

# Staff Report 56

## APPLICANT:

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City of Needles

## PROPOSED ACTION:

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Amendment of a General Lease - Right-of-Way Use.

## ORIGINAL AREA, LAND TYPE, AND LOCATION:

0.16 acre of State-owned school land, Assessor's Parcel Number 0659-221-71, located in Section 36, Township 9 North, Range 22 East, San Bernardino Baseline & Meridian, within Needles, San Bernardino County (as shown in Figure 2 as Parcel 1).

**Figure 1. Location**



**ORIGINAL AUTHORIZED USE:**

Use and maintenance of an existing 12-inch diameter underground water transportation line (as shown in Figure 2, Parcel 1).

**TERM:**

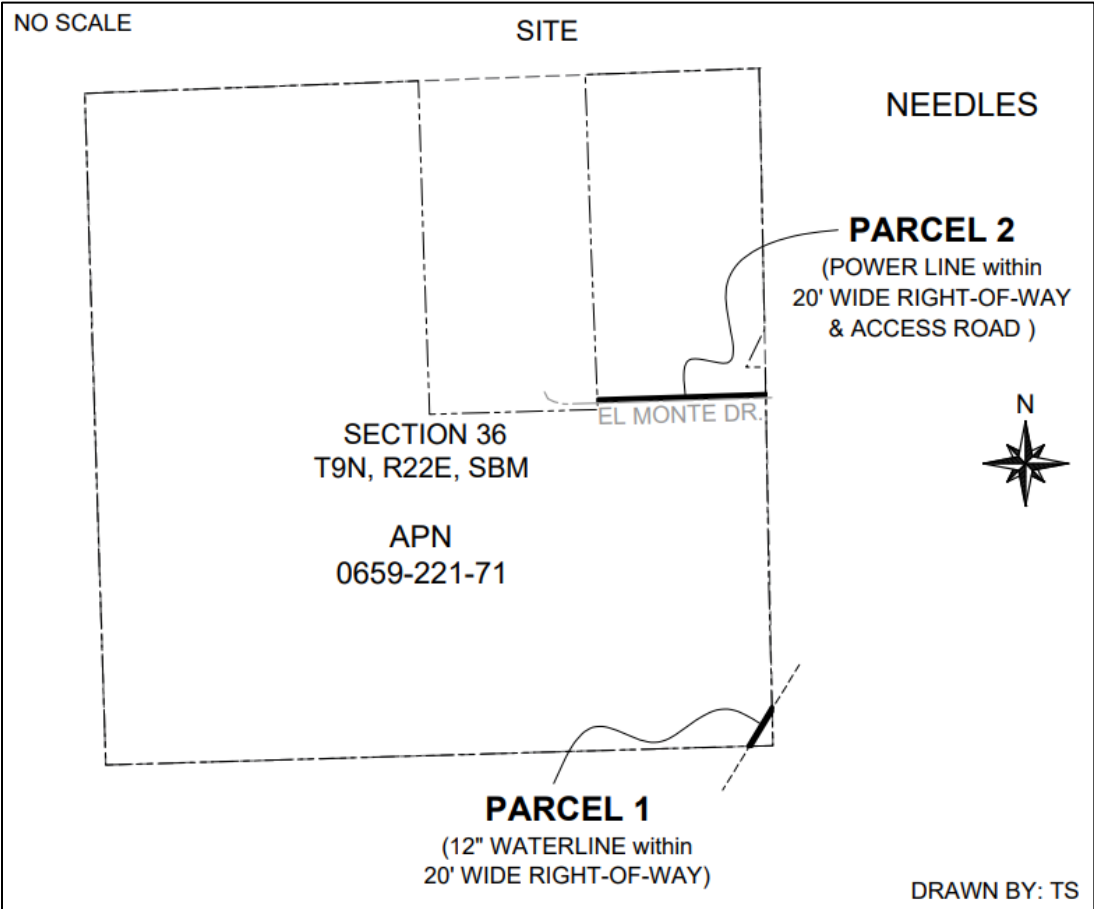
25 years, beginning August 1, 2016.

**CONSIDERATION:**

\$600.20 per year, with annual application of CPI, effective August 1, 2016

**PROPOSED AMENDMENT:**

- 1. Section 1, add Parcel 2, as shown in Figure 2, which is approximately 0.61 acres, to the lease premises for a total leased area of 0.77 acres.



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.

2. Section 1, revise the Authorized Use section to read as follows: The continued use and maintenance of:
  - a. One existing water transfer line in the southeast of the parcel (as shown in Figure 2 as Parcel 1); and
  - b. One 12 kilovolt (kV) overhead distribution line that extends 1,327 linear feet in the center of the parcel (as shown in Figure 2 as Parcel 2 above); and
  - c. An adjacent unimproved access road (as shown in Figure 2 as Parcel 2 above).
3. Section 1, revise Basic Provisions, Consideration to read \$599 per year effective June 24, 2026: subject to change by the Commission as specified in Section 3, paragraph 3(c)- Consideration. The effective date of this Amendment to the Lease shall be June 23, 2026.
4. Section 2, amend Special Provisions to include the following:
  - a. Lessor shall have the right to examine and obtain copies of all records and data associated with maintenance activities of the electrical distribution lines on the Lease Premises.
  - b. Lessee shall take all reasonable and necessary actions to prevent, suppress, and control fires on the Lease Premises, including addressing any vegetation that poses a potential risk to the electrical distribution lines on the Lease Premises.
  - c. No herbicidal chemical may be used for vegetation control on the Lease Premises without prior written approval from Lessor. Any herbicidal chemicals that are approved and used by Lessee or its contractors on the Lease Premises must be registered with the California Department of Pesticide Regulation and must be applied in conformity with current Material Safety Data Sheets.
  - d. In the event of an emergency within the Lease Premises requiring immediate action to remove, repair, or install an electric transmission or distribution line, Lessee shall notify Lessor without delay and within 24 hours at (562) 590-5201.
5. Section 1, replace Exhibit A, Land Description, and Exhibit B, Site and Location Map, for the Lease with Exhibit A and Exhibit B, attached, and by reference made a part of this Amendment.

6. Applicant acknowledges that the lease premises and adjacent upland are located in an area that may be subject to the effects of climate change.
7. The provisions of Section 3, Paragraph 8 shall also extend to the period of Lessee's unauthorized occupation of state-owned lands from August 1, 2016, the day the lease was approved, through June 22, 2026, the day prior to the start of the lease amendment.

## **STAFF ANALYSIS AND RECOMMENDATION:**

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### **BACKGROUND:**

On November 21, 1968, the Commission authorized a 49-year General Lease – Right-of-Way Use, for approximately 0.16 acres of school land to the City of Needles for the use and maintenance of an existing 12-inch diameter underground water transportation line used to transport water to the water reservoir storage tanks on a city-owned parcel adjacent to the lease premises ([Item 10](#)). On June 28, 2016, the Commission authorized a new 25-year lease to the City of Needles for continued prior use of the underground water transportation line to start on August 1, 2016 ([Item 78](#)). CPI was incorrectly applied to the minimum rent in 2016 and is no longer included in the amendment.

### **AUTHORITY:**

Public Resources Code sections 6005, 6216, 6301, 6501.1, 6503, 8701; California Code of Regulations, title 2, sections 2000 and 2003.

### **STATE'S BEST INTERESTS:**

In September 2025, the Lessee applied for an amendment to Lease 4078, a General Lease – Right-of-Way Use, to add Parcel 2 (approximately 0.61 acres) for an existing 12 kV overhead distribution line, extending 1,327 linear feet and the adjacent access road, not previously authorized by the Commission. The previous lease included only Parcel 1 and did not include Parcel 2, the existing 12 kV overhead distribution line and adjacent access road, so the Lessee has occupied Parcel 2 of State-owned school land without authorization. Without the distribution line, the Applicant would not be able to deliver power to a resident. Amending the Lease to include Parcel 2 would ensure that the State is compensated for school land use and that residents can receive reliable power. There is no due consideration for unauthorized use because, even with the addition of Parcel 2, the

fair market value for use of the total acreage does not exceed the minimum rent. Staff recommends approval of the amendments to the Lessee, to take effect on June 23, 2026.

The proposed lease amendment does not alienate the State's fee simple interest or permanently impair public rights on school land. The lease will expire on July 31, 2041, and does not grant the Lessee exclusive rights to the lease premises. The lease also requires the payment of annual rent, generating revenue for the California State Teachers' Retirement System, consistent with Public Resources Code section 6217.5. In 2016, the annual rent was the minimum required for a right-of-way lease, and the CPI was applied incorrectly to the minimum annual rent. With this amendment, the annual rent will be \$599.

## **CLIMATE CHANGE:**

### ***INTRODUCTION:***

Climate change is significantly altering California's deserts, the hottest and driest regions in the state. As the atmosphere warms, there are more extremely hot days and unpredictable rainfall. Longer droughts are expected, and precipitation patterns will change in timing and intensity, affecting plant growth and distribution. The desert is likely to see a corresponding increase in wildfires and flash flooding. These impacts may affect existing electrical distribution lines subject to the proposed lease, located in San Bernardino County.

### ***DATA & PROJECTIONS:***

In the desert areas of California, daily average high temperatures are projected to increase significantly by the end of the century ([Inland Deserts Summary Report](#), California's Fourth Climate Change Assessment, 2018). As the atmosphere heats, it can hold more water, and release it in sudden, intense events that may cause flash flooding during the winter months. In the summer months, the monsoon rain patterns that have historically contributed to 30 percent of the desert's annual rainfall are expected to dry up and disappear from the region. Models project there will be more "dry years" (with less than average rainfall) than "wet years" (with more than average rainfall). Finally, many areas in the desert are prone to high wind speeds, and wind speed is projected to increase by 10 percent by 2100.

**Table 1. Projected Temperature Increases (in degrees Fahrenheit) in CA Desert**

Year	Lower GHG Emissions	Higher GHG Emissions
Present - 2039	+5	+6
2040 - 2069	+6	+10
2070 - 2100	+8	+14

Source: Table adapted from Figure 5, p. 14, Inland Desert Summary Report, California's Fourth Climate Change Assessment.

**Table 2. Extreme Heat and Rainfall Projections for CA Desert by 2100**

Climate Event	Present Day	2100	Percent Change
Extreme Heat Days/year (>95 degrees Fahrenheit)	90 (Mojave)	141 (Mojave)	+57%
Extreme Heat Days/year (>95 degrees Fahrenheit)	130 (Palm Springs)	179 (Palm Springs)	+38%
Annual Rainfall Average	5 inches	2.5 inches (dry years)	-50%
Annual Rainfall Average	5 inches	7-8 inches (wet years)	+40-60%

Source: Table adapted from pp. 14-21, Inland Desert Summary Report, California's Fourth Climate Change Assessment.

**ANALYSIS:**

The lease premises and improvements will likely experience increased exposure to prolonged and extreme heat, unpredictable precipitation patterns, increased frequency of flash floods, and higher wind speeds for the duration of the lease term. These conditions may increase the risk of wildfire exposure and flooding to the lease premises.

Higher temperatures can accelerate the degradation of structure materials and cause materials to expand and contract more frequently, leading to structural fatigue over time. Changing precipitation patterns, in addition to causing floods, can also increase the likelihood of corrosion for metal structures. Higher wind speeds can cause structural damage, as well as increase the frequency and intensity of dust accumulation that can degrade structures.

Wildfire risk is also likely to increase in the desert, in connection with the increase in extreme weather. Wildfire risk in the desert is tied to fuel (vegetation) availability, which will fluctuate in relationship to precipitation and atmospheric conditions. High

winds can damage infrastructure, providing an ignition source for fire, and also propel fires over more terrain.

**RECOMMENDATIONS:**

The Applicant can reduce its exposure to wildfire by maintaining defensible space for all infrastructure. Replacing older structural components with materials designed to better withstand heat fluctuations, extreme heat, corrosion, and abrasion can reduce the likelihood of degradation and damage to structures. Any future construction or activities on State land would require a separate authorization from the Commission. Regular maintenance, as required by the lease, may reduce the risks from extreme temperatures and rain. Pursuant to the proposed lease amendments, 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 stated above, staff believe the approval of the amendments is in the best interests of the State.

**OTHER PERTINENT INFORMATION:**

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1. Approval or denial of the amendments is a discretionary action by the Commission. Each time the Commission approves or rejects the use of school land, it exercises legislatively delegated authority and responsibility as trustee of the State's school land, as authorized by law. If the Commission denies the amendments, the Lessee has no right to utilize Parcel 2 of the subject School Lands and may be required to remove the improvements. The lessee has no right to a new lease or to renew a previous lease.
2. This action is consistent with addressing the challenges and opportunities described in the Commission's 2021-25 Strategic Plan to "Embrace and safeguard multi-benefit school lands and resource management stewardship that equitably balances responsible local and regional economic development, supports living wages, environmental protection, and revenue generation."
3. Staff recommend 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 14, section 15301.

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

## **EXHIBIT:**

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A. Land Description

## **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 14, section 15301.

### **STATE'S BEST INTERESTS:**

Find that the proposed lease amendments are in the best interests of the State.

### **AUTHORIZATION:**

Authorize the amendment of the General Lease 4078, a General Lease – Right-of-Way Use to City of Needles, effective June 24, 2026, to revise the annual rent to \$599, adjust the Lease area to a total area of 0.77 acres, add additional authorized use for operation and maintenance of an existing 12 kV overhead distribution line and adjacent maintenance road, not previously authorized, amend Section 2 – Special Provisions, and replace Exhibit A, Land Description, and Exhibit B, Site and Location Map, for the Lease with information related to both Parcel 1 and Parcel 2 and their access roads, and the provisions of Section 3, Paragraph 8 shall also extend to the period of Lessee's unauthorized occupation of state-owned lands from August 1, 2016, the day the lease was approved, through June 22, 2026, the day prior to the start of the lease amendment; all other terms and conditions of the lease shall remain in effect.

**EXHIBIT A**

**LEASE 4078**

**LAND DESCRIPTION**

Two strips of land 20 feet wide, across State owned school land in Section 36, Township 9 North, Range 22 East, S.B.B.M., San Bernardino County, State of California and lying 10 feet on each side of the following described centerlines:

**PARCEL 1 – 12 Inch Waterline**

Commencing at the most southeasterly corner of Section 36, Township 9 North, Range 22 East, S.B.B.M., thence North 0° 01' 15" West along the east section line of said Section 36 a distance of 290.73 feet to the POINT OF BEGINNING; thence South 32° 32' 15" West a distance of 344.78 feet to a point on the south line of said Section 36 and the TERMINUS of said centerline.

The sidelines of said strip shall be lengthened or shortened as to begin and terminate at the east and south lines of said Section 36.

**PARCEL 2 – Power Line and Access Road**

Commencing at the most southeasterly corner of Section 36, Township 9 North, Range 22 East, S.B.B.M., thence along the east section line of said Section 36 an approximate distance of 2774 feet to the POINT OF BEGINNING and a centerline of the existing power line located northerly of El Monte Drive; thence westerly along said centerline to the intersection with the west line of the East ½ of the East ½ of said Section 36 and the TERMINUS of said centerline.

The sidelines of said strip shall be lengthened or shortened as to begin at the east line of Section 36 and terminate at the west line of the East ½ of the East ½ of Section 36.

TOGETHER WITH an access road lying southerly of the described PARCEL 2.

**END OF DESCRIPTION**

PARCEL 1 is based on that original description prepared by State Lands Division on August 1, 1967 as found in PRC 4078 file, File Ref. WO 6688, Calendar Item 42.

Prepared 10/23/2025 by the California State Lands Commission Boundary Unit.

