



## Board Report

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**File #:** WRAG 17-175, **Version:** 1

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Consider adopting a Resolution to:

- a. Approve proposed grazing lease and lease bid forms and public bid notice for grazing lands located at and around San Antonio and Nacimiento Reservoirs;
- b. Approve Agency grazing lease contract and program fees;
- c. Direct the Clerk of the Board of Supervisors to advertise for bids; and,
- d. Authorize the General Manager of the Agency to modify the grazing lease and bid forms lease, subject to approval as to form by the County Counsel.

**RECOMMENDATION:**

It is recommended that the Monterey County Water Resources Agency Board of Supervisors adopt a resolution:

- a) Approving proposed grazing lease and lease bid forms and public bid notice for grazing lands located at and around San Antonio and Nacimiento Reservoirs;
- b) Approving Agency grazing lease contract and program fees;
- c) Directing the Clerk of the Board of Supervisors to advertise for bids; and,
- d) Authorizing the General Manager of the Agency to modify the grazing lease and bid forms lease, subject to approval as to form by the County Counsel.

**SUMMARY/DISCUSSION:**

Agency management seeks authority to begin and conduct the grazing lease bid process using the recommended forms (Attachments 1 - 5 and 7), according to the attached schedule (Attachment 3).

Management also requests that the Clerk of the Board of Supervisors of the Agency be authorized and directed to advertise for grazing lease bids (Attachment 3). The grazing lease agreement establishes contract fees (not government rates or charges) for the costs of administering the lease, following-up on lease discrepancies, and breaches of lease conditions.

The leases will be offered for two step public bid. The first step is a sealed bid together with a bid qualification process. The second step is a public auction. There will be a minimum lease fee bid requirement. Attachment 7. The highest sealed bid amount for a qualified bidder will serve as the opening bid for the public auction. Only those persons who submit a Bid Qualification Packet one week prior to the auction, and who are pre-qualified by the General Manager, will be allowed to bid at the public auction. The qualification process is intended to establish those proposed bidders who have prior experience in managing a grazing lease and livestock, who practice land conservation in lease management, and whose operations will be consistent with the goals and policies of the Agency's grazing lease program.

The Agency owns approximately 8,800 acres at Nacimiento Reservoir and 7,600 acres at San Antonio Reservoir that are not used for County recreational purposes or maintenance of the dams. (Attachments 4 and 5.) In the past, this land has been leased out for grazing purposes under certain terms and conditions. It is proposed to again lease this land, as the present leases expire October 31, 2017.

The open land that the Agency owns around Nacimiento Reservoir and San Antonio Reservoir has historically been divided into eight pieces and has been leased out for stock grazing. A working group of staff,



management, and an ad hoc reservoir operations advisory subcommittee developed the attached grazing lease forms, bid schedule, and proposed fees.

The lease program makes special allowance for a new Nacimiento Lease 4 of 88 acres (NAC-4). This land is under negotiation with the Tri-Counties club for the maintenance of boat dock and ramps. In order to accommodate NAC-4, NAC-3A & 3B were reduced to 4,753 acres.

The leasing program is statutorily and categorically exempt from CEQA (14 Cal. Code Regs. 15301 (existing facility (including leases)) and 15261 (ongoing project).)

**OTHER AGENCY INVOLVEMENT:**

County Counsel has reviewed and commented on the grazing lease forms.

Due to the late submission of this report, the CAO Budget and Analysis division was not provided adequate time to review for potential fiscal, organizational, policy or other implications to the County of Monterey.

**FINANCING:**

The Agency will receive rental fees for all leases. In addition, new lease administration fees are proposed to defray certain costs of contract compliance monitoring and enforcement and are included in each of the minimum lease fees.

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Approved by: \_\_\_\_\_  
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**Attachments:**

1. Grazing Lease Forms (with attachments and schedule of fees)
2. Proposed Lake Leases RFP Schedule
3. Proposed notice calling for bids (Advertisement)
4. Diagram of grazing leases (San Antonio Reservoir)
5. Diagram of grazing leases (Nacimiento Reservoir)
6. MCWRA Executed Board Order
7. 2017 Monterey County Water Resources Agency Grazing Lease Minimum Bid Schedule