

# Staff Report 04

## **LESSEE/APPLICANT:**

City of Corning

## **PROPOSED ACTION:**

Acceptance of a lease quitclaim deed for Lease 8076, a General Lease – Public Agency Use, and application for a General Lease – Public Agency Use.

## **AREA, LAND TYPE, AND LOCATION:**

Sovereign land in the Sacramento River, adjacent to Assessor's Parcel Numbers 091-030-73, 091-030-76, and 091-040-48, near Corning, Tehama County (as shown in Figure 1).

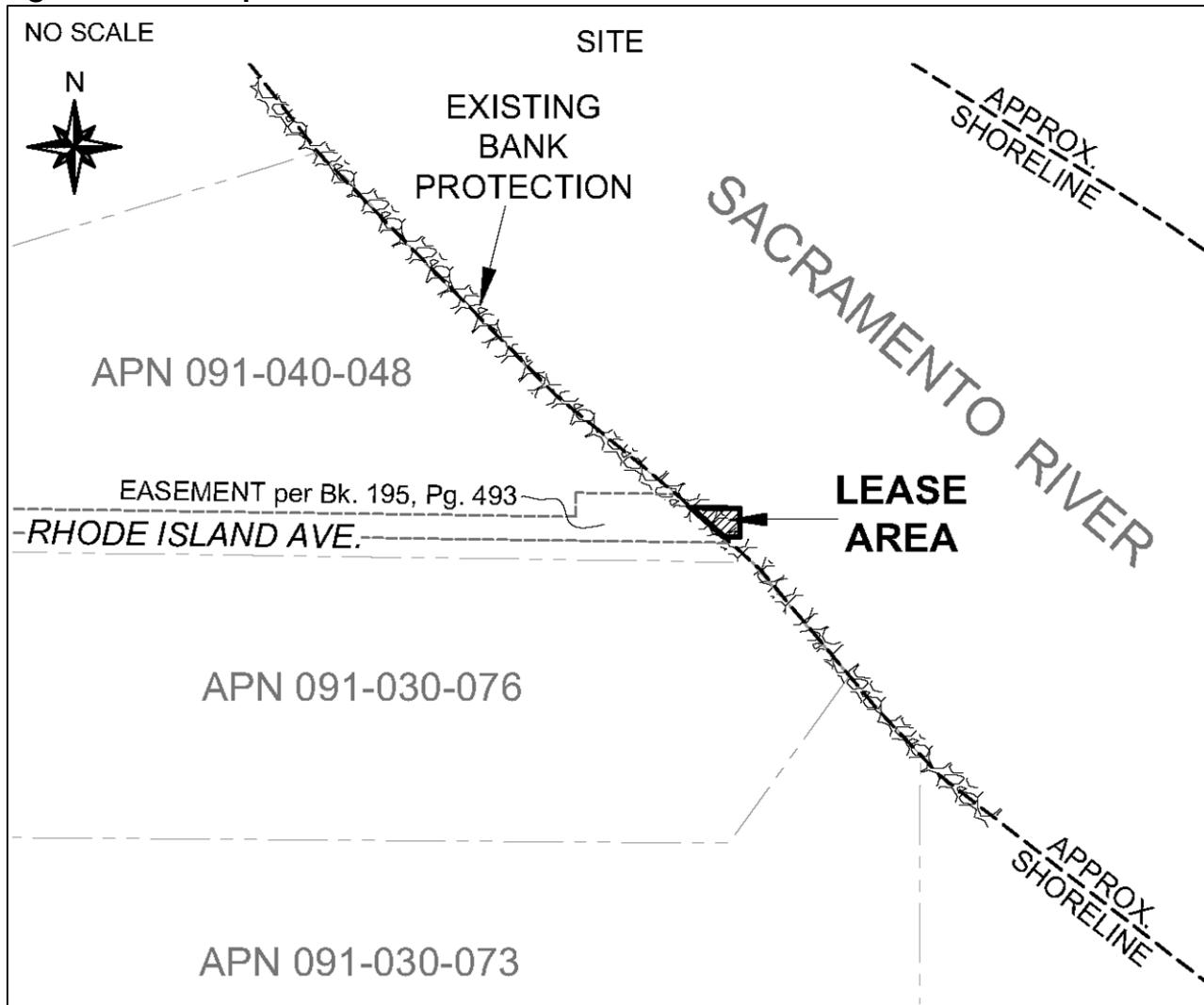
**Figure 1. Location**



**AUTHORIZED USE:**

Use of an existing 18-inch-diameter outfall pipeline with four 10-inch-diameter diffusers and existing rip rap bank protection (as shown in Figure 2).

**Figure 2. Site Map**



NOTE: This depiction of the lease premises is based on unverified information provided by the Applicant or other parties and is not a waiver or limitation of any State interest in the subject or any other property.

**TERM:**

20 years; beginning August 21, 2025; ending August 20, 2045, unless sooner terminated as provided under this Lease.

**CONSIDERATION:**

The public use and benefit; with the State reserving the right at any time to set monetary rent if the Commission finds such action to be in the State's best interest.

**SPECIFIC LEASE PROVISIONS:**

- Lessee shall indemnify, hold harmless, and, at the option of Lessor, defend Lessor from all damages, injuries, or claims arising from the maintenance and operations of Lessee's facilities within the lease premises. Lessee agrees that this provision and the provisions of Section 3, Paragraph 11 shall also extend to the period of Lessee's unauthorized occupation prior to August 21, 2025.
- Lessee shall conduct external inspections of the outfall system, including the pipeline and diffusers, within 6 months of the start of this lease and at least once every 2 years thereafter.
- Lessee shall conduct structural integrity assessments, performed by a licensed California civil or structural engineer, of the outfall pipeline, diffusers, and rip rap bank protection within 6 months of the start of this lease and at least once every 5 years thereafter.
- Within 90 days of completing the external inspection and integrity/condition assessment, Lessee shall provide Lessor with an affidavit, under penalty of perjury, signed by an authorized representative, including at a minimum, the date of inspection, the name or company doing the inspection, if the improvements are in good working condition, any observed deficiencies in the improvements, along with proposed repair plan, schedule of repairs, and confirmation of repairs and compliance.
- Lessee shall provide separate affidavits for the external inspections and the integrity/condition assessments.
- Lessee shall maintain records of all inspections and assessments for the duration of the lease.
- Lessee shall provide a quitclaim deed to the Lease interest of Lease 8076 prior to execution of this lease.

## **STAFF ANALYSIS AND RECOMMENDATION:**

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### **AUTHORITY:**

Public Resources Code sections 6005, 6216, 6301, 6303, 6501.1, and 6503; California Code of Regulations, title 2, sections 2000 and 2003.

### **PUBLIC TRUST AND STATE'S BEST INTERESTS:**

On June 27, 2000, the Commission authorized a 25-year General Lease - Public Agency Use (Lease 5001) to the City of Corning (City) for the continued use and maintenance of an existing 18-inch-diameter effluent discharge pipeline with four 10-inch-diameter diffusers in the Sacramento River ([Item 12, June 27, 2000](#)). That lease expired on January 31, 2025. On August 19, 2015, the Commission authorized a 25-year General Lease – Public Agency Use (Lease 8076) for continued use and maintenance of existing bank protection in the Sacramento River ([Item 24, August 19, 2015](#)). That lease will expire on March 19, 2039. The City is requesting consolidation of Lease 5001 and Lease 8076, to increase efficiency. The improvements are in close proximity to each other. The proposed lease would be known as Lease 5001. The City is applying for a new General Lease – Public Agency Use for the use of the existing 18-inch-diameter outfall pipeline with four diffusers and the existing rip rap bank protection. The City will submit a lease quitclaim deed, releasing its interest in the lease premises (Lease 8076). Staff recommends acceptance of a lease quitclaim deed from the City, effective August 20, 2025.

The subject pipeline with diffusers is affiliated with the Corning Wastewater Treatment Plant, located at 25010 Gardiner Ferry Road. The pipeline comes out of the plant and traverses under city streets until it reaches the Sacramento River where it slopes at 29.7 percent to the four 10-inch-diameter diffusers. The diffusers are spaced approximately 10 feet apart and are affixed to the bottom of the riverbed. The system facilitates sanitation of water before it is disbursed through the outfall pipe with diffusers, thereby ensuring acceptable water quality. This system serves the public and supports a total of 2,037 single-family residential homes, 111 multi-family residential properties, 226 commercial locations, nine institutional sites (such as schools and government buildings), and nine heavy commercial users.

The rip rap bank protection is located just north of the pipeline and supports the riverbank at this location. Most of the bank protection resides below the ordinary high-water mark in the Sacramento River which falls under the Commission's jurisdiction. Commission staff believe that the proposed lease in the Sacramento

River will not substantially interfere with the Public Trust needs and values at this location based on the location of the pipeline, diffusers, and bank protection. The subject improvements are located in an area with moderate boating traffic. Public access to the river is located upstream and downstream at various points along the river. The nearest boat launch facility is the Woodson Bridge Boat Ramp, located approximately one mile away.

The proposed lease does not alienate the State's fee simple interest or permanently impair public rights. In addition, the lease has a limited 20-year term and does not grant the lessee exclusive rights to the lease premises. The proposed lease will require the City to indemnify the State for the entire period of occupation prior to August 21, 2025 (Lease 5001), ensuring the State is protected. The proposed lease requires the lessee to indemnify the State for any liability incurred as a result of the lessee's activities thereon.

The subject improvements provide a significant regional and statewide public benefit, since the subject pipeline with four diffusers is part of a larger wastewater conveyance and treatment system which provides critical infrastructure for sanitization purposes. The subject bank protection reinforces the riverbank from erosion and protects the adjacent parcel from flooding during winter storms and peak waterflows.

## **CLIMATE CHANGE:**

### **INTRODUCTION:**

The climate crisis is impacting California now. Likely impacts to the lease premises include, but are not limited to prolonged drought, extreme heat, lower streamflow, runoff and river levels, as well as changes to the intensity and timing of precipitation events. These impacts can exacerbate natural hydrological processes such as erosion, scour, and sedimentation. These impacts may affect the existing effluent discharge pipeline with diffusers and existing bank protection subject to the proposed lease, located on the Sacramento River.

### **DATA & PROJECTIONS:**

The changing climate is affecting California's weather patterns, leading to more severe droughts and floods. Warmer temperatures have led California to experience a megadrought from 2000 to 2022, measured as the driest 22 years in the past 1200 years, and more megadroughts are projected through the end of the

century ([U.S. Global Change Research Program, Ch. 28. Southwest. In: Fifth National Climate Assessment. 2023.](#)). Sustained droughts reduce streamflow and river levels due to increased evaporation, declines in snowpack volumes, higher-elevation snow lines, earlier snowmelt, and reduced overall runoff. These changes are pronounced in the Sierra Nevada, where the headwaters to many of the state's rivers are located. It is projected that temperatures in the Sierra Nevada will increase by six to ten degrees Fahrenheit on average by the end of the century, and the snowline will move 1,500 to 3,000 feet higher in elevation. It is projected that by 2100, the annual Sierra Nevada snowpack, a critical source of water supply to rivers, will decrease from today's average by 60 percent. Rivers will be drawn down farther as temperatures continue to rise and demand for water increases withdrawals. Despite the region's increasing aridity, flooding from extreme precipitation events is projected to increase, attributed to earlier snowmelt, and more intense and frequent atmospheric rivers.

### **ANALYSIS:**

The lease premises is likely to experience more extreme conditions over the lease term than in the past, due to climate change. Changes to the timing and amount of runoff from the higher elevations of the watershed will result in higher flood risks. Bank stability may be compromised due to increased channel erosion and undercutting from more intense precipitation and floods. Conversely, drought could lower water levels for longer portions of the year and expose structures that were historically designed to be submerged to air, wind, and heat. The effluent discharge pipeline system is buried beneath the riverbed and would be unlikely to experience direct effects from climate change; however, the diffuser ports within the Sacramento River extend above the riverbed. The diffuser ports and the bank protection could need reinforcement or relocation in the future to withstand higher levels of flood exposure and more frequent storm events or extreme drought and low water conditions.

### **RECOMMENDATIONS:**

To reduce the likelihood of adverse impacts to the lease premises and improvements, the lessee should consider several adaptation strategies to improve resiliency to climate change. Nature-based strategies such as planting or restoring vegetation (e.g., shrubs, trees, grass) along the river can provide flood and erosion risk management benefits. Fixed structures may need to be inspected more frequently to monitor degradation from exposure, and, in some cases, relocated.

Any future construction or activities on State land would require a separate authorization from the Commission.

Regular maintenance, as referenced in the lease, may reduce the likelihood of severe structural degradation or dislodgement. Pursuant to the proposed lease, the Applicant acknowledges that the lease premises and adjacent upland are located in an area that may be subject to the effects of climate change.

### **CONCLUSION:**

For all the reasons above, staff believes that termination of Lease 8076 and issuance of the proposed lease will not substantially interfere with the public rights to navigation and fishing; or substantially interfere with the Public Trust needs and values at this location, at this time, for the term of the lease; and is in the best interests of the State.

### **OTHER PERTINENT INFORMATION:**

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1. Approval or denial of the application is a discretionary action by the Commission. Each time the Commission approves or rejects a use of sovereign land, it exercises legislatively delegated authority and responsibility as trustee of the State's Public Trust lands as authorized by law. If the Commission denies the application, the Applicant may be required to remove the outfall pipeline with four diffusers and rip rap bank protection and return the premises to their original condition. The lessee has no right to a new lease or to renewal of any previous lease.
2. This action is consistent with the "Meeting Evolving Public Trust Needs" and "Leading Climate Activism" Strategic Focus Areas of the Commission's 2021 – 2025 Strategic Plan.
3. Acceptance of the quitclaim deed is not a project as defined by the California Environmental Quality Act (CEQA) 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, sections 15060, subdivision (c)(3), and 15378, subdivision (b)(5).

4. Staff recommends that the Commission find that this activity is exempt from the requirements of the California Environmental Quality Act (CEQA) as a

categorically exempt project. The project is exempt under Class 1, Existing Facilities; California Code of Regulations, title 2, section 2905, subdivision (a)(2).

Authority: Public Resources Code section 21084 and California Code of Regulations, title 14, section 15061 and California Code of Regulations, title 2, section 2905.

## **RECOMMENDED ACTION:**

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It is recommended that the Commission:

### **CEQA FINDING:**

Find that the activity is exempt from the requirements of CEQA pursuant to California Code of Regulations, title 14, section 15061 as a categorically exempt project, Class 1, Existing Facilities; California Code of Regulations, title 2, section 2905, subdivision (a)(2).

### **PUBLIC TRUST AND STATE'S BEST INTERESTS:**

Find that the proposed lease will not substantially impair the public rights to navigation and fishing or substantially interfere with the Public Trust needs and values at this location, at this time, and for the term of the lease; and is in the best interests of the State.

### **AUTHORIZATION:**

1. Accept a lease quitclaim deed for Lease 8076, a General Lease – Public Agency Use, issued to the Lessee.
2. Authorize issuance of a General Lease – Public Agency Use to the Applicant beginning August 21, 2025, for a term of 20 years, for the use of an existing 18-inch-diameter outfall pipeline with four 10-inch-diameter diffusers and rip rap bank protection; consideration is the public use and benefit, with the State reserving the right to set a monetary rent at any time.