



## Board Report

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**File #:** WRAG 19-301, **Version:** 1

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- a. Approve Amendment No. 1 to Nacimiento Grazing Lease 3A/3B with Lime Mountain Livestock, LLC to remove a total of 126.4 waterfront acres from the existing grazing lease to allow for authorized use of the acreage by two recreational entities known as Town Creek Association and Tri-Counties Club; and
- b. Approve a short-term lease agreement with Town Creek Association for reservoir access to the lands removed from grazing lease 3A/3B; and
- c. Approve a short-term lease agreement with Tri Counties Club for reservoir access to the lands removed from grazing lease 3A/3B; and
- d. Authorize the General Manager to execute the Amendment No. 1 and short-term lease agreements.

**RECOMMENDATION:**

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

- a. Approve Amendment No. 1 to Nacimiento Grazing Lease 3A/3B with Lime Mountain Livestock, LLC to remove a total of 126.4 waterfront acres from the existing grazing lease to allow for authorized use of the acreage by two recreational entities known as Town Creek Association and Tri-Counties Club; and
- b. Approve a short-term lease agreement with Town Creek Association for reservoir access to the lands removed from grazing lease 3A/3B; and
- c. Approve a short-term lease agreement with Tri Counties Club for reservoir access to the lands removed from grazing lease 3A/3B; and
- d. Authorize the General Manager to execute the Amendment No. 1 and short-term lease agreements.

**SUMMARY/DISCUSSION:**

The Monterey County Water Resources Agency ("MCWRA") and Lime Mountain Livestock LLC ("Lessee") are parties to a lease entitled Nacimiento Grazing Lease 3A/3B ("Lease"). The Lease allows for modifications and the Lessee has recommended removal of 126.4 acres from the Lease to allow for the authorized permission of MCWRA for the use of these lands by others. In the past, MCWRA sought to remove this acreage to reconcile the past recreational use occurring on a small area of the Lease. However, in 2017 when the Lease was open for bid, the recreational acreage was inadvertently left in, and now the Lessee is concerned about the liability of the ongoing use. MCWRA staff and the Lessee are in mutual agreement to remove this acreage.

This Amendment No. 1 to the Lease would remove 126.4 acres and make available the lands for lease by two interested parties who have offered the MCWRA rent in exchange for the use and possession of said waterfront acreage. (Attachment 1). The two interested parties are referred to as Town Creek Association and Tri-Counties Club. The Town Creek Association has offered \$4,500 per year and Tri-Counties Club has offered \$10,500 per year. These monies will be paid to the MCWRA per the terms of each of the proposed short-term, two-year general/recreational lease agreements. (Attachments 2 - 5). Also attached to this report are vicinity maps depicting above. (Attachments 6 - 8).

The Amendment No. 1 to the Lease and the proposed short-term lease agreements are an appropriate means to reconciling the liability and historic recreational use on MCWRA lands, while keeping any longer-term agreements pending until the MCWRA's Access Ordinance is considered by the Board of Supervisors in the spring of 2020.

OTHER AGENCY/COMMITTEE INVOLVEMENT:

The Water Resources Agency Board of Directors recommended approval of this item at its December 16, 2019 meeting.

Counsel has reviewed the Amendment No. 1 and short-term lease agreements as to form.

FINANCING:

The Agency will be receiving a combined amount of \$15,000 annually for the two recreational leases being considered and there will be a deduction in the rent of the grazing lease by approximately \$600 annually. Therefore, the net increase in revenue to the Agency as a result of the combined transactions is approximately \$14,400 annually.

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Approved by: \_\_\_\_\_  
Brent Buche, General Manager, (831) 755-4860

Attachments:

1. Amendment No 1 Lease 3A/3B
3. Short-term lease agreement with Town Creek Association
5. Short-term lease agreement with Tri-Counties Club
6. Exhibit A Nacimiento Reservoir Grazing Lease 3B Amendment Overview
7. Vicinity Map for Town Creek Association lease agreement
8. Vicinity Map for Tri Counties Club lease agreement