



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: 7/21/2015
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 D. McGolpin, P.E. Director ext. 3010
Director(s)
Contact Info: Mark Schleich, P.E. Deputy Director ext. 3605

SUBJECT: Lease Agreement with Agland Properties, Inc., to Graze Cattle and Irrigate Pasture; Third 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:

- A. Authorize the Chair to execute the lease agreement with Agland Properties, Inc., to graze cattle and irrigate pasture on Laguna County Sanitation District property; and
- B. Find that the proposed action does not constitute a "Project" within the meaning of the California Environmental Quality Act, pursuant to 14 CCR 15378 (b)(5), in that it is a government administrative activity that will not result in direct or indirect changes in the environment.

Summary Text:

Laguna County Sanitation District (District) distributes recycled water to offsite locations as well as to district-owned pasture for beneficial uses as a means to discharge treated effluent. The pasture is operated by a rancher, who in exchange for raising cattle, provides labor to move pipe to irrigate the fields. The existing pasture lease was let for bidding with four proposals submitted on March 12, 2015. The best proposal was submitted by Agland Properties, Inc., a Santa Barbara County entity, with a bid of \$102,000 paid to the District annually. This action provides for the next 5-year agreement which runs from January 1, 2016 through December 31, 2020.

Background:

The District owns approximately 542.6 acres of which approximately 353 acres on 4 pastures are irrigated. This land is used to discharge recycled water not used on demand by offsite users that is stored in a 300 million gallon reservoir. The lease is periodically let for bidding, which allows a tenant to raise cattle in exchange for performing irrigation activities (supplying labor, moving pipe). Leasing land for grazing can be considered a public works contract, which requires competitive bidding pursuant to the Public Contract Code. Depending on the cattle market and net costs to the rancher, a situation can arise in which the District receives revenue as opposed expending cost. In the case of revenue to the District, the award would be made to the proposal generating the highest revenue for the District. The contract was let for bidding with four responses. The best bid was received by Agland Properties, Inc., Santa Barbara County entity, on March 12, 2015, in an amount of revenue to the District of \$510,000 for the 5-year lease period (\$102,000 annually with lease payments made monthly). Executing this agreement will help offset costs, which ultimately benefits the rate payer.

The lease to the new tenant will take effect on January 1, 2016 and extend to December 31, 2020. This action executes the agreement with the new tenant.

Performance Measure:

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

Fiscal and Facilities Impacts:

This action will provide annual revenue of \$102,000.

Fiscal Analysis:

There are no costs to the District.

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
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
2. Resource Recovery and Waste Management, Attn: Sheila de la Guerra

Attachments:

Three (3) original lease agreements with accompanying insurance documents.

Authored by:

Martin Wilder, District Manager

Subject: Lease Agreement with Agland Properties, Inc. to Graze Cattle and Irrigate Pasture; Third Supervisorial District

Agenda Date: July 21, 2015

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Colleen Hankins