Meeting Date: 10/21/26
Lease Number: 5337
Staff: L. Anderson

Staff Report 37

APPLICANT:

Newman Drainage District

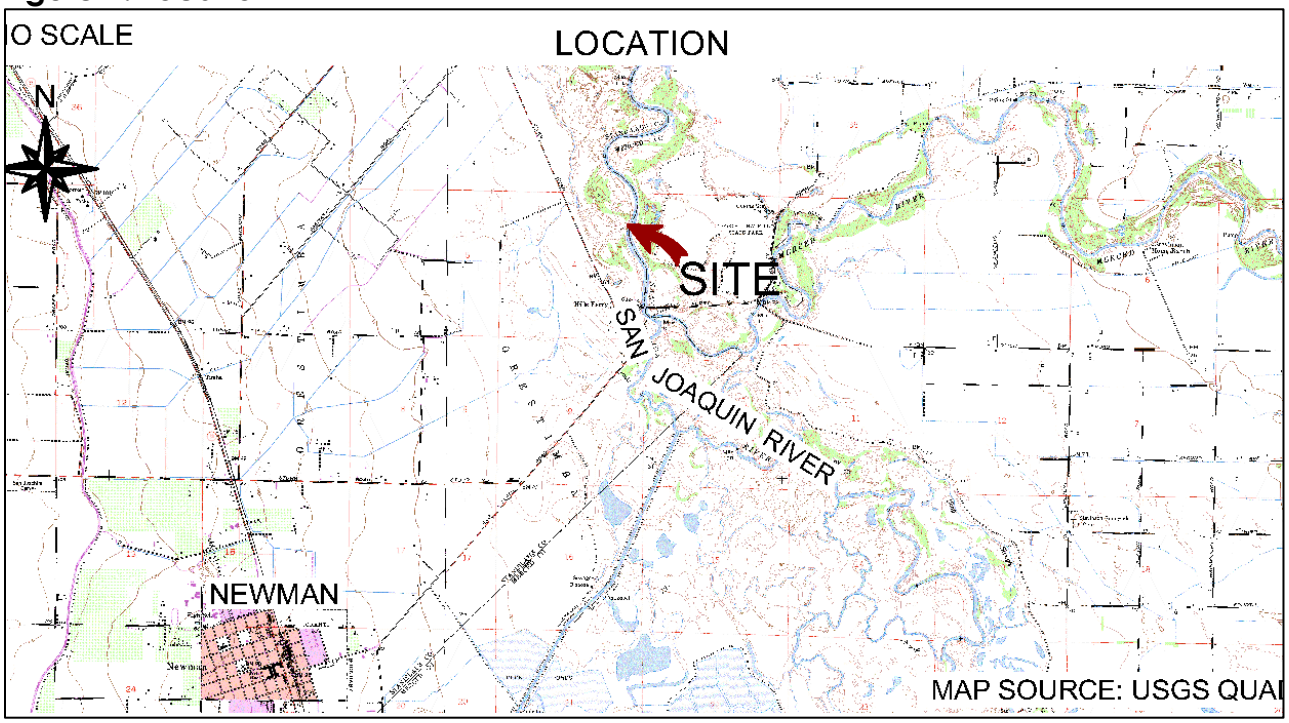
PROPOSED ACTION:

Issuance of a General Lease – Public Agency Use.

AREA, LAND TYPE, AND LOCATION:

Sovereign land in the San Joaquin River, adjacent to Assessor's Parcel Number (APN) 049-036-003, near Newman, Stanislaus County (as shown in Figure 1).

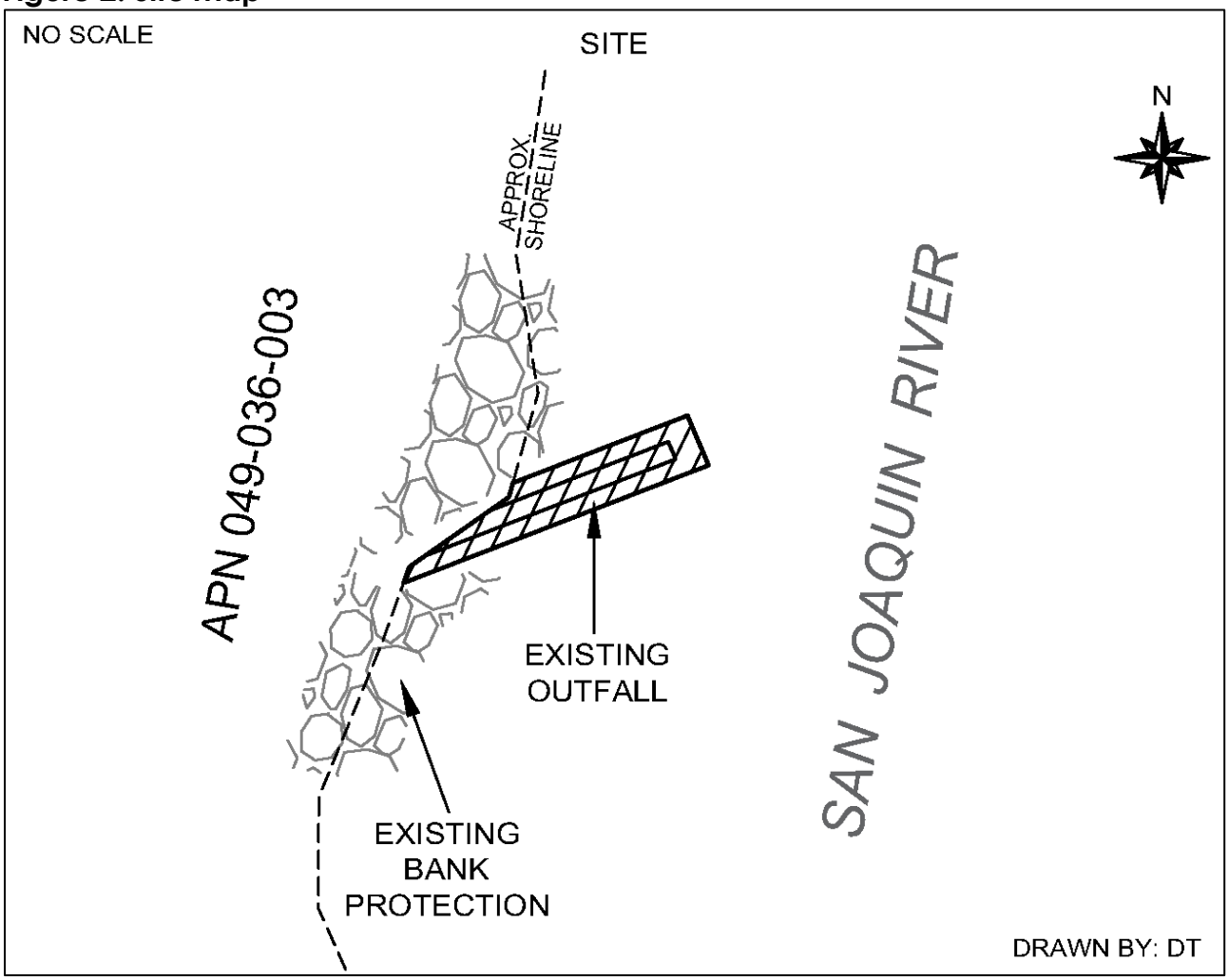
Figure 1. Location



AUTHORIZED USE:

Use of an existing 30-inch diameter drainage outfall pipeline and 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 October 21, 2026.

CONSIDERATION:

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

SPECIFIC LEASE PROVISIONS:

- Self-insurance or third-party liability insurance coverage in an amount no less than $1,000,000.
- Lessee shall provide copies of all periodic condition/integrity assessments and inspection results of the outfall pipeline.
- Periodic removal of vegetation growth to maintain the outfall in good working condition.
- Lessee shall reimburse any and all reasonable expenses incurred by Lessor or its staff in managing the lease.

STAFF ANALYSIS AND RECOMMENDATION:

AUTHORITY:

Public Resources Code sections 6005, 6216, 6301, 6321, 6321.2, 6501.1, 6503; California Code of Regulations, title 2, sections 2000 and 2003.

PUBLIC TRUST AND STATE'S BEST INTERESTS:

On July 26, 1977, the Commission authorized a 49-year General Lease – Public Agency Use to the Newman Drainage District (Lessee) for the construction and maintenance of a 30-inch diameter drainage outfall pipeline and bank protection (Item 2). The lease expired on June 30, 2026. The Lessee is now applying for a General Lease – Public Agency Use for the existing 30-inch diameter drainage outfall pipeline and bank protection in the San Joaquin River, adjacent to APN 049-036-003, near Newman, Stanislaus County.

The purpose of the original project was to improve soil and water management practices by using a variety of soil drainage practices to lower the water table and increase productivity of the soil. Effluent from on-farm tile drains routed through a channel to the outfall. Commission staff believe that the outfall at this location will not substantially interfere with the Public Trust needs and values at this location. The outfall is located in an area with minimal recreational use and the river is of sufficient width at this location not to impede any public trust uses.

On April 6, 2026, the Lessee completed an engineering inspection report. The report found that the improvements are compliant with the lease maintenance provisions. The pipeline remains in good structural condition. The corrugated metal outlet pipe

is fully functional except for minor corrosion degradation, and the outfall facility appears to be structurally sound. There were no immediate public safety hazards identified, and the structure does not present an imminent collapse risk or active environmental hazard based on visible conditions at the time of inspection.

The bank protection will protect the upland property and maintain and improve the integrity of the river channel, which will help protect the Public Trust resources for recreational and navigational use by the public. The facilities are located directly adjacent to the upland property and occupy a relatively small area of the river.

During application processing, Commission Boundary staff reviewed the original outfall plans and noticed a discrepancy between the plans and as-built condition. The pipeline that was built ended up being longer than planned and approximately 50 feet of the pipeline extends onto state lands.

The proposed lease does not alienate the State's fee simple interest or permanently impair public rights. The lease is limited to a 20-year term, does not grant the lessee exclusive rights to the lease premises, and reserves an easement to the public for Public Trust-consistent uses. Additionally, the proposed lease will require the Applicant to indemnify the State for the period of unauthorized occupation from July 25, 2026 through October 20, 2026. Upon termination of the proposed lease, the lessee may be required to remove all improvements from State land and restore the lease premises to their original condition.

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 an existing outfall pipeline and rip-rap protection subject to the proposed lease, located on the San Joaquin 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 (Fifth National Climate Change Assessment: Southwest Region, 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 are 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 more air, wind, and heat.

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

OTHER PERTINENT INFORMATION:

1. Approval or denial of an 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. If the Commission denies the application, the Applicant may be required to remove the improvements and restore 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 "Leading Climate Activism" and "Meeting Evolving Public Trust Needs" Strategic Focus Areas of the Commission's 2021-2025 Strategic Plan.
3. 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 14, section 15301.

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

RECOMMENDED ACTION:

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.

PUBLIC TRUST AND STATE'S BEST INTERESTS:

1. 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.
2. Find that the existing and, for a limited period, continuing use of the existing bank protection does not substantially interfere with Public Trust needs and values at this location, at this time.
3. Find that issuing the proposed lease is in the best interests of the State.

AUTHORIZATION:

Authorize issuance of a General Lease – Public Agency Use to the Applicant beginning October 21, 2026, for a term of 20 years, for the use of an existing drainage outfall pipeline and bank protection; consideration being the public use and benefit, with the State reserving the right at any time to set a monetary rent if the Commission finds such action to be in the State's best interest; and self-insurance or third-party liability insurance coverage in an amount no less than $1,000,000.