



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:** Public Works/Lag San  
**Department No.:** 054  
**For Agenda Of:** 11/19/2019  
**Placement:** Administrative  
**Estimated Tme:**  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Directors, Laguna County Sanitation District

**FROM:** Department Scott D. McGolpin, P.E., Director, (805) 568-3010  
Director(s)  
Contact Info: Leslie Wells, Deputy Director, (805) 882-3605

**SUBJECT:** Grazing Lease Agreement with K2 Cattle Company, LLC - Third and Fourth  
Supervisory Districts

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Other Concurrence:** Risk Management

As to form: Yes

**Recommended Actions:**

That the Board of Directors:

- a) Approve and authorize the Chair to execute a lease agreement with K2 Cattle Company, LLC to graze cattle 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 governmental administrative activity that will not result in direct or indirect changes in the environment.

**Summary Text:**

This item is on the agenda to consider approval of a lease agreement with K2 Cattle Company, Inc. to graze beef cattle on Laguna County Sanitation District property.

**Background:**

Laguna County Sanitation District produces recycled water for various uses to offsite customers. Water not used by offsite users when demand is low (during the rainy season or during non-irrigation hours) is stored in a 300 million gallon reservoir for later discharge to district-owned cattle pasture.

The district-owned land consists of a total of 542.6 acres, of which 353 acres are irrigated pasture. The land is divided into 4 pastures used to rotate cattle grazing. Irrigation and grazing has varied between two separate operations (separate cattle tenant lease and labor contract) to a combined grazing/irrigation operation in which the cattle tenant also provided the irrigation labor.

The most recent agreement with Agland Angus, LLC was a combined agreement that began May 1, 2017 with an expiration of April 31, 2020. However, the current agreement is expiring on December 7, 2019 pursuant to a notice of termination following the tenant's sale of its herd to K2 Cattle Company, LLC. K2 Cattle Company, LLC is a large, well-organized cattle rancher with holdings in several states. In order to avoid disruption, staff recommends a new and separate grazing lease with K2 Cattle Company, LLC effective December 8, 2019 through December 31, 2024. In order to better control irrigation activities, District will solicit a separate agricultural labor agreement to perform irrigation services.

**Performance Measure:**

Maintaining an uninterrupted cattle operator benefits District pasture health.

**Fiscal Analysis:**

The lease amount that K2 Cattle Company, LLC will pay the District will be \$100,800 annually, which is based on the going rate for irrigated pasture.

**Special Instructions:**

Retain one (1) original agreement for Clerk of the Board records and return the other two (2) original agreements to the Laguna County Sanitation District office, 620 Foster Rd., Santa Maria, CA 93455 attention Martin Wilder.

**Attachments:**

Attachment A: Original agreement, three (3 copies).

**Authored by:**

Martin Wilder, P.E., Manager (805) 803-8755

**Copy:**

File