

**STAFF REPORT
C50**

A 7
S 6

08/17/17
PRC 8415.1
J. Toy

REVISION OF RENT

LESSEE:

Wickland Pipelines, a Limited Liability Company

AREA, LAND TYPE, AND LOCATION:

Sovereign land in the Sacramento River, near Sacramento and West Sacramento, Sacramento and Yolo counties.

AUTHORIZED USE:

Continued use and maintenance of an existing 12-inch-diameter jet fuel pipeline.

LEASE TERM:

20 years, beginning October 1, 2002.

CONSIDERATION:

This lease provides that the Commission may modify the rent periodically during the lease term. Pursuant to this provision, staff reviewed the rent under this lease and recommends that rent be revised from \$156 per year to \$450 per year, effective October 1, 2017.

OTHER PERTINENT INFORMATION:

1. The Lessee has the right to use the land adjoining the lease premises.
2. On October 1, 2002, the Commission authorized a General Lease – Right-of-Way Use to Wickland Pipelines, a Limited Liability Company, for a term of 20 years beginning October 1, 2002 ([Item C06, October 1, 2002](#)). On June 26, 2006, the Commission authorized an amendment and approval of an agreement and consent to encumber the lease ([Item C40, June 26, 2006](#)). On October 27, 2011, the Commission authorized the termination and approval of an agreement and consent to encumber the lease and a continuation of rent ([Item C11, October 27, 2011](#)). The lease will expire on September 30, 2022.
3. Commission staff reviewed cathodic protection survey results from 2013 through 2017, an in-line inspection report dated October 12, 2015, and a long-range guided wave ultrasonic pipe screening report dated November

STAFF REPORT NO. **C50** (CONT'D)

20, 2015 and concluded the pipeline is being operated properly and maintained in good condition.

4. Pursuant to title 2, California Code of Regulations, section 2003, \$450 is the annual minimum rent for a Commission authorized right-of-way use lease.
5. This action is consistent with Strategy 2.2 of the Commission's Strategic Plan to ensure timely receipt of revenues and royalties from the use and development of State lands and minerals.
6. Approving the revision of rent is not a project as defined by the California Environmental Quality Act because it is an administrative action that will not result in direct or indirect physical changes in the environment.

Authority: Public Resources Code section 21065 and California Code of Regulations, title 14, section 15378, subdivision (b)(5).

EXHIBIT:

- A. Site and Location Map

RECOMMENDED ACTION:

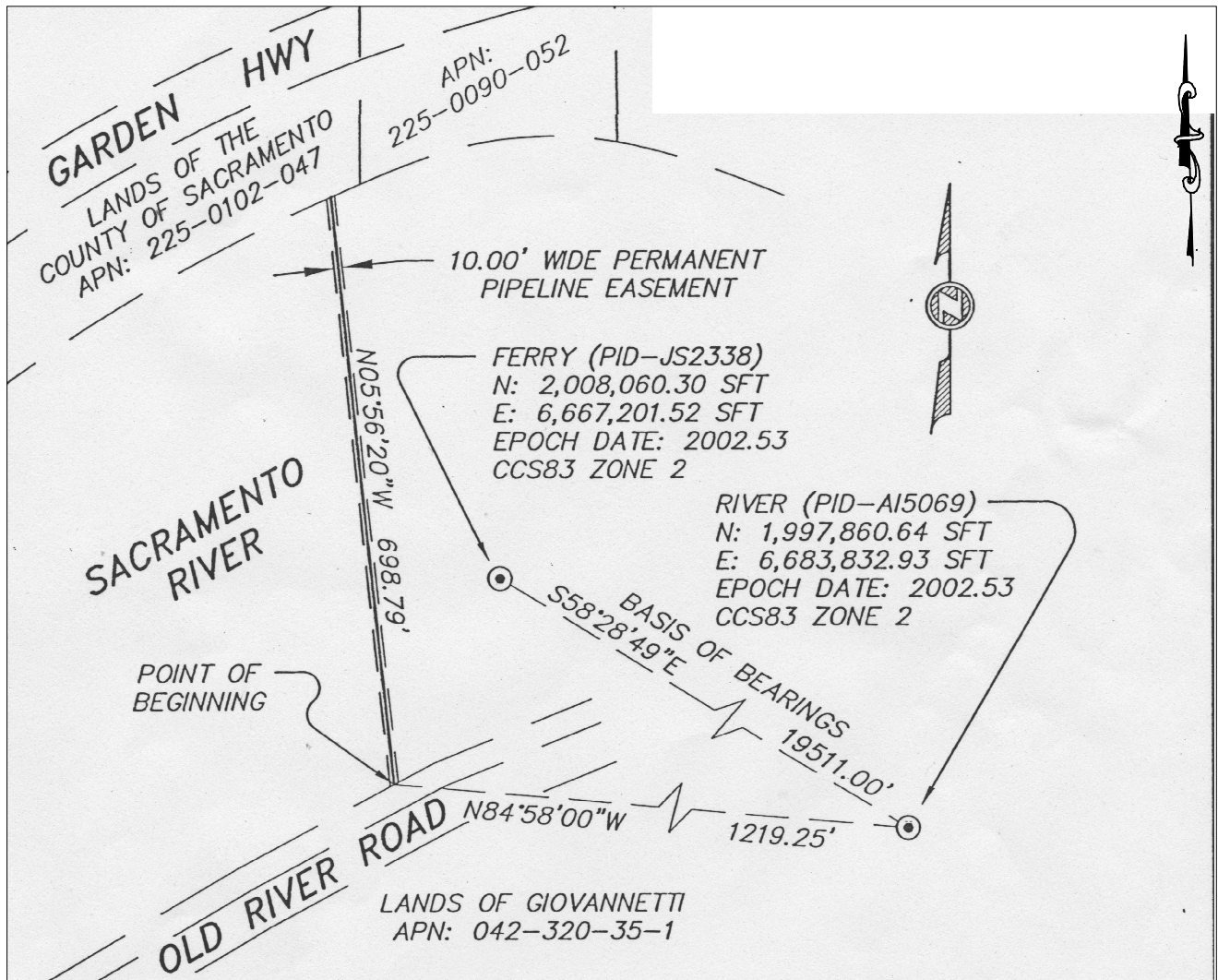
It is recommended that the Commission:

AUTHORIZATION:

Approve the revision of rent for Lease No. PRC 8415.1 from \$156 per year to \$450 per year, effective October 1, 2017.

NO SCALE

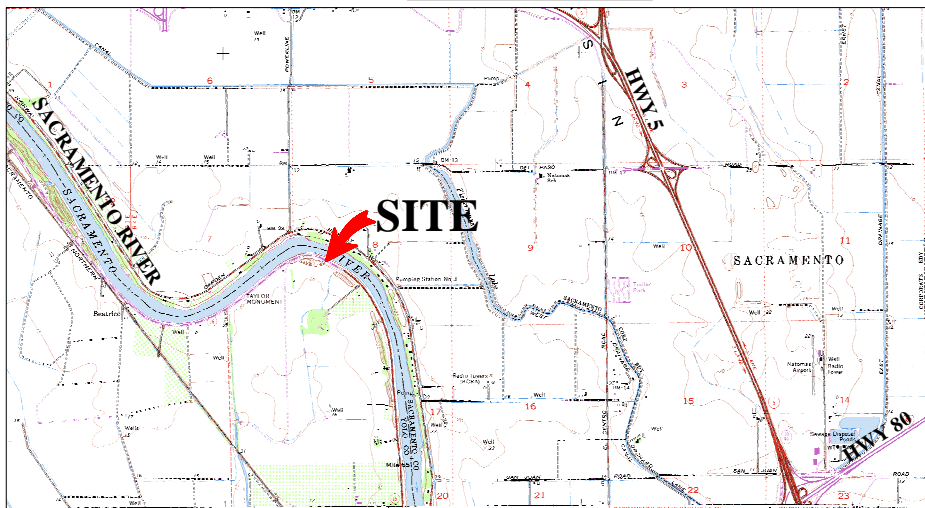
SITE



SACRAMENTO RIVER

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

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.

Exhibit A

PRC 8415.1

APN:042-320-35-1, 225-0102-47

WICKLAND PIPELINES LLC

GENERAL LEASE

RIGHT-OF-WAY USE

SACRAMENTO RIVER

SACRAMENTO & YOLO COUNTY



MIF 7/10/17