the first year after the effective date of the amendment--March 1, 1975. If a change in rent is required during the first year after March 1, 1975, the change shall be retroactive to March 1, 1975, and in accordance with the Commission's leasing policies (now contained in 2 Cal. Adm. Code, Section 2005) in effect at the time of such change.

3. P.G. & E. will be required to obtain liability insurance (including pollution liability) in the form and in amounts to be set at a later date. The staff is currently preparing suggested changes to the Commission's regulations; which changes shall specify the form and amounts of insurance required by the Commission for various types of land use.

EXHIBITS: A. Land Description. B. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT A FINAL ENVIRONMENTAL IMPACT REPORT HAS BEEN PREPARED FOR THIS PROJECT BY THE DIVISION FOLLOWING EVALUATION OF COMMENTS AND CONSULTATION WITH PUBLIC AGENCIES WHICH WILL ISSUE APPROVALS FOR THE PROJECT.
2. CERTIFY THAT THE FINAL ENVIRONMENTAL IMPACT REPORT (EIR 173) HAS BEEN COMPLETED IN COMPLIANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT OF 1970, AS AMENDED, AND THE STATE GUIDELINES AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.
3. DETERMINE THAT THE PROJECT WILL HAVE A POTENTIALLY SIGNIFICANT EFFECT ON THE ENVIRONMENT (I.E. IN THE EVENT OF A MAJOR OIL SPILL). HOWEVER, AN OVER-RIDING CONSIDERATION IS THE MAINTENANCE OF AN ADEQUATE SUPPLY OF FUEL FOR THE APPLICANT'S THERMAL ELECTRIC GENERATING PLANT; THEREFORE, THE PROJECT IS APPROVED.
4. AUTHORIZE THE FOLLOWING ACTION WITH RESPECT TO LEASE PRC 1390: THE ISSUANCE OF AN AMENDMENT TO CHANGE THE LAND DESCRIPTION TO THAT SHOWN ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF; CHANGE THE ANNUAL RENTAL TO \$28,420.08, WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENTAL ANY TIME DURING THE FIRST YEAR AFTER THE EFFECTIVE DATE OF THIS AMENDMENT AND ON EACH FIFTH

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ANNIVERSARY OF SUCH EFFECTIVE DATE; TO ADD LIABILITY INSURANCE IN AMOUNTS TO BE DETERMINED NOT LATER THAN OCTOBER 1, 1975; TO ADD THE PROVISION OF A \$50,000 SURETY BOND; AND PROVIDED THAT ALL OTHER TERMS AND CONDITIONS OF LEASE PRC 1390 SHALL REMAIN IN FULL FORCE AND EFFECT. THE EFFECTIVE DATE OF THE AMENDMENT SHALL BE AND IS MARCH 1, 1975.

Attachment: Exhibit "A"

EXHIBIT "A"

WP 1390

Three parcels of submerged land lying in the bed of Estero Bay at Morro Bay, San Luis Obispo County, State of California, being more particularly described as follows:

PARCEL 1:

A strip of land 100 feet wide lying 50 feet on each side of the following described centerline:

BEGINNING at a point from which U.S.C. & G.S. Triangulation Station "Morro 2" having California Zone 5 coordinates of X = 1,145,458.80, Y = 692,530.27 bears S 27° 12' 25" E, 5,254.36 feet; thence S 55° 42' 58" E, 942.74 feet to a point hereinafter referred to as Point "A"; thence continuing S 55° 42' 58" E, 1,335 feet more or less to the point of intersection with the northerly boundary of the Grant to the County of San Luis Obispo as described in Chapter 1076, California Statutes of 1947, amended by Chapter 1874, California Statutes of 1957, and as shown on the map recorded in Book 1 of Misc. Maps at page 2, Records of said County, said point being the end of the herein described centerline.

PARCEL 2:

BEGINNING at the aforementioned Point "A" as described in Parcel 1; thence N 41° 48' 25" E, 199.07 feet; thence N 03° 10' 35" W, 684.48 feet; thence N 53° 12' 53" W, 779.63 feet; thence N 27° 05' 17" W, 613.87 feet; thence S 31° 03' 56" W, 1,315.73 feet to a point hereinafter referred to as Point "B"; thence S 10° 08' 25" W, 1,268.28 feet; thence N 72° 18' 39" E, 632.78 feet; thence S 88° 17' 11" E, 785.57 feet; thence N 41° 48' 25" E, 484.99 feet to the point of beginning.

EXCEPTING THEREFROM that portion of Parcel 1 lying within the above described Parcel 2.

PARCEL 3:

That parcel of land included within the circumference of a circle having a radius of 10 feet; the center of said circle bears N 70° 52' 43" W, 768.36 feet from the aforementioned Point "B" as described in Parcel 2 above.

END OF DESCRIPTION