



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: PW - Laguna Sanitation
Department No.: 054
For Agenda Of: 03/02/2010
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Directors, Laguna County Sanitation District
FROM: Department Scott McGolpin, x3010
Director(s) Director, Public Works Department

Contact Info: Mark Schleich, x3600
Deputy Director, Public Works Department

**SUBJECT: Lease Agreement with Ruffoni Ranches to Graze Cattle and Irrigate Pasture –
Fourth Supervisorial District**

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

Authorize the Chair to execute the lease agreement with Ruffoni Ranches for cattle grazing and irrigation services on Laguna County Sanitation District property through June 30, 2015.

Summary Text:

Currently cattle grazing and pasture irrigation occur on Laguna County Sanitation District property. In the past, the grazing lease and labor contract to move the irrigation piping were separate agreements. Staff has combined these activities into a single lease agreement to save money. Your Board's approval of this agreement will provide for these costs savings for the next five years.

Background:

The Laguna County Sanitation District acquired property in 1988 as a means to discharge treated effluent via irrigation of cattle pasture after the sugar beet industry closed down in the area. Ruffoni Ranches has grazed cattle on the property since 1993 and irrigation of the pasture has been performed under a labor contract with various vendors. The cost of the labor contract to move and maintain the irrigation piping exceeds the lease revenue. The labor costs last fiscal year were \$179,000, while the lease revenue was \$63,000 resulting in a net cost of \$116,000. Ruffoni Ranches has been a good tenant to date and in an effort to reduce costs has negotiated with staff to revise the lease agreement to combine the grazing and labor operations. Under this arrangement, the tenant will be responsible for irrigating the pasture and in exchange for no rent, will charge a total annual amount of \$90,000. This will provide an annual savings of \$26,000 (\$116,000 - \$90,000).

A review of the 2008 procurement process supports today's action. In January 2008, the County Purchasing Agent solicited bids for irrigation services, in which 8 local vendors were invited. Three bids were received with a range from \$199,961.00 to \$514,800.00. None of the local vendors responded.

The need to continue irrigating the pasture is expected to continue even though the primary mechanism for discharging treated effluent has switched to the distribution of recycled water to offsite locations. This is because the need for the water varies seasonally, such that some water will always be stored in the reservoir to be later irrigated on the pastures.

Performance Measure:

No change in performance measure related to discharge of recycled water is anticipated.

Fiscal and Facilities Impacts:

This action will reduce annual operating costs on the order of \$26,000 per year.

Fiscal Analysis:

There are no costs to the District.

Staffing Impacts:

Legal Positions:

N/A

FTEs:

Special Instructions:

Direct the Clerk of the Board to return two (2) original Agreements with a certified minute order to:

1. Laguna County Sanitation District, Attn: Martin Wilder and
2. Retain one (1) original agreement for their files.

Please forward certified, stamped copies of the Minute Order approving this recommendation to:

1. Laguna County Sanitation District, Attn: Martin Wilder and
2. Resource Recovery and Waste Management, Attn: Shannon Barcelona

Attachments:

Lease Agreement with accompanying insurance documents.

Authored by:

Martin Wilder, District Manager

Copy:

Colleen Hankins

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