

MINUTE ITEM
This Calendar Item No. C41 was approved as
Minute Item No. 41 by the California State Lands
Commission by a vote of 3 to 0 at its
12-14-06 meeting.

**CALENDAR ITEM
C41**

A 34

12/14/06

S 18

PRC 8737 W 26189

S. Young

GENERAL LEASE - RIGHT OF WAY USE

APPLICANT:

Pacific Gas & Electric Company
245 Market Street
San Francisco, CA 94105

AREA, LAND TYPE, AND LOCATION:

Sovereign lands in the bed of the Colorado River, southeast of the city of
Needles, San Bernardino County and near the town of Topock, Mohave County,
Arizona.

AUTHORIZED USE:

Installation, use and maintenance of two Mitigation Monitoring groundwater wells
extending from the adjacent uplands of the Havasu National Wildlife Refuge and
into the bed of the Colorado River.

LEASE TERM:

20 years, beginning December 14, 2006.

CONSIDERATION:

\$100 per annum with the State reserving the right to fix a different rent
periodically during the lease term, as provided in the lease.

SPECIFIC LEASE PROVISIONS:

Insurance:

Combined single limit coverage of no less than \$1,000,000

Surety Bond:

\$25,000

OTHER PERTINENT INFORMATION:

1. Applicant has a right to use the uplands adjoining the lease premises.

CALENDAR ITEM NO. C41 (CONT'D)

2. Water samples taken from the ground water near the Pacific Gas and Electric Company's (PG&E) Topock Compressor Station (Station) were found to be contaminated with hexavalent chromium. Under the oversight of the California Environmental Protection Agency's Department of Toxic Substance Control (DTSC), PG&E is pumping the contaminated groundwater away from the Colorado River and into a treatment system located near the Station. The affected groundwater, commonly referred to as the "plume", lies approximately 80 to 175 feet below the ground surface. The plume extends north from the Station approximately 2,300 feet and is 1,300 feet wide. The presence of hexavalent chromium is the result of past waste disposal activities at the Station. According to the DTSC, hexavalent chromium has not been used at the Station since 1985. In early 2004, the DTSC determined that immediate action was necessary to ensure that groundwater containing hexavalent chromium did not reach the Colorado River one half-mile east of the Station.

3. In 2005, the DTSC ordered PG&E to perform a pore water sampling and sediment sampling study in order to address chromium found in ground water at the Station. In November and December of 2005, PG&E completed three phases of the pilot study required by the DTSC.

On September 29, 2006, the DTSC issued a letter requiring that PG&E prepare a workplan for a slant drilling groundwater investigation to assess chromium concentrations in the fluvial sediments beneath the Colorado River. The purpose of the slant drilling is to evaluate the extent of hexavalent chromium in groundwater within the fluvial sediments beneath the Colorado River south of the Interstate 40 Bridge, and to investigate the thickness of the reductive zone immediately beneath the Colorado River at the site. The work plan proposes to install two angle borings using eight-inch diameter steel casings from one location adjacent to the California shoreline of the Colorado River south of Interstate 40 on Havasu National Wildlife Refuge property. Boring 1 and Boring 2 will be drilled at different angles estimated at approximately 30 degrees and 40 degrees from horizontal along 300-foot and 200-foot lengths respectively. As drilling occurs, depth-discrete groundwater samples will be obtained every 20 feet and analyzed for water quality as well as chromium and iron. After the borehole has been completed to total depth, the steel casing will be withdrawn and three wells, composed of PVC pipe, will be bundled together and installed within the borehole as a multilevel monitoring system. This monitoring system is proposed to provide ongoing water

CALENDAR ITEM NO. C41 (CONT'D)

quality and hydraulic monitoring points beneath the River down slope of the floodplain area of the Topock site. Well installation is to be completed prior to March 15, 2007, the next migratory bird nesting season. Any change of use or further development by PG&E within the Lease Premises will require prior authorization of the Commission.

4. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15061), the staff has determined that this activity is exempt from the requirements of the CEQA as a categorically exempt project. The project is exempt under Class 6, Information Collection; Title 2, California Code of Regulations, section 2905 (e)(3).

Authority: Public Resources Code section 21084 and Title 14, California Code of Regulations, section 21084 and Title 14, California Code of Regulations, section 2905.

5. 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 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:

California Environmental Protection Agency

APPROVALS REQUIRED:

Havasu National Wildlife Refuge
County of San Bernardino
California Department of Fish and Game
California Department of Transportation

EXHIBITS:

- A. Land And Site Map
- B. Land Description

PERMIT STREAMLINING ACT DEADLINE:

January 16, 2007

CALENDAR ITEM NO. C41 (CONT'D)

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 AS A CATEGORICALLY EXEMPT PROJECT, CLASS 6, INFORMATION COLLECTION; TITLE 2, CALIFORNIA CODE OF REGULATIONS, SECTION 2905 (e)(3).

SIGNIFICANT LANDS INVENTORY FINDING:

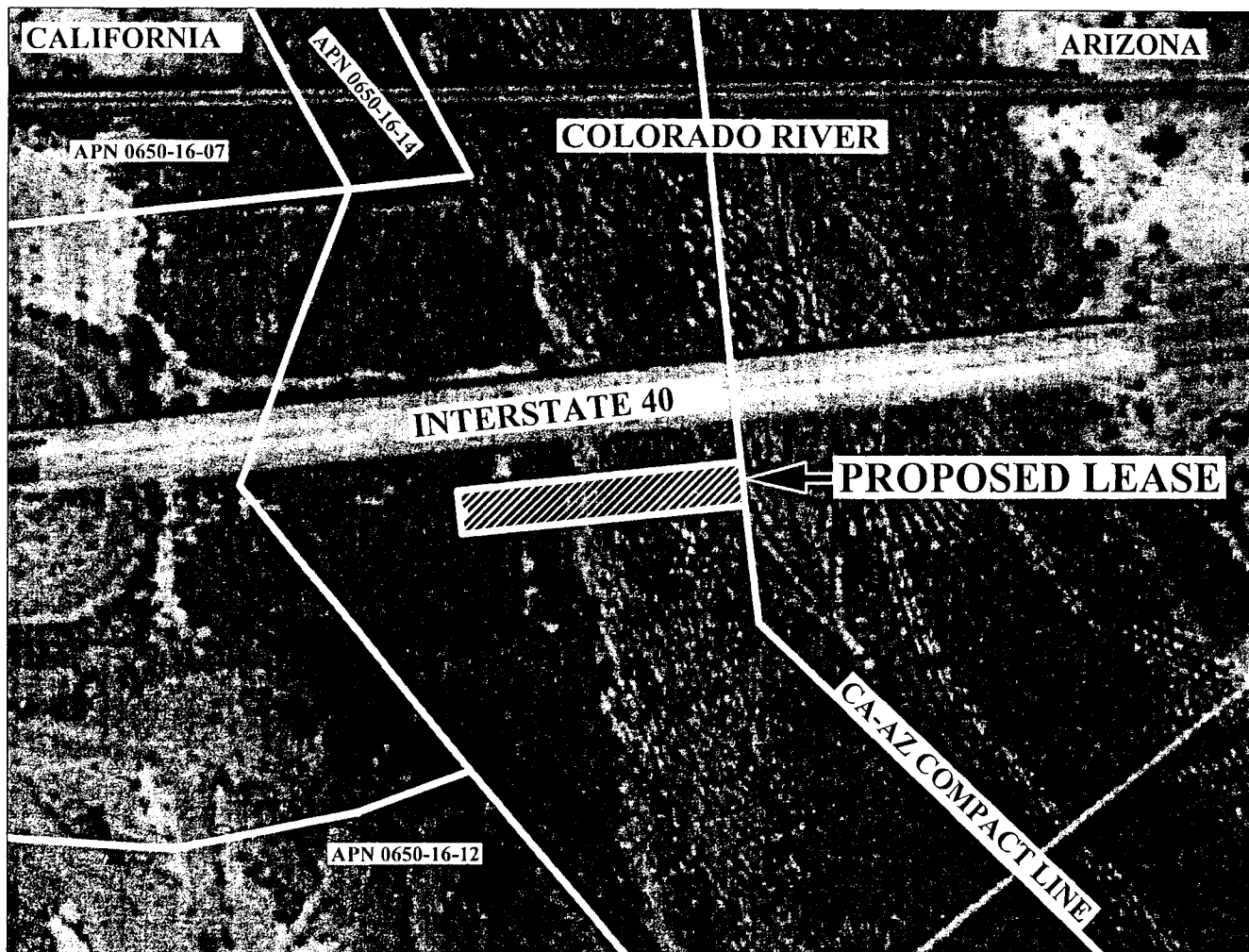
FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED BY THE COMMISSION FOR THE LAND PURSUANT TO PUBLIC RESOURCES CODE SECTIONS 6370, ET SEQ.

AUTHORIZATION:

AUTHORIZE ISSUANCE TO PACIFIC GAS AND ELECTRIC COMPANY OF A GENERAL LEASE - RIGHT OF WAY USE, BEGINNING DECEMBER 14, 2006, FOR A TERM OF 20 YEARS, FOR THE INSTALLATION, USE AND MAINTENANCE OF GROUNDWATER WELLS FOR USE IN MITIGATION MONITORING AND LOCATED IN THE COLORADO RIVER AS SHOWN ON EXHIBIT A AND AS DESCRIBED ON EXHIBIT B ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF; ANNUAL RENTAL IN THE AMOUNT OF \$100, WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENT PERIODICALLY DURING THE LEASE TERM AS PROVIDED IN THE LEASE; LIABILITY INSURANCE IN THE AMOUNT OF NO LESS THAN \$1,000,000 AND SURETY BOND IN THE AMOUNT OF \$25,000.

NO SCALE

SITE

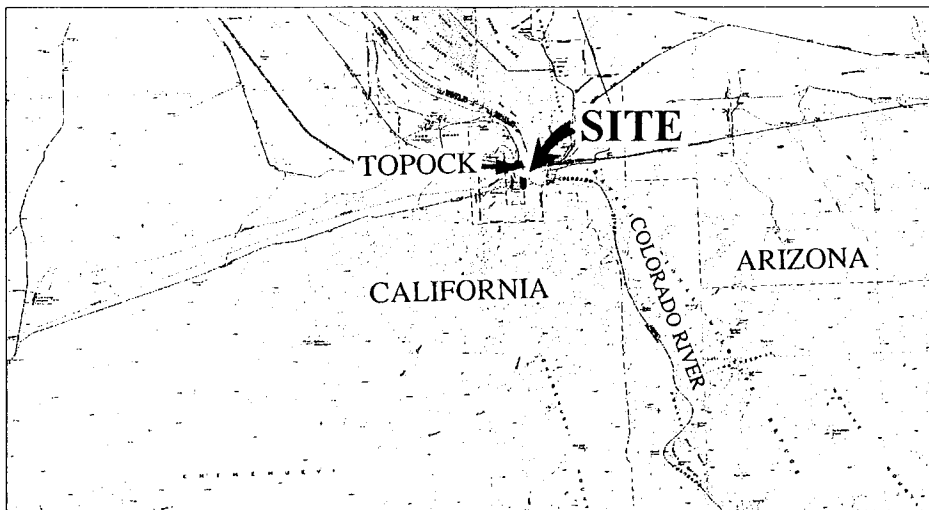


PG&E TOPOCK COMPRESSOR STATION
 PROPOSED SLANT BORINGS TOPOCK, AZ

MAP SOURCE: DOQ

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit A

W26189

PG&E

GENERAL LEASE

RIGHT OF WAY USE

NEAR NEEDLES, CA

SAN BERNARDINO COUNTY



HUSTEAD 11/30/2006

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

CALENDAR PAGE

MINUTE PAGE

Exhibit B

W26189

LAND DESCRIPTION

A strip of land of the uniform width of 50 feet of the submerged lands in the bed of the Colorado River lying in the northeast quarter of Section 8, Township 7 North, Range 24 East, San Bernardino Base & Meridian lying 25 feet on each side of the line described as follows:

COMMENCING at the found U.S. Cadastral Survey 3-inch brass cap on a 2 1/2-inch iron pipe marking the north quarter corner of said Section 8 as shown on the BLM Dependent Resurvey dated 12/3/1962, from which the found U.S. Cadastral Survey 3-inch brass cap on a 2 1/2-inch iron pipe marking the northwest corner of said Section 8 as shown on the BLM Dependent Resurvey dated 12/3/1962, bears south 87°54'28" west 2624.57 feet and running,

- (a) south 57°16'26" east 2377.63 feet to the TRUE POINT OF BEGINNING of said strip of land (N2101696.23, E7616712.66; CCS Zone 5, NAD 83, 1991.35 Epoch); thence
- (1) north 84°11'22" east 330.00 feet;

The sidelines of said strip shall begin and terminate at a point lying perpendicular to the beginning and termination of said strip of land.

EXCEPTING THEREFROM the portion thereof lying easterly of the Interstate Compact line dated 1963; also EXCEPTING THEREFROM the portion lying landward of the ordinary low-water mark of the Colorado River.

END OF DESCRIPTION

APPROVED AS TO DESCRIPTION

Jeffrey D. Little
Jeffrey D. Little

PLS 6372 Expires 12-31-06

Area, Region or Location: 4
Land Service Office Fresno
Operating Department: Gas Trans.
County: San Bernardino
OR 8061116
Dwg. JL-423
T7N, R24E, SBB&M
Sec. 8: E1/2 of NE1/4
JCN 03-06-088
Prepared By: MAV
Checked By: JDL7
Revision: 2

