

**CALENDAR ITEM
C55**

A 1
S 2

06/28/10
PRC 8610.2
J. Porter

CONTINUATION OF RENT

LESSEE:

Geysers Power Company, LLC
10350 Socrates Mine Road
Middletown, CA 95461

AREA, LAND TYPE, AND LOCATION:

1.3 acres, more or less, of State Indemnity School lands in Section 3 and 4,
Township 11 North, Range 9 West, MBM, east of Cloverdale, Sonoma County.

AUTHORIZED USE:

Construction, use and maintenance of a six- to eight-inch diameter water
transportation line.

LEASE TERM:

25 years, beginning June 1, 2005.

CONSIDERATION:

This lease provides that Lessor may modify the rent periodically during the lease
term. Pursuant to this provision, staff has conducted a review of the rent under
this lease, and recommends that the rent be continued at \$450 per year, effective
June 1, 2010.

BACKGROUND:

School Lands were granted to the State of California by the federal government
under the Act of March 3, 1853 (10 Stat. 244), and consisted of the 16th and 36th
sections of land in each township (with the exceptions of lands reserved for
public use, lands taken by private land claims, and lands known to be mineral in
character). In cases of preemption due to the exceptions described above, the
State was given the opportunity to select replacement lands from the United
States in lieu of a Section 16 or a Section 36. These replacement lands are now
known as Indemnity School Lands or Lieu Lands.

CALENDAR ITEM NO. C55 (CONT'D)

OTHER PERTINENT INFORMATION:

On June 20, 2005, the Commission authorized the issuance of a General Lease – Right of Way Use to Geysers Power Company, LLC for a term of 25 years. The lease will expire on May 31, 2030.

EXHIBIT:

A. Site and Location Map

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

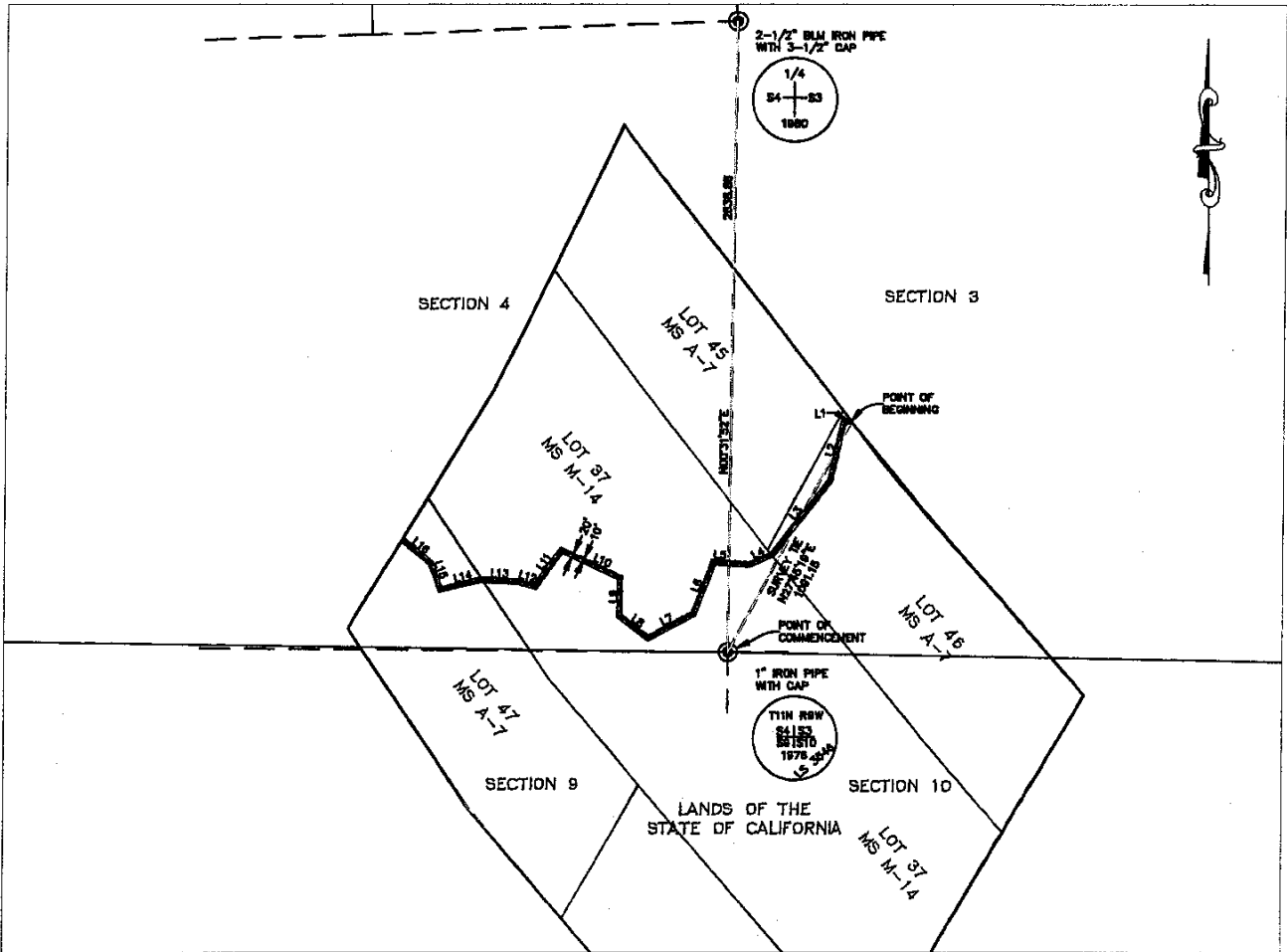
Find that the activity is not subject to the requirements of CEQA pursuant to Title 14, California Code of Regulations, section 15060(c)(3) because the activity is not a project as defined by Public Resources Code section 21065 and Title 14, California Code of Regulations, section 15378.

AUTHORIZATION:

Approve the Continuation of Rent for Lease No. PRC 8610.2 at \$450 per year, effective June 1, 2010.

NO SCALE

SITE MAP



NO SCALE

LOCATION MAP

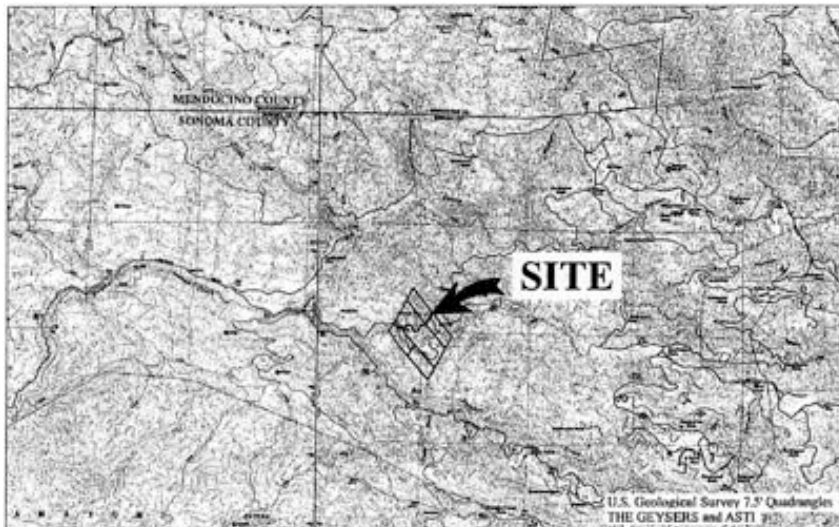


Exhibit A

PRC 8610.2

GEYSERS POWER CO. LLC

APN 117-140-002, 003,

004 & 005

GENERAL LEASE R/W USE

SONOMA COUNTY



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