

**MONTEREY COUNTY WATER RESOURCES AGENCY
BOARD OF DIRECTORS
PERSONNEL AND ADMINISTRATION COMMITTEE**

COMMITTEE MEMBERS

Mark Gonzalez, Chair
Mike LeBarre

Richard Ortiz
Glen Dupree

TIME: 8:30 a.m.
DATE: Friday, December 1, 2017
PLACE: Monterey County Water Resources Agency
1441 Schilling Place, Thyme Room, 2nd Floor, South Bldg.
Salinas, CA 93901
(831) 755-4860

AGENDA

1. **Call to Order**
2. **Public Comment**
(Limited to three (3) minutes per speaker on matters within the jurisdiction of the Agency not listed on this agenda. The public will have the opportunity to ask questions and make statements on agenda items as the Committee considers them.)
3. **Approve the Minutes of the Personnel and Administration Committee meeting held on November 3, 2017.**
The Committee will consider approval of the Minutes of the above-mentioned meeting.
4. **Consider receiving an update on Personnel activities.**
David Chardavoyne, General Manager, will provide an update on personnel activities.
5. **Consider receiving an update on activities at the Lakes.**
Brent Buche, Deputy General Manager, will provide a verbal report on Lakes issues.
6. **Consider receiving an update on Real Property issues.**
Brent Buche, Deputy General Manager, will provide a verbal report on real property issues.
7. **Consider receiving an update on the status of Zone 2C assessments for Fort Ord development.**
Cathy Paladini, Acting Deputy General Manager, will provide a verbal report on the status of Zone 2C assessments for Fort Ord Development.

8. **Consider reviewing Monterey County Water Resources Agency lease agreements with Monterey County Parks on lands at Lakes Nacimiento and San Antonio, and consider updating both leases to conform with current Agency lease format.**
John Roitz, Water Resources Technician, will provide this report.
9. **Consider petition from Grazing Lease 3A Lessee to receive a credit for a minimum of \$15,000 from next year's lease payments to repair fences damaged in the Chimney Fire to a stock tight condition.**
Brent Buche, Deputy General Manager, will provide this report.
10. **Set next meeting date and discuss future agenda items.**
The Committee will discuss and determine details for its next meeting.
11. **Adjournment**

**MONTEREY COUNTY WATER RESOURCES AGENCY
BOARD OF DIRECTORS
PERSONNEL AND ADMINISTRATION COMMITTEE**

COMMITTEE MEMBERS

**Mark Gonzalez, Chair
Mike LeBarre**

**Richard Ortiz
Glen Dupree**

**TIME: 8:30 a.m.
DATE: Friday, November 3, 2017
PLACE: Monterey County Water Resources Agency
1441 Schilling Place, Thyme Room, 2nd Floor, South Bldg.
Salinas, CA 93901
(831) 755-4860**

MINUTES

- 1. Call Meeting to Order @ 8:30 a.m. by Chair Gonzalez
Members Present: Gonzalez, Ortiz, LeBarre, and Dupree

A quorum was established.**
- 2. Public Comment: None**
- 3. Approve the Minutes of the Personnel and Administration Committee meeting held on September 8, 2017.

Committee Action: On Motion and Second by Directors LeBarre and Ortiz respectively, the Committee approved the Minutes of the Personnel and Administration Committee meeting held on September 8, 2017.**
- 4. Consider receiving an update on Personnel activities.
David Chardavoyne, General Manager, provided an update on this item.

Committee Action: On Motion and Second by Directors Ortiz and Dupree respectively, the Committee received the update.**
- 5. Consider receiving an update on activities at the Lakes.
Brent Buche, Deputy General Manager, provided a verbal report on this item.

Committee Action: On Motion and Second by Directors Dupree and LeBarre respectively, the Committee received the update.**

6. **Consider receiving an update on Real Property issues.**
Brent Buche, Deputy General Manager, provided a verbal report on this item.

Committee Action: On Motion and Second by Directors Ortiz and Dupree respectively, the Committee received the report.

7. **Set next meeting date and discuss future agenda items.**
Discuss/review the Agreement between RMA and the Agency for parks and recreation so this Committee can consider recommending a Resolution to the Board of Directors to review revenue sources from recreation activities at the reservoirs.

Update from Cathy Paladini on status of Zone 2C assessments for Fort Ord development.

Next meeting is scheduled for December 1, 2017 at 8:30 a.m.

8. **Adjournment at 9:45 a.m.**

Submitted by: Teresa Campa

Approved on:

PERSONNEL AND SALARIES

CLASSIFICATION / DESCRIPTION	CODE	FY 2017-18		FY 2018-19	
		APPROVED BUDGET NUMBER	AMOUNT	PRELIMINARY BUDGET NUMBER	AMOUNT
FUNDED POSITIONS (SALARIES & BENEFITS)*					Step Increase + All Benefits
Accountant III	20B12	1	75,470	1	146,032
Accounting Technician	80J30	1	57,643	2	206,625
Administration Services Assistant	14C70	1	83,269	1	116,696
Assistant Water Maintenance Superintendent	74J22	2	146,248	2	250,247
Associate Water Resources Engineer	41E3	2	210,670	2	338,140
Associate Water Resources Hydrologist	41C36	3	324,391	4	652,592
Deputy General Manager - Water Resources Agency	74C36	2	349,594	2	468,838
Engineering Aide II	43A21	1	53,495	1	106,791
Finance Manager II	74J33	1	117,820	1	210,961
General Manager - Water Resources Agency	74J15	1	218,630	1	309,322
GIS Analyst	16C33	0	0	1	154,806
Hydroelectric Technician	74J23	1	68,983	1	114,952
Right Of Way Specialist	28C02	0	0	1	139,148
Senior Account Clerk	80J22	1	51,127	1	83,663
Senior Secretary - Confidential	80A34	1	61,545	1	97,943
Senior Water Maintenance Worker	74J21	2	123,790	3	328,228
Senior Water Resources Engineer	41E30	2	263,445	3	553,576
Senior Water Resources Hydrologist	41C17	2	263,445	2	380,236
Water Maintenance Superintendent	74C01	1	88,147	1	127,005
Water Maintenance Worker I	74J01	1	50,442	1	87,587
Water Maintenance Worker II	74J11	2	108,086	4	377,407
Water Resources Biologist	41C20	0		1	132,226
Water Resources Engineer	41E11	2	185,667	3	406,550
Water Resources Hydrologist	41C02	4	370,290	5	703,748
Water Resources Technician	43B03	3	216,161	4	447,765
*SALARIES AND BENEFITS SUBTOTAL		37	3,488,358	49	6,937,982
SALARY ADJUSTMENTS:					
Estimated vacation buybacks			102,000		
Cell Phone Allowance			15,480		
Termination Benefits			100,000		
Estimated Temporarity Vacant Positions			0		
SALARY ADJUSTMENTS SUBTOTAL			217,480		
*SALARIES AND BENEFITS TOTAL		37	\$3,705,838	49	\$6,937,982
APPROVED POSITIONS NOT FUNDED					
Office Assistant III		1		1	
Senior Water Maintenance Worker		1		1	
Senior Water Resources Hydrologist		1		1	
Water Maintenance Worker II		2		0	
Water Resources Biologist		1		0	
Water Resources Engineer		1		0	
Water Resources Hydrologist		2		1	
TOTAL NOT FUNDED		9		4	
TOTAL APPROVED POSITIONS		46		53	

* FY 2018-19 budget amount included Salary and Benefits.

**MONTEREY COUNTY WATER RESOURCES AGENCY
BOARD OF DIRECTORS – PERSONNEL AND ADMINISTRATION COMMITTEE**

MEETING DATE:	December 1, 2017	AGENDA ITEM:
Consent () Action (X) Information ()		
DEADLINE FOR BOARD ACTION:	January 30, 2018	

..Title

Consider reviewing Monterey County Water Resources Agency lease agreements with Monterey County Parks on lands at Lakes Nacimiento and San Antonio, and consider updating both leases to conform with current Agency lease format.

..Report

RECOMMENDATION:

It is recommended that the Monterey County Water Resources Agency Personnel and Administration Committee:

Consider reviewing Monterey County Water Resources Agency lease agreements with Monterey County Parks on lands at Lakes Nacimiento and San Antonio, and consider updating both leases to conform with current Agency lease format.

SUMMARY/DISCUSSION:

The Monterey County Water Resources Agency leases land to Monterey County Parks at Lakes Nacimiento and San Antonio. The current leases were signed in 1987 and 1982, respectively. Since that time, a new lease format has been developed. In addition, conditions on both properties have changed in the thirty years since the leases were completed. Therefore, revisiting the terms and updating the format of the lease agreements should be considered.

OTHER AGENCY INVOLVEMENT:

Agency Counsel, County Counsel and other County Departments will be involved in the review and acceptance of the updated lease agreements.

FINANCING:

Depending on changes made to lease agreements, the final agreements may increase or decrease revenues to the Agency budget.

Prepared by: John Roitz, Water Resources Technician, (831) 755-4819

Attachments:

1. Nacimiento Lease
2. San Antonio Lease

BEFORE THE BOARD OF SUPERVISORS OF THE COUNTY OF MONTEREY
ACTING AS THE GOVERNING BOARD OF THE
MONTEREY COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
AND AS THE GOVERNING BOARD OF THE COUNTY OF MONTEREY

RESOLUTION NO. 87-424

RECEIVED
JUL 20 1967

Monterey County
FC & WCD

LEASING DISTRICT LANDS AT LAKE)
NACIMIENTO RESERVOIR TO THE)
COUNTY OF MONTEREY.....)

WHEREAS, the Monterey County Flood Control and Water Conservation District, hereinafter sometimes called District, owns certain lands at and surrounding the Lake Nacimiento Reservoir located entirely within the County of San Luis Obispo which said lands were acquired by said District on behalf of zone thereof for flood control and water conservation purposes; and

WHEREAS, this Board of Supervisors adopted Resolution No 69-162 dated April 15, 1969, making provision for the operation by the County for the recreation facilities at Nacimiento Lake; and

WHEREAS, it is desirable to rescind the Joint Powers Agreement adopted by way of Resolution 69-162 and to replace said Joint Powers Agreement with a lease of the recreational lands at Lake Nacimiento Reservoir from the Monterey County Flood Control and Water Conservation District to the County of Monterey in order to provide for a consistent management program for Lake Nacimiento and Lake San Antonio wherein the Monterey County Flood Control and Water Conservation District will consistently lease recreation lands at both reservoirs to the County of Monterey; and

WHEREAS, a portion of said lands is now in or in the future will be devoted to public recreational purposes; and

WHEREAS, said district does not have the staff nor the desire to engage in the furnishing of public recreation services at said reservoir; and

((

WHEREAS, said services can be provided by the County of Monterey hereinafter sometimes called County by and through its Department of Parks as a part of the countywide park program and as a County Park recognizing that Lake Nacimiento is located in the County of San Luis Obispo; and

WHEREAS, the County of San Luis Obispo has, by resolution, empowered certain Monterey County Park Rangers as limited peace officers to enforce the Rules and Regulations Relative to Public Use of Nacimiento Recreation Area established by Ordinance Number 1650 of the County of San Luis Obispo, as well as other state codes including the California Boating Law and the Fish and Game Code, Administrative Code and health and Safety Code, etc.

WHEREAS, this Board of Supervisors is the Governing Board of said Monterey County Flood Control and Water Conservation District does hereby lease to the County those certain lands, at and surrounding Lake Nacimiento Reservoir in San Luis Obispo County as now owned by the District and shown on Exhibit A attached hereto and included but not limited to the recreational facilities and improvements at Lake Nacimiento Reservoir designated on said Exhibit A as those facilities contained within the leasehold of Lake Nacimiento Resort, subject to the following terms and conditions:

1. That this lease may be terminated by the Board of Supervisors acting as the Governing Board of either the said District or the County or both, but said termination shall be preceded by the adoption of said Board of the Resolution of Intention adopted not less than six months prior to termination.

2. That the County shall have exclusive use, possession,

Board, acting for the District and the County, that the recreational facilities at Lake Nacimiento Reservoir, including the surface of the reservoir itself shall be operated as a county park at county expense, subject to said reservoir being used by the District for its primary purposes of water conservation and flood control.

Upon motion of Supervisor Shipnuck, seconded by Supervisor Del Piero, the forgoing resolution is adopted this day of July 14, 1987, by the following vote:

AYES: Supervisors Del Piero, Shipnuck, Petrovic, Karas, and Strasser
Kauffman.

NOES: None.

ABSENT: None.

I, ERNEST K. MORISHITA, Clerk of the Board of Supervisors of the County of Monterey State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof at page 59 of Minute Book 59, on July 14, 1987
w. July 14, 1987

ERNEST K. MORISHITA, Clerk of the Board
of Supervisors, County of Monterey,
State of California

By _____

PROPERTY LEASEDDESCRIPTION AND EXCLUSIONSDISTRICT PROPERTY TO BE LEASED
FOR COMMERCIAL RECREATION DEVELOPMENT
AT NACIMIENTO LAKEDESCRIPTION

Beginning at the NE corner of the south 1/2 of Section 9, said point being a part of the boundary of property owned by the "District",

- 1) Continuing on said District boundary south 1,320' to the NW corner of SW 1/4 of the SW 1/4 of Section 10; thence
- 2) East 3,300' to the east line of the west 1/2 of the W 1/2 of the east 1/2 of Section 10; thence
- 3) South 1,320' to the section line between Section 10 and 15; thence
- 4) Leaving District boundary west on said section line 1,320' to the SW corner of the SE 1/4 of the SE 1/4 of the SW 1/4 of Section 10; thence
- 5) South 660' to the SW corner of the NE 1/4 of the NE 1/4 of the NW 1/4 of Section 15; thence
- 6) West 660' to the NW corner of the S 1/2 of the NE 1/4 of the NW 1/4 of Section 15; thence
- 7) South 1,650' to the north line of the S 1/2 of the S 1/2 of the S 1/2 of the N 1/2 of Section 15; thence
- 8) East 990' to the west line of the east 1/2 of the E 1/2 of the E 1/2 of the W 1/2 of Section 15; thence
- 9) North 660' to the NW corner of the SE 1/4 of the NE 1/4 of the SE 1/4 of the NW 1/4 of Section 15; thence
- 10) East 990' to the east line of the west 1/2 of the west 1/2 of the east 1/2 of Section 15; said point also being a part of the boundary of property owned by the District; thence
- 11) South 3,630' continuing along District boundary to the section line between Section 15 and 22; thence
- 12) West 2,640' along said section line to the NE corner of the NW 1/4 of the NW 1/4 of the NW 1/4 Section 22; thence
- 13) South 660' to the SE corner of the NW 1/4 of the NW 1/4 of the NW 1/4 of Section 22; thence
- 14) West 660' to the west line of said Section 22; thence
- 15) Following said west line south 660' to the SE corner NE 1/4 of the NE 1/4 of Section 21; thence
- 16) Continuing along District boundary through said Section 21 west 660' to the west line of the E 1/2 of the E 1/2 of the E 1/2 of Section 21; thence

- 17) South 1,320' to the SW corner of the E 1/2 of the SE 1/4 of the NE 1/4 of Section 21; thence
- 18) West 1,320' to the east line of the E 1/2 of the W 1/2 of the E 1/2 of Section 21; thence
- 19) South 1,320' to the SE corner of the SW 1/4 of the NW 1/4 of the SE 1/4 of Section 21; thence
- 20) West 1,320' to the west line of the E 1/2 of the E 1/2 of the W 1/2 of Section 21; thence
- 21) South 1,320' to the section line between Section 21 and 28; thence
- 22) Following said section line west 660' to the NW corner of the NE 1/4 of the NW 1/4 of Section 28; thence
- 23) South 1,320' to the SW corner of the NE 1/4 of the NW 1/4 of Section 28; thence
- 24) West 1,320' to the section line between Section 28 and 29; thence
- 25) Leaving District boundary north on said section line 660'; thence
- 26) West 660' to the SE corner of the NE 1/4 of the NE 1/4 of the NE 1/4 of Section 29; thence
- 27) North 1,980' to the NW corner of the E 1/2 of the SE 1/4 of the SE 1/4 of Section 20; thence
- 28) East 660' to the section line between Section 20 and 21; thence
- 29) North 1,320' on said section line to the NW corner of the south 1/2 of Section 21; thence
- 30) East 1,980' to the west line of the E 1/2 of the E 1/2 of the W 1/2 of Section 21; thence
- 31) North 3,960' to the NW corner of the E 1/2 of the SE 1/4 of the SW 1/4 of Section 16; thence
- 32) West 660' to the NW corner of the SE 1/4 of the SW 1/4 of Section 16; thence
- 33) North 660' to the NE corner of the SE 1/4 of the NW 1/4 of the SW 1/4 of Section 16; thence
- 34) West 660' to the SW corner of the NE 1/4 of the NW 1/4 of the SW 1/4 of Section 16; thence
- 35) North 660' to the NW corner of the NE 1/4 of the NW 1/4 of the SW 1/4 of Section 16; thence
- 36) West 660' to the section line between Section 16 and 17; thence
- 37) North 2,640' to the corner of Section 8, 9, 16, and 17; thence
- 38) West 1,320' to the SW corner of the SE 1/4 of the SE 1/4 of Section 8; said point being a point on the boundary of property owned by the "District"; thence

- 39) Continuing along said District boundary north, 2,640' to the NW corner of the NE 1/4 of the SE 1/4 of Section 8; thence
- 40) East 1,320' to the east line of said Section 8; thence
- 41) North 1,320' to the SE corner of the SE 1/4 of the NE 1/4 of said Section 8; thence
- 42) East 2,640' to the NE corner of the SE 1/4 of the NW 1/4 of Section 9; thence
- 43) South 1,320' to the SE corner of the NW 1/4 of Section 9; thence
- 44) East 2,640' to point of beginning, said point being the NE corner of the SE 1/2 of Section 9.

The above being a part of the real property owned by Monterey County Flood Control and Water Conservation District referred to as the "District" in San Luis Obispo County, all located within T 25 S, R 10 E, M.D.M.

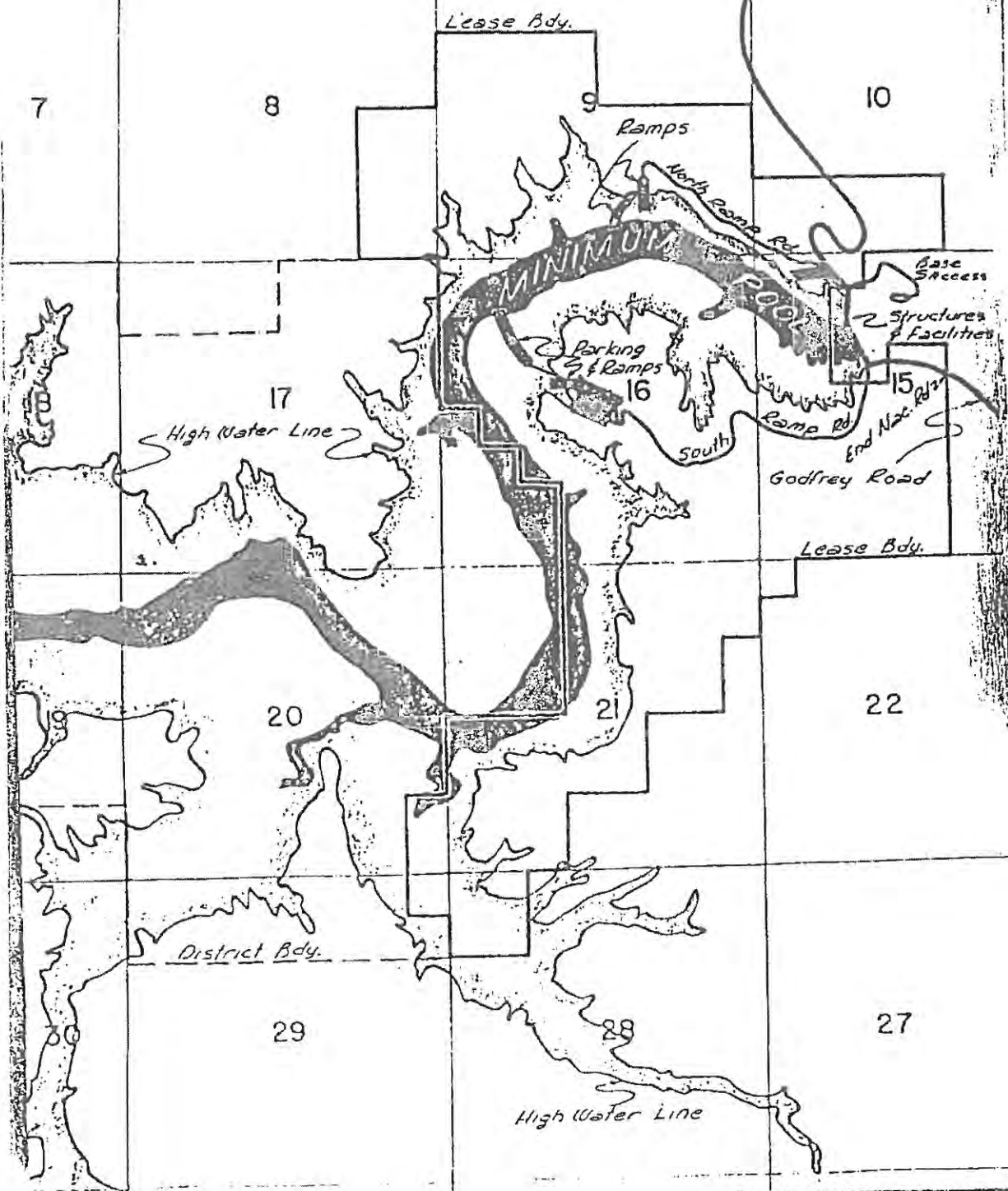
EXCLUSIONS

Roads and improvements to be excluded from the lease described are:

- 1) 30 feet on each side of the centerline (total width of 60 feet) of the Nacimiento Road connecting the Pleyto-Bradley Road with the Godfrey Road for its entire length through the lease area, 6,500 feet, more or less.
- 2) 20 feet on each side of the centerline (40' wide) of the North Ramp Road from the Nacimiento Road to the north launching ramps for a total length of 4,800 feet, more or less; 50 feet on each side of the centerline of both the upper and lower north launching ramps, including 20 feet on each side of the centerline of the road connecting the launching ramps.
- 3) 25 feet on each side of the centerline of the south ramp road from Nacimiento Road to the south ramp parking lot for a length of 7,500 feet, more or less; the south ramp parking lot 400 feet wide by 500 feet long, more or less; 50 feet on each side of the centerline of both the upper and lower south ramps and 20 feet on each side of the centerline of the road connecting the launching ramps.
- 4) 20 feet on each side of the centerline of that portion of the access road from Nacimiento Road to the downstream base of the dam, which is within the lease area for a distance of 1,000 feet, more or less.
- 5) Nacimiento Dam, spillway, channel spillway, outlet works, inlet structures and all other facilities required in the maintenance and operation of Nacimiento Dam and Reservoir.

The exclusions are as shown on the attached map, said map being made a part hereof by reference.

6 5 4
MAP TO ACCOMPANY
DISTRICT PROPERTY TO BE LEASED
FOR COMMERCIAL RECREATION DEVELOPMENT
AT NACIMIENTO LAKE
1962



File: 2-300.00 #3

SUBJECT	APPROVE RESOLUTION EXPANDING THE LAKE SAN ANTONIO RECREATION AREA	BOARD MEETING DATE 2/9/62	AGENDA NUMBER
DEPARTMENT	Parks Department and Flood Control and W.C.D.		

Recommendation

We recommend that: Your Board approve the enclosed resolution leasing certain lands at Lake San Antonio to the County of Monterey.

Background

On April 15, 1969 your Board, acting as the Board of Supervisors and the governing Board of the Monterey County Flood Control and Water Conservation District approved Resolution No. 69-160, leasing certain lands at Lake San Antonio to the County of Monterey. These lands comprise the recreation areas at North and South Shores where the developed campgrounds, launch ramps, and Marinas are located. The remaining lands around Lake San Antonio stayed under the control of the Flood Control District and over the years have been leased out for cattle grazing by the District.

Monterey County Park Rangers, as limited Peace Officers, are authorized to enforce the Monterey County Park Ordinance within the geographical boundaries of the County Park units only. Therefore, they are presently unable to act as limited Peace Officers regarding the management of Flood Control properties along a great extent of the shoreline at the Lake even though this shoreline has, for years, been used for fishing, day boat camping, and general recreation by the public. The enclosed resolution will expand the recreation areas leased to the County to conform with the areas of land actually being utilized by the public for recreational purposes at Lake San Antonio and will enable the Park Rangers to enforce the park ordinances thereupon.

JPS/RLB/mab/hs

Enclosure

Jon P. Soderberg, Director of Parks

R. L. Binder, Acting District Engineer

cc: Richard Andrews

Ralph Kuchler

File

BEFORE THE BOARD OF SUPERVISORS OF THE COUNTY OF MONTEREY
ACTING AS THE GOVERNING BOARD OF THE
MONTEREY COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
AND AS THE GOVERNING BOARD OF THE COUNTY OF MONTEREY

RESOLUTION NO. 82-80

RECEIVED

Leasing District Lands at)
San Antonio Reservoir to the)
County of Monterey)

Monterey County

WHEREAS, the Monterey County Flood Control and Water Conservation District, hereinafter sometimes called "District", owns certain land at and surrounding the San Antonio Reservoir, which said lands were acquired by said District on behalf of Zone 2A thereof, for flood control, water conservation and recreation purposes, and

WHEREAS, this Board of Supervisors adopted Resolution No. 69-160 dated April 15, 1969, leasing certain District lands at San Antonio Reservoir to Monterey County; and

WHEREAS, there is a need to expand the lease area to include more of the District's land than that specified in Resolution No. 69-160 around San Antonio Reservoir; and

WHEREAS, a portion of said land is now or in the future will be devoted to public recreation purposes, and

WHEREAS, the said District does not have the staff nor the desire to engage in the furnishing of public recreation services at said reservoir, and

WHEREAS, said services can be provided by the County of Monterey, hereinafter sometimes called "County", by and through its Department of Parks as a part of the County's county-wide park program and as a county park, and

WHEREAS, this Board of Supervisors is the governing board of said Monterey County Flood Control and Water Conservation District and is also the governing board of said County of Monterey,

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors, acting as the governing board of the District, does hereby lease to the County those certain lands, at and surrounding the San Antonio Reservoir in Monterey County as now owned by the District and shown on Exhibit "A", attached hereto and including but not limited to the recreational facilities and improvements at San Antonio Reservoir designated on said Exhibit "A" as: Pleyto Campground, Lynch Campground, Beach, Harris Creek Campground, Redonda Vista Campground, and Parks Headquarters including

roads, lying within the property owned by said District, subject to the following terms and conditions:

1. That this lease may be terminated by the Board of Supervisors acting as the governing board of either the said District or the County or both, but said termination shall be preceded by the adoption by said board of a resolution of intention adopted not less than 6 months prior to termination.

2. That the County shall have exclusive use, possession and control of the recreational facilities and improvements herein referred to, with the exception of San Antonio Dam itself and its appurtenant facilities.

3. That the County shall bear all costs of operating and repairing said facilities and improvements and all costs of public service thereat.

4. That the County may construct such additional facilities and improvements upon lands designated as "Recreational Area" as shown on Exhibit "B" at its sole cost and expense.

5. That is County shall have the right to undertake operational activities such as day camping, equestrian trail riding, nature walks, etc. upon those lands designated as grazing lease areas on Exhibit "B" subject to prior approval of the District.

6. That the County shall collect and retain all fees for use of the facilities and improvements herein referred to including but not limited to inspection fees, camping fees and day use fees.

7. That the District shall retain and have the right to use such portion of the Administration Building as is necessary to carry out its flood control and water conservation functions.

8. That the District retains the primary use, possession and control of certain property designated as grazing lease areas at San Antonio Reservoir as shown on Exhibit "B".

9. The County has the right to enter into any contract, lease or agreement with any party or parties for any services associated with the recreational facilities and the County shall administer said contracts, leases or agreements and shall be entitled to collect and retain any revenues derived therefrom.

BE IT FURTHER RESOLVED by the Board of Supervisors, acting as the governing board of the County of Monterey, that it accepts a lease to said lands, facilities and improvements and the terms and conditions hereinabove set out.

BE IT FURTHER RESOLVED by the Board of Supervisors, acting as the governing board of the District, and as governing board of the County, that it hereby rescinds Resolution No. 69-160 with the intention that this resolution shall take its place.

BE IT FURTHER RESOLVED that it is the intention of this Board, acting for the District and the County, that the recreational facilities at San Antonio Reservoir, including the surface of the reservoir itself, shall be operated as a county park at county expense, subject to said reservoir being used by the District for its primary purposes of water conservation and flood control.

BE IT FURTHER RESOLVED that it is the intention of the Board, acting for the District that any conditions set forth herein that would effect the existing cattle leases will not become effective until termination of said existing cattle leases.

Upon motion of Supervisor Petrovic, seconded by Supervisor Moore, the foregoing resolution is adopted this 9th day of Feb., 1982, by the following vote:

AYES: Supervisors Del Piero, Shipnuck, Petrovic, Moore
and Peters.
NOES: None.
ABSENT: None.

I, ERNEST A. MAGGINI, County Clerk and ex-officio Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes therefore at page -- of Minute Book 47, on February 9, 1982.
Dated: February 9, 1982

ERNEST A. MAGGINI, County Clerk and
ex-officio Clerk of the Board of
Supervisors, County of Monterey,
State of California.

-3- By Ernest A. Maggini
Deputy



MONTEREY COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT
STATE OF CALIFORNIA

SAN ANTONIO RESERVOIR

EXHIBIT 'A'



- LEGEND -

① - Designate Grazing Lease Areas

MONTEREY COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
 STATE OF CALIFORNIA

SAN ANTONIO
 GRAZING LEASE AREAS
 EXHIBIT B

DATE	12/15/57
BY	W. J. ...
FOR	...

**MONTEREY COUNTY WATER RESOURCES AGENCY
BOARD OF DIRECTORS – PERSONNEL AND ADMINISTRATION COMMITTEE**

MEETING DATE:	December 1, 2017	AGENDA ITEM:
	Consent () Action (X) Information ()	
DEADLINE FOR BOARD ACTION:	January 30, 2018	

..Title

Consider petition from Grazing Lease 3A Lessee to receive a credit for a minimum of \$15,000 from next year’s lease payments to repair fences damaged in the Chimney Fire to a stock tight condition.

..Report

RECOMMENDATION:

It is recommended that the Monterey County Water Resources Agency Personnel and Administration Committee:

Consider petition from Grazing Lease 3A Lessee to receive a credit for a minimum of \$15,000 from next year’s lease payments to repair fences damaged in the Chimney Fire to a stock tight condition.

SUMMARY/DISCUSSION:

New Grazing Lease Agreements were bid and awarded this fall. The Grazing Lease Agreement requires that the Lessee maintain existing or install new stock tight fences. Lease 3A was damaged by the Chimney Fire in 2016 and the fences were severely damaged or completely destroyed and have not been rebuilt. Section 7.4 describes the process for receiving a credit from payments for making improvements to the lease. Historically, fencing was typically requested for a credit, however, this situation is unique since the fire caused significant damage to the property and to the fences. Therefore, this item should be considered further. Approval from the Agency General Manager and the Board of Directors is required prior to the commencement of the improvements.

OTHER AGENCY INVOLVEMENT:

None

FINANCING:

Deduction for fencing as requested would decrease revenues to the Agency FY 2018-19 Budget

Prepared by: John Roitz, Water Resources Technician, (831) 755-4819

Attachments:

1. Letter from Lime Mountain Livestock, LLC
2. Grazing Lease Template



LIME MOUNTAIN LIVESTOCK, LLC

445 GREEN GATE ROAD, SAN LUIS OBISPO, CA 93401 ♦ 805-549-8100 ♦ FAX 805-549-8574

October 18, 2017

Monterey County Water Resources Agency
Attn: Brent Buche, Deputy General Manager
1441 Schilling Place (North Building)
Salinas, CA 93901

Re: Nacimineto Lease Site 3A & 3B

Dear Brent,

In anticipation of fully repopulating Lease 3A we have evaluated the damage caused by the Chimney Fire. There were numerous locations that the fire, fire crews, and fire equipment damaged fences, brush boundaries, and trees. In order to remedy this situation we will need to clear downed tree material, repair and/or replace fencing, and remove abandoned burned material.

We would like your permission to initially spend \$15,000 (that would be deducted from next year's lease payment) on materials, labor, and equipment to work towards our goal of creating a stock tight condition and protecting the watershed. We would carefully document our material, equipment, and labor and submit it to you via invoice prior to advancing with any work beyond this initial \$15,000 request. If this is acceptable to you please let us know as soon as possible so we can attempt to complete this work prior to the rainy season.

Sincerely,

Darren Shetler
Manager

MONTEREY COUNTY

WATER RESOURCES AGENCY

PO BOX 930
SALINAS, CA 93902
(831)755-4860
FAX (831) 424-7935

DAVID E. CHARDAVOYNE
GENERAL MANAGER



STREET ADDRESS
1441 Schilling Place North Building
SALINAS, CA 93901

August 31, 2017

To All Interested Parties:

RE: Grazing Lease and Lease Bid Forms for Grazing Lands Located at and Around San Antonio and Nacimiento Reservoirs

The Monterey County Water Resources Agency Board of Supervisors approved the Grazing Lease and Lease Bid Forms and Public Bid Notice of the subject on August 29, 2017. Staff was directed to include language such as:

If a current Lessee does not retain the Lease, MCWRA may allot additional time to remove cattle from MCWRA property and the new lease term will be adjusted accordingly.

This will be incorporated into the appropriate document(s) upon County Counsel review.

MONTEREY COUNTY WATER RESOURCES AGENCY

PROJECT: GRAZING LEASES MONTEREY COUNTY, CALIFORNIA PROJECT NO. 17-001 BID PACKAGE NO. 17-001

NOTICE TO BIDDERS

Sealed bids for the above project will be received at Office of Clerk of the Board of Supervisors/County of Monterey/ 168 W. Alisal St. 1st Floor/Salinas, CA 93901 (Mailing Address: P.O. Box 1728 Salinas, CA 93902-1728) until the submission deadline: 12:00 p.m. on Friday, September 29, 2017, at which time they will be publicly opened and read in the Board of Supervisors' Conference Room.

Each bid shall be in accordance with the Bid Qualification Packet, Grazing Lease specifications, addenda, and subject to all Special Provisions/Conditions, General Conditions, and other Lease Documents prepared by the Monterey County Water Resources Agency (Agency), and shall be submitted on the bid for prescribed by Agency. Minimum bids for each lease shall be as specified in the 2017 MCWRA Grazing Lease Minimum Bid Schedule posted on Agency website. The Agency reserves the right to reject any or all bids or to waive any irregularities or informalities in any bids or in the bidding or to re-bid the leases. No bidder may withdraw his bid for a period of sixty (60) days after the opening of bids without the written consent of the Agency.

A public auction will be conducted at 2:00 p.m. on Friday, September 29, 2017, in the Board Chambers at the County Government Center, 168 W. Alisal St., 1st Floor, Salinas, CA 93901. The highest amount bid under seal by a qualified bidder for each separate lease shall serve as the opening bid for the public auction. Only those who submit Bid Qualification Packets by 2:00 p.m. on Friday, September 22, 2017, at the Agency Office at 1441 Schilling Place (North Building), Salinas, CA, 93901, and which Bid Qualification Packets are approved by the Agency, shall be entitled to bid at the public auction.

Historically, the Monterey County Water Resources Agency has leased portions of its property around both reservoirs for livestock grazing. Some of you may notice, however, significant modifications that have been made to the bid qualification packet for this new lease cycle.

The focus of the Agency's grazing lease agreement is implementation of management methods that meet the Agency's conservation goals of protecting the water quality and quantity of both reservoirs.

Bidders that have an existing Agency grazing lease must be deemed a "Lessee in Good Standing" to qualify for bidding. Lessee in Good Standing is defined as having met all of the requirements of an existing Agency grazing lease.

The Agency reserves the right to disqualify individuals or corporations for the bidding process based on their financial ability to support the lease and/or lack of experience with cattle grazing operation or other legitimate cause. A list of those who have submitted a Bid Qualification Packet approved by the Agency will be posted on the Agency website at least two days prior to the public auction. Only individuals whose names appear on the list will be allowed to bid.

Lease documents may be examined at the Agency's office, 1441 Schilling Place, North Building, Salinas, California 93901. Electronic Contract Documents are available to download free at the Agency's website page: <http://www.mcwra.co.monterey.ca.us>. Alternatively, contact Brent Buche either via email at bucheb@co.monterey.ca.us, or by phone at (831) 755-4860 to obtain a copy of the Lease Documents. Each party may obtain one set at no charge. Additional copies may be purchased for a nonrefundable fee of \$10.00. Checks or money orders made payable to Monterey County Water Resources Agency will be accepted.

All questions during bidding period must be submitted, in writing, as follows: Brent Buche, E-mail: bucheb@co.monterey.ca.us or by fax at (831) 424-7935. The deadline for the submission of written questions is 5:00p.m., September 22, 2017. No questions will be accepted after the deadline. Inquiries and their written responses will be returned to all registered bidders via E-mail or fax. Answers to all questions and project addenda will be posted to the project page listed above.

Security in an amount equal to at least ten percent (10%) of the total amount of the bid in the form of cash, cashier's check, or certified check payable to the Monterey County Water Resources Agency, or a bidder's bond in the form attached to the proposal executed by an admitted corporate surety company, must accompany the bid. For the selected contractor, a payment bond and a performance bond, each in the amount of 100% of the Contract, are required.

Pursuant to California Public Contract Code Section 22300, the Contractor may substitute securities for any monies withheld by the Agency to ensure performance under the contract.

Date: August 30, 2017

DAVID E. CHARDAVOYNE
GENERAL MANAGER

LAKE LEASES RFP SCHEDULE
(Revised 8/3/17)

- | | | |
|-----|--|---|
| 1. | Grazing Lease Sub-Comm. Meeting
A. Review of most recent lease version | March 22, 2017 |
| 2. | Agency Admin. Fee for Grazing Leases Mtg. | April 12, 2017 |
| 3. | Pre-Qualifying Bid Packet (DRAFT)

Presentation to Res. Ops.; to JJA for review | April 27, 2017 |
| 4. | Grazing Lease Sub-Comm. Meeting
A. Review of most Pre-Qualifying Bid Packet
B. Discussion of fee determination | May 23, 2017 |
| 5. | Res Op Committee | May 25, 2017 |
| 6. | P&A Committee | June 2, 2017 |
| 7. | Bid Packet to the Board of Directors
A. Final Packet in Legistar
B. 50-pg Packets Due to COB | June 19, 2017
August 15, 2017
August 18, 2017 |
| 8. | Bid Packet to the Board of Supervisors | August 29, 2017 |
| 9. | Bid Packets mailed out
A. Advertise Notice | August 31, 2017
August 31, 2017 |
| 10. | Deadline to receive Bids | September 29, 2017 |
| 11. | BOS Award bids | October 9, 2017 |
| 12. | Lease, insurance certificates, etc. to GM | October 19, 2017 |
| 13. | Finalize lease agreement and exhibits | October 26, 2017 |
| 14. | Lessees take possession of premises | November 1, 2017 |

2017 Monterey County Water Resources Agency
Grazing Lease Minimum Bid Schedule

A. Nacimiento Reservoir Leases

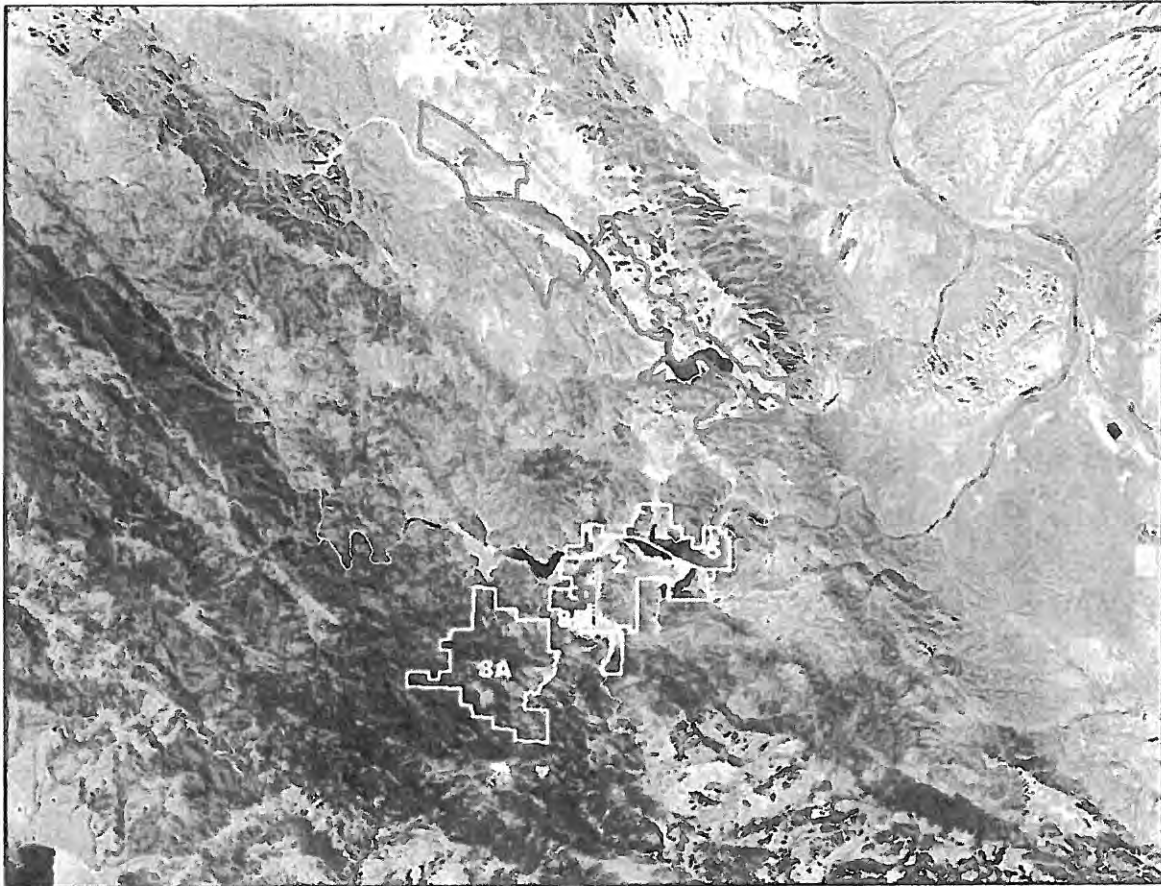
Minimum Bid Amount	
NAC-1	\$5,000.00
NAC-2	\$22,000.00
NAC-3A&3B	\$17,150.00
NAC-4	To Negotiate
NAC-5	\$12,900.00

B. San Antonio Reservoir Leases

Minimum Bid Amount	
SA-1	\$24,600.00
SA-2	\$24,850.00
SA-3	\$30,000.00
SA-4	\$10,400.00

ATTACHMENT 7

**MONTEREY COUNTY
WATER RESOURCES AGENCY
GRAZING LEASE BID PACKET
2017-2024**



Bid Packets must be submitted to the Clerk of the Board of Supervisors no later than September 29, 2017 at 12:00 pm for Sealed Bids

Bid Qualification Packets must be submitted to the Monterey County Water Resources Agency no later than September 22, 2017 by 2:00 pm for Live Auction on September 29, 2017 at 2:00 pm

Sealed bids for the above project will be received at Office of Clerk of the Board of Supervisors/County of Monterey/ 168 W. Alisal St. 1st Floor/Salinas, CA 93901 (Mailing Address: P.O. Box 1728 Salinas, CA 93902-1728) until the submission deadline: 12:00 p.m. on Friday, September 29, 2017

A public auction will be conducted at 2:00 p.m. on Friday, September 29, 2017, in the Board Chambers at the County Government Center, 168 W. Alisal St., 1st Floor, Salinas, CA 93901. The highest amount bid under seal by a qualified bidder for each separate lease shall serve as the opening bid for the public auction. Only those who submit Bid Qualification Packets by 2:00 p.m. on Friday, September 22, 2017, at the Agency Office at 1441 Schilling Place (North Building), Salinas, CA, 93901, and which Bid Qualification Packets are approved by the Agency, shall be entitled to bid at the public auction.

**MONTEREY COUNTY WATER RESOURCES AGENCY
BID DOCUMENTS**

Please complete, date & sign the following bid qualification documents and submit them to Brent Buche, Deputy General Manager at the Monterey County Water Resources Agency, no later than September 22, 2017 at 2:00 p.m., Pacific Standard Time.

Only those who submit Bid Qualification Packets by 2:00 p.m. on Friday, September 22, 2017, at the Agency Office at 1441 Schilling Place (North Building), Salinas, CA, 93901, and which Bid Qualification Packets are approved by the Agency, shall be entitled to bid at the public auction.

A. All documents must be completed and any requested documents must be provided in order to submit a or bid at the lease auction on September 29, 2017, at 2:00 pm PST.

- | | |
|--|---------------------|
| 1. General Information (1 for each lease bid): | Bid Document A I |
| 2. Financial Information: | Bid Document A II; |
| 3. Cattle Grazing Experience: | Bid Document A III; |
| 4. Certificate of Agency Grazing Lessee: | Bid Document A IV. |

B. The following documents are required to bid and are part of the bid qualification documents, and will become part of the Lease.

That the Proposed Bidder has read and understood the following:

1. Annual Self-Assessment Report;
2. Annual Lessee Evaluation;
3. Ranching Sustainability Self-Assessment (RSA);
4. Notices;
5. Fish and Game Code Sections 1801, 1802, 4181, and 4181.1;
6. Guidelines for Wild Pig Depredation
7. Options for California Livestock Producers to Discourage Wolf Presence and Guidance for Suspected Wolf Depredation
8. Human/Wildlife Interactions in California: Mountain Lion Depredation, Public Safety, and Animal Welfare
9. Cal. Code of Regulations § 400. Deer Depredation Hunts
10. Cal. Code of Regulations § 401. Issuance of Permit to Take Animals Causing Damage
11. Cal. Code of Regulations § 402. Issuance of Permits to Kill Mountain Lion Causing Damage
12. States' Fence Laws State of California
13. Cal. Agric. Code §§ 16901 to 16909, §§ 17001 to 17153, and Cal. Pub. Util. Code §§ 7626 to 7631
14. California Board of Forestry and Fire Protection SRA Fire Safe Regulations
15. San Luis Obispo County Department of Public Works & Transportation, 2011 Public Improvement Standards

**GENERAL INFORMATION
BID DOCUMENT A I**

Proposed Bidder: _____

Business/ Corporate Name/ DBA: _____

Business Address: _____

Mailing Address (if different from above): _____

E-mail Address: _____

Authorized Representative/Agent

Administrative Contact (optional)

Telephone: (____) _____

Cell: (____) _____

Property being bid on (lease): SA-____ or NAC-____

Responsible Party: _____

Distance between Proposed Bidder's principal residence to lease site (in miles):

Distance between Responsible Party's principal residence to lease site (in miles):

I read and understood the 2017 MCWRA Grazing Lease, including all attachments and Exhibits ("LEASE"). I represent that I am ready, willing, able and qualified to comply with all LEASE conditions and obligations should I be awarded a Lease agreement.

By: _____
Proposed Bidder

Dated: _____

**FINANCIAL INFORMATION
BID DOCUMENT A II**

Proposed Bidder: _____ Telephone: (____) _____

Business/ Corporate Name/ DBA: _____

**ALL FINANCIAL INFORMATION WILL BE KEPT CONFIDENTIAL
EXCEPT AS REQUIRED TO BE DISCLOSED BY LAW**

Summary income statement for business entity:

	ESTIMATES (Calendar Year)		
	2015	2016	2017
Net Sales			
Cost of Sales			
Gross Profit			
Administrative Expenses			
Selling Expenses			
Other Expenses			
Total Expenses			
Profit (loss)			
Income Taxes (estimated)			
Net Profit (loss)			

In addition to completing the above table, please submit the following information along with Bid Document A II:

1. Most recent financial statement with all schedules;
2. Most current monthly and year to date income and expense statement.

NOTE: The financial statement should include a balance sheet, an income statement, and a change in financial position statement.

Has the Proposed Bidder declared bankruptcy on any business venture or have any of its Principals ever been the subject of bankruptcy proceedings?

No.

Yes. Please describe past, current, or pending status of bankruptcy proceedings:

By: _____
Proposed Bidder

Dated: _____

**CATTLE GRAZING EXPERIENCE
 BID DOCUMENT A III**

Proposed Bidder: _____

**ALL QUESTIONS MUST BE ANSWERED IN FULL AND ANY ADDITIONAL INFORMATION MUST
 BE ATTACHED ON SEPARATE SHEETS OF PAPER.**

1. Identify any/all experience and expertise in the management of grazing leases and for the grazing of cattle:

2. List any/all classes, education, and years of personal on-the-job training related to management of cattle grazing leases.

EDUCATION

Institution	Location	Courses	Units completed

EXPERIENCE/ ON-THE-JOB TRAINING

Entity Name	Location	Description of duties	Years worked

3. What percentage of your time is dedicated to the management of grazing cattle?

4. Are there any past or pending judgments or claims against you or your business?
 No.
 Yes. Please describe past, current, or pending status of bankruptcy proceedings:

5. List any training, experience or work related to land management and the grazing of cattle.

6. Are you currently operation a cattle-grazing operation at another location?
 No.
 Yes. Please give the name, location of operations and lease termination date (if applicable):

7. Please submit a minimum of three (3) business references.

1) _____

2) _____

3) _____

I authorize the Agency to obtain a credit rating on principals in, and business(es) of, the Proposed Bidder.

By: _____
Proposed Bidder

Dated: _____

**CERTIFICATION OF AGENCY GRAZING LESSEE
BID DOCUMENT A IV**

Lessee: _____

Lease: SA-____ or NAC-____

Address: _____

Mailing Address (if different from above): _____

E-mail Address: _____

Authorized Representative/Agent

Administrative Contact (optional)

Telephone: (____) _____

Cell: (____) _____

The undersigned LESSEE, _____, certifies that LESSEE has successfully fulfilled and met all of the Lease Agreement requirements and objectives as stated in the signed Lease Agreement with the Monterey County Water Resources Agency and is current in all fees and responsibilities.

By: _____
LESSEE

Dated: _____

ANNUAL SELF-ASSESSMENT REPORT

Lessee: _____

Agent or Manager: _____

Lease: _____

CONTACT INFORMATION

Telephone Numbers: _____

Address: _____

E-mail: _____

STOCK INFORMATION

	Age or approximate weight	No. Head
Steers		
Heifers		
Bulls		
Cows		

CUMULATIVE TOTAL NO. OF HEAD THIS YEAR: _____

Brand Marks	Ear Tags	Other/EID Tags

Cattle breed(s): _____

Have you received any grants and/or subsidies in the past year? Yes No

If yes, please identify from whom and the amount(s) allocated: _____

Comments/Concerns: _____

By: _____
LESSEE

Dated: _____

THIS SPACE IS FOR MONTEREY COUNTY WATER RESOURCES AGENCY ONLY

[Lessee's status info. e.g., compliance with lease conditions]

**ANNUAL LESSEE EVALUATION
(To be completed by MCWRA)**

Lessee: _____

Agent or Manager: _____

Lease: _____

CONTACT INFORMATION

Telephone Numbers: _____

Address: _____

E-mail: _____

LEASE

Annual rent paid? Yes No

Annual insurance certificate submitted? Yes No

1. Any reimbursements for improvements? Yes No

If "Yes", please specify below:

Improvement Projects	Current Condition (poor, fair, good, excellent)	Fixed/ Removable	Cost of Improvement	Amount allowed/Dates to be reimbursed

2. Any observed/known lease violations? Yes No

If yes, please specify below (attach any additional sheets as necessary):

CHECKLIST

Fixture/ Feature	Condition/ Status	Problems (if none, enter N/A)	Date notice of deficiency sent	Efforts made to correct
Cattle (i.e., any sick, injured, dead, etc.)				
Pasture (i.e., any overgrazing)				
Trees				
Roads				
Fences				
Pests (e.g., rodents, coyotes, pigs, etc.)				
Water systems				
Corrals				
Residual dry matter				

3. Does Lessee/Agent have any comments/concerns they feel the Agency should address? Yes No

If yes, please specify below (attach any additional sheets as necessary):

By: _____
LESSEE/AGENT

Dated: _____

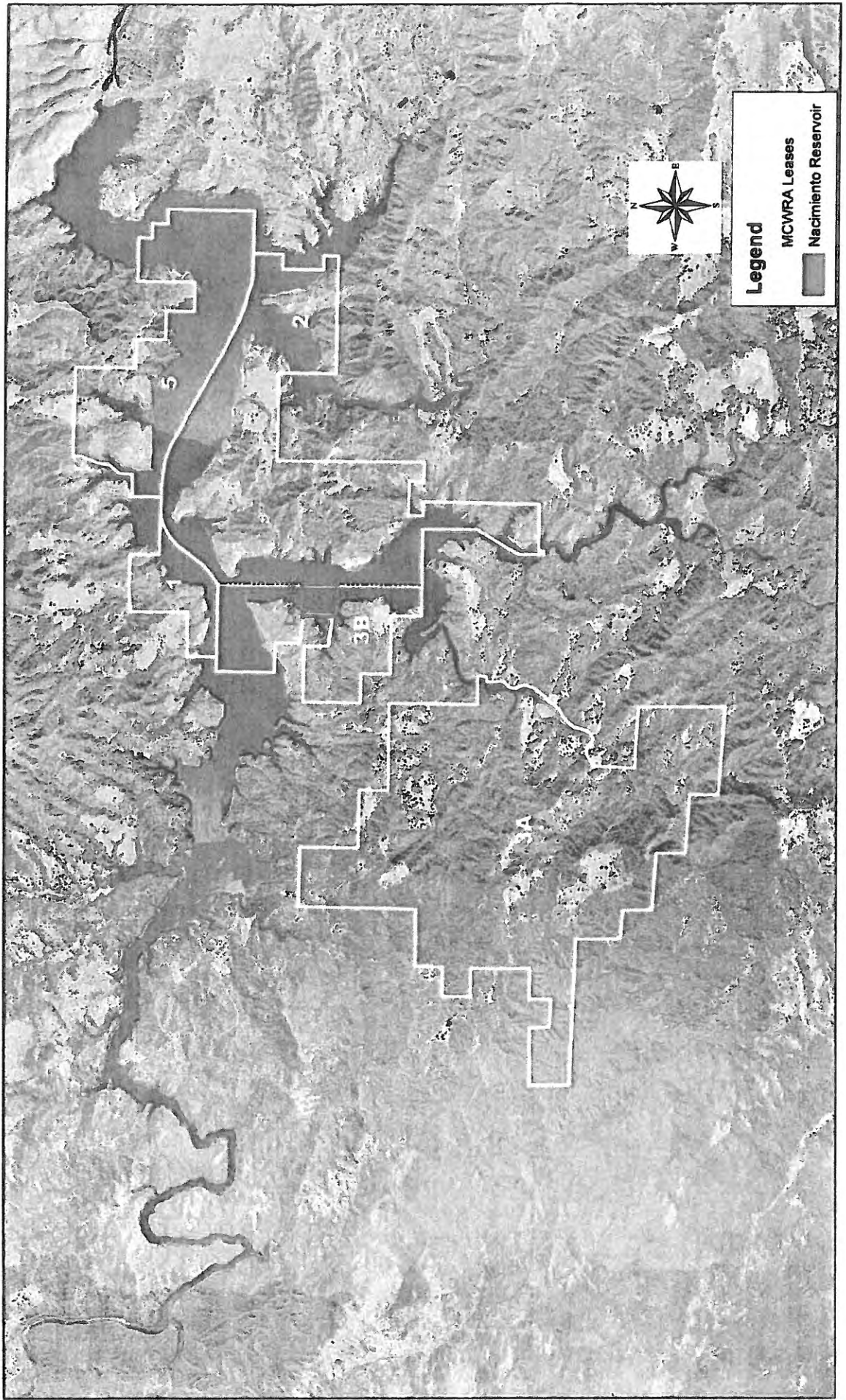
By: _____
AGENCY REPRESENTATIVE (NAME/TITLE)

Dated: _____

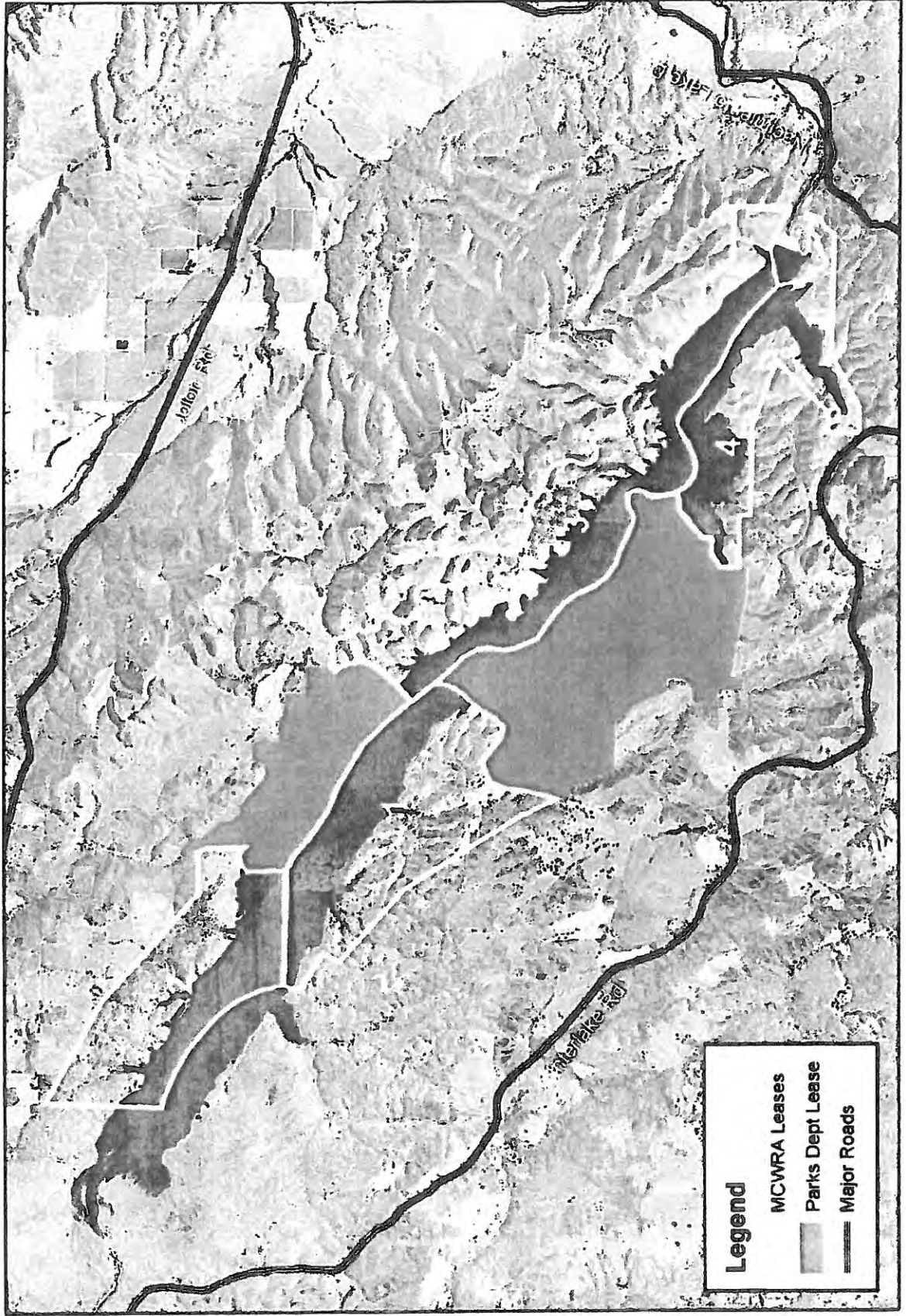
THIS SPACE IS FOR MONTEREY COUNTY WATER RESOURCES AGENCY ONLY

[Lessee's status info. i.e., whether they're delinquent on rent, etc.]

Nacimiento Reservoir Leases



San Antonio Reservoir Leases



**MONTEREY COUNTY WATER
RESOURCES AGENCY**

**STANDARD LEASE AGREEMENT
(General: Grazing)**



LEASED PREMISES:	APN-XXX-XXX-XXX
LESSEE:	<hr/> <hr/> <hr/> <hr/> <hr/>

**MONTEREY COUNTY WATER RESOURCES AGENCY
STANDARD LEASE AGREEMENT
(General: Grazing)**

PREAMBLE

This Lease ("Lease" or "Agreement") is made by and between the MONTEREY COUNTY WATER RESOURCES AGENCY, a public agency created pursuant to the Monterey County Water Resources Agency Act (Cal. Water Code, Appendix Chap. 52) ("LESSOR" or "Agency") and [LESSEE name], a(n) [form of business entity] _____ ("LESSEE"). LESSOR and LESSEE hereby agree as follows:

ARTICLE 1 - PREMISES

1.1 **Description:** LESSOR hereby leases to LESSEE and LESSEE hereby leases from LESSOR, upon the terms and conditions herein set forth, that certain real property and its appurtenances, situated at ___ APN-XXX-XXX-XXX ___ (the "Lease Site") and described as follows:

Grazing Lease Number [NAC-nn or SA-nn] __. The lease property is ___ acres.

See Exhibit A, Description of Premises.

1.2 **Items to be completed within ninety (90) days of Lease Commencement date:** Within ninety (90) days of the Lease Commencement Date, LESSEE, at LESSEE'S sole cost and expense, shall complete the Start-up Tasks (if any) identified in Exhibit B.

1.3 **Premises:** As the context dictates, the term "Premises" excludes land submerged by water.

ARTICLE 2 - TERM

2.1 **Lease Term:** The term of this Lease (the "Lease Term") shall be [seven (7)] years, commencing on _____, 20__ ("Lease Commencement Date"), and ending _____, 20__, subject to the termination provisions of this Lease Agreement.

ARTICLE 3 - RENT

3.1 **Rent:** LESSEE shall pay to LESSOR as rent each year the amount of \$_____. The annual rent for the first year shall be paid in full, on or before execution of this lease. The annual rent for each succeeding year shall be due and payable in advance, in full, on or before the immediately preceding July 31. The payment is to be made by LESSEE by check payable to the Monterey County Water Resources Agency (MCWRA), delivered in accordance with

instructions by MCWRA. A late payment penalty of ten (10) will accrue and shall be paid on any payment not made by LESSEE within thirty (30) days when due.

3.1.1 **Possessory interest tax; Initial Lease Administrative Charge:** An Initial Lease Administrative Charge (ILAC) calculated by the Agency Finance Department will be added to the rent. Rent will be re-calculated and increased annually according to cost of living provisions in this lease. In addition to such rent, LESSEE is responsible to separately pay the corresponding real property taxes and assessments (assessed by San Luis Obispo or Monterey County). LESSEE is advised that by entering into this lease a possessory interest may be created. The property interest if created may be subject to property taxation, and LESSEE may be subject to the payment of property taxes levied on the interest. The imposition or payment of such possessory interest tax shall not give rise to an entitlement on LESSEE's part to an off-set for any portion of the rent due and owing attributable to such possessory interest tax liability. LESSEE's failure to pay taxes constitutes a breach of this Agreement.

3.1.2 **No rent reduction during periods of reduced grazing:** There will be no reduction in rent during any period during which overgrazing restrictions, remedies, or protective measures are in force. It is LESSEE's responsibility to ensure that good range management practices are utilized at all times, including during drought as well as during normal and wet years, so as to avoid the need for LESSOR to direct reductions in the number of animals allowed on the premises or to direct other reductions in the use of the premises. All rent obligations shall remain in force, even in the event the herd is reduced to zero.

3.1.3 **Late charges:** LESSEE shall pay a late charge equal to 10% of the overdue amount, for any payments due from LESSEE to LESSOR under this Lease, for each successive 30-day period or portion thereof during which the amount due remains unpaid.

ARTICLE 4 – ANNUAL RENT ADJUSTMENT

4.1 **Adjusted rent:** At the end of each one-year pay period of the Lease Term the base rent (the rent in effect at the end of the immediately preceding one-year term of the lease, as adjusted by the cost of living index) shall be adjusted to reflect any increase in the Cost of Living Indexes for all urban consumers for the San Francisco-Oakland-San Jose area. The base rent shall be increased at the end of each year by the percentage increase in said index in the (12) calendar month period preceding such adjustment, based on the most recent publications of the index prior to the adjustment rate.

ARTICLE 5 - TERMINATION BY LESSOR

5.1 **Cause for Termination:** LESSOR may terminate this Lease for good cause upon sixty (60) days written notice. Good cause shall include non- payment of rent, non-payment of other fees and charges under this Agreement, breach of any provision of this Agreement, or breach of any rules or regulations governing the use of the Premises.

5.2 **LESSEE Obligations:** Such termination of the lease, re-entry of the premises, and/or occupation of the premises, shall not relieve LESSEE of the obligation to pay all rent, and late and

other charges as they are then due and unpaid, and shall not relieve LESSEE of the obligation to make any other payments under this Lease when due.

ARTICLE 6 - NOTICES

6.1 ***Written notices:*** All notices or correspondence provided for herein shall be effective when made in writing, personally delivered or deposited in the United States mail, sent certified, postage prepaid, and addressed as follows:

6.2 ***Service of notices:*** All notices, correspondence, or other written communication related to this Agreement shall be sent to the following:

LESSEE:

LESSOR:

David Chardavoyne
General Manager
Monterey County Water Resources Agency
Post Office Box 930
Salinas, CA 93902

6.3 Rent payments to LESSOR shall be directed to the Agency's Finance Manager at the address listed above.

6.4 Any notice or correspondence shall be deemed delivered upon personal delivery or five (5) days after notice is mailed. Correspondence other than notices may be given by phone, regular mail, email or facsimile. Any correspondence sent by facsimile shall also be sent by United States mail if requested by either party. By written notice to the other, either party may change its own mailing address or correspondence information.

6.5 LESSOR'S designated property management representative shall be available to LESSEE by phone during regular business hours, and for emergencies after hours and weekends. LESSOR or LESSOR'S designated property management company shall subscribe to a 24-hour, 7 days a week emergency answering service that maintains contact phone numbers of key personnel or maintenance/service companies in event of an emergency. **Emergency answering service phone number for LESSOR is (831) 796-1166.**

6.6 LESSEE shall be available to LESSOR, by phone during regular business hours, and for emergencies after hours and on weekends. LESSEE shall subscribe to a 24-hour, 7 days a week emergency answering service that maintains contact phone numbers of key personnel or maintenance/service companies in event of an emergency. **Emergency answering service phone number for LESSEE is (XXX) XXX-XXXX.**

ARTICLE 7 -IMPROVEMENTS BY TENANT

7.1 ***Fencing:*** Fencing shall be according to specifications approved by the Agency in writing prior

to commencement of construction.

7.1.1 **Stock Fencing:** LESSEE shall contain all stock within the premises by fences or suitable enclosures, or by providing riders. Regardless of the containment method used, LESSEE shall maintain all fences in a "stock tight" condition, and in accordance with Cal Agric Code §17121. "Stock tight" is defined as fences or other restraints of sufficient tensile strength and durability to prevent livestock from roaming at large. Fencing material and method of construction must be appropriate to local conditions and type of use. Fencing material, design, and method of construction must be approved by the General Manager in writing prior to construction. Where necessary to contain stock, LESSEE shall build new fences where none presently exists and shall repair or upgrade existing fences. The location of any new fencing shall be mutually agreed upon between LESSEE and LESSOR prior to any construction. LESSEE shall provide fencing around recreational facilities where needed to prevent stock from entering said recreational facilities.

7.1.2 **Fencing in Reservoir; No Inundation of Fencing:** LESSEE shall provide temporary fencing extending into the water at the shore of the reservoir to prevent movement of stock between adjacent properties when the water level in the reservoir recedes. For safety reasons, and when the water level is rising in the reservoir, LESSEE shall remove fencing before it is completely submerged. Fencing cannot extend farther than 10 feet into the water without written approval by the Agency. Any fencing in the water at any level must be identified by buoys or markers visible for a distance of 200 feet to anyone on the lake. New fencing to the maximum extent possible shall follow above the high-water mark in order to prevent stock contact with reservoir waters. **The provisions of this Section 7.1.2 are a material term of this agreement. Failure of LESSEE to comply with all terms of this provision constitutes cause and grounds for termination of this agreement.**

7.2 All improvements and construction of all types shall meet or exceed construction and uniform codes of the County of Monterey or San Luis Obispo. Where applicable, or where required by the Agency, improvements and construction shall meet other applicable codes and regulations, such as the health, environmental health, operations and regulatory requirements of the United States, State of California, and County of Monterey or County of San Luis Obispo.

7.3 In granting approval for any construction or work, Agency may impose special standards or conditions. Digging, excavation, piling or mounding of material such as earth, and the use of heavy equipment shall be approved in writing by the Agency beforehand. Operation of machinery and equipment shall be by trained and experienced operators who are licensed and adequately insured for that purpose.

7.4 **Reimbursement for improvements:** Certain tenant improvements are subject to limited reimbursement. To receive an eligible reimbursement, the proposed tenant improvements AND the maximum amount to be reimbursed must both be approved in writing by the General Manager and the Agency Board of Directors prior to the commencement of construction. The Agency may retain up to _____ percent, or such other amount as the parties may agree, of the amount to be reimbursed until the Agency performs a final inspection following termination of the lease and ensures that the tenant improvements remain on the premises and are in good condition, normal wear and tear

excepted. The amount to be reimbursed will be applied only to permanent improvements and will be calculated and distributed evenly over the remaining balance of the lease term.

Under no circumstances may tenant improvements be removed after installation or construction unless the General Manager authorizes removal in writing. Under no circumstances may Lessee deduct from, or take credit toward, rents any amounts relating to tenant improvements. The process for seeking pre-approval for improvements, verifying completion of improvements, and seeking reimbursement outlined in Exhibit D shall be followed.

ARTICLE 8 - NOTICE OF COMPLETION

If applicable, LESSEE is responsible to ensure that a properly prepared Notice of Completion is filed with the County Clerk-Recorder's Office on all construction work performed relating to this Lease. The Notice of Completion form is to be filed within ten (10) working days after the LESSOR and the LESSEE have concurred that the construction is complete. LESSEE shall forward a copy of the recorded Notice of Completion to LESSOR within five (5) days of recordation.

ARTICLE 9 - PUBLIC WORKS LAWS

Under Section 1720.2 of the California Labor Code, any construction contract to improve property owned or leased by the Agency may be considered a "public work" if certain conditions are met. If applicable, LESSEE shall comply with provisions of law governing public works including, without limitation, Labor Code sections 1773, 1773.2, 1773.3, 1773.8, 1775 (payment of prevailing wages), 1776 (payroll records), and 1777.5 (employment of apprentices), all as amended from time to time.

ARTICLE 10 - TIME LIMIT AND PRIOR TENANCY

It shall be LESSOR'S responsibility to remove any prior LESSEE in the Premises at LESSOR'S sole cost and expense.

ARTICLE 11 - USE

11.1 Use. LESSEE will use the premises only for the grazing of stock in conformity with the terms of this agreement. Reasonable overnight use to facilitate working with stock or to protect the premises may be permitted, provided that prior written approval is obtained from the General Manager, or designee.

11.1.1 Unless specifically permitted in this agreement, LESSEE will not use nor permit the use of any of the premises for any of the following:

a. Camping: including any overnight occupancy, (except as otherwise permitted herein) lighting of any campfires or other activities associated with camping, including but not limited to erecting of tents, campers or other temporary structures;

b. Sport Hunting: Hunting for sport is strictly prohibited on the property at all times. Depredation permits from the California Department of Fish and Wildlife are required for any hunting on the property under California Fish and Game Code §4181 et. seq. and 14 Cal. Code

Reg. §401(a) et. seq. LESSEE must request written approval from the General Manager prior to seeking or obtaining a depredation permit. Such approval shall not be unreasonably withheld. If granted, LESSEE must submit written proof of a valid depredation permit from the California Department of Fish and Wildlife to the LESSOR's General Manager. No hunting shall take place on the property prior to filing written verification of a validly issued depredation permit with the General Manager. The provisions of this Section 11.1.1 are a material term of this agreement.

c. Boating: including but not limited to installation of any ramp, dock, slip, or other such boating launch or mooring structures on the reservoir, or any;

d. Fishing: unless LESSEE is given prior written approval from the General Manager, no fishing is permitted in the reservoir from the premises.

11.1.2 The discharge or shooting of any firearm, including but not limited to rifles, handguns, pistols, crossbows, or other projectile weaponry are not be permitted on the premises at any time, for any purpose, except as permitted in writing by the General Manager under Article 11.1.1.

11.1.3 LESSEE's failure to comply with the provisions of Article 11.1 is grounds for immediate termination of this agreement.

11.2 **Construction, building, cutting timber:** LESSEE may not erect any permanent structures or improvements, or make alterations, on the Property without the prior written consent of Agency. LESSEE shall not cut or allow the cutting of any timber without the prior written consent of the Agency. LESSEE shall not remove or place soil, sand, rocks or gravel to or from the subject property without the prior written consent of the Agency.

11.3 **Clearing land:** LESSEE shall not clear any portion of the land, and shall not cut any standing trees on the land, without first obtaining the written consent of the MCWRA.

11.4 **Compliance with Laws:** LESSEE represents and warrants to LESSEE that any construction performed by, for or on behalf of LESSEE, and LESSEE's current and proposed uses, and the operation of the Premises are in full compliance with applicable building and seismic codes, environmental, zoning and land use laws, and other applicable local, state and federal laws, regulations and ordinances. LESSEE agrees to defend and indemnify LESSOR for any responsibility for any code violations or other deviations from applicable local, state and federal laws, regulations and ordinances related to LESSEE's use, operations or construction.

11.4.1 LESSEE must notify the General Manager of any communications or actions by or with any local, state, or federal law enforcement agency or authority pertaining to operations on the premises or any illegal activities that may have occurred on Agency property.

11.4.2 LESSEE must report to the General Manager any trespass or encroachment onto Agency property by an adjoining or neighbouring property owner as soon as LESSEE becomes aware of such activity.

11.5 **Hazardous Substances:** LESSOR shall have no liability or responsibility for toxic or hazardous materials or substances on the Premises which result from LESSEE'S acts or omissions, or which occur on property not owned and occupied by LESSOR. LESSEE will comply with all applicable laws concerning the handling and removal of any hazardous materials, including asbestos or polychlorinated biphenyl (PCB) containing materials. Nothing in this Lease shall be taken as LESSOR'S assumption of any duty or liability not otherwise imposed by law.

11.6 **Lease subject to recreational use of reservoir:** If any of the leased premises are inundated by the waters stored in the reservoir, LESSEE shall allow the boating public free access over the inundated portions of the premises. The boating public may also use the beaches immediately adjacent to the shoreline, during daylight hours, provided that LESSEE shall not provide overland access to those beaches. If recreational use interferes with LESSEE's use and enjoyment of the property, or for other good reason, LESSOR may post any beach on the premises as "off limits" to the general populace and post "No Trespassing" signs on such beach a distance of no less than fifty (50) feet from the shore at no cost to LESSEE. At LESSEE's request, LESSOR shall provide LESSEE with "No Trespassing" signs, at no cost to LESSEE, citing California Penal Code 602.

11.7 **Stock management:** LESSEE shall not suffer or permit stock, (especially bulls, or animals used to control stock) to harass or endanger persons or property. LESSEE shall remove any aggressive or dangerous animals from the premises, as soon as LESSEE learns or has reason to believe that those animals possess such tendencies.

11.8 **No waste, nuisance, or unlawful use:** LESSEE shall not commit or permit others to commit waste on the premises. LESSEE shall not maintain, commit, or permit the maintenance or commission of any nuisance on the premises as defined in Section 3479 of the California Civil Code. LESSEE shall not use or permit the use of the premises for any unlawful purpose.

ARTICLE 12 - SIGNS AND FIXTURES

12.1 **General Signs:** LESSEE shall not place signs or advertisements upon the Premises, except for directional, safety, or signs required by this Agreement or by applicable law. At the expiration of the term hereof or any renewal or extension of this Lease, LESSEE will remove said signs and will repair any damage caused by such removal.

12.2 **Grazing Livestock Notices:** LESSOR's General Manager will, at no cost to LESSEE, provide and replace signs regarding presence of grazing livestock in areas of public access. It shall be the responsibility of LESSEE to post and maintain all grazing signage and to notify LESSOR of any need for replacement signs.

12.3 **Gates:** LESSOR shall install and maintain its own separate gate locks for access to property and LESSEE shall at all times comply with 14 CCR Article 2, §1273.00 et. seq. regarding gate entrances for emergency access and egress under California Department of Forestry and Fire Protection State Responsibility Area regulations.

ARTICLE 13 – SERVICES, UTILITIES and RESERVOIR WATER

13.1 **Services and utilities:** Any services or utilities required for the uses and activities permitted by this agreement on the Premises shall be furnished and the cost borne by LESSEE. LESSEE shall notify LESSOR at least seven (7) days in advance of the installation of any services or utilities.

13.2 **Use of reservoir water:** Unless and except as expressly provided in this agreement, this Agreement does not authorize LESSEE to use water from the reservoir for any purpose, including without limitation, domestic, potable, farming, or similar purposes. LESSEE is authorized to use water properly conveyed from the reservoir for the purpose of watering livestock, subject to the following limitations: water will be used only for the number and kind of livestock authorized by this Agreement; the amount of water shall not exceed schedules or criteria prescribed by the Agency for the number and type of authorized livestock (i.e., per animal unit); water shall be conveyed away from the reservoir so as to avoid contact by livestock with the reservoir; method of conveyance shall be pre-approved by the General Manager in writing. In using reservoir water, LESSEE shall comply with the range management practices prescribed by this Agreement.

ARTICLE 14 - REPAIR AND MAINTENANCE

14.1 **Maintenance of property:** LESSEE shall use, operate and maintain the property in a safe, clean and orderly manner, and in compliance with all applicable laws, ordinances and regulations, and in compliance with the governing documents of LESSEE (if any exist, and are equally or more restrictive than applicable law).

14.2 **No LESSOR duty to maintain or repair:** Agency shall not have any obligation, during the term of this Agreement, to repair, restore, or maintain the subject property, except to the extent of any damage caused to the property by willful misconduct or negligent conduct of Agency.

14.3 **Mandatory Annual Report and Evaluation:** LESSEE's obligations are set forth in Exhibit E, Summary of Annual Report and Evaluation Meeting Duties. LESSEE's failure to meet its annual obligations is grounds for termination of this Lease.

14.3.1 **LESSOR Obligation with Annual reports:** LESSOR's General Manager shall provide LESSEE with written documentation regarding satisfaction of LESSEE's annual report and evaluation meeting obligations.

14.4 **Negligent Acts or Omissions of LESSEE:** Notwithstanding the foregoing, LESSEE will pay to LESSOR the reasonable cost of any repairs or maintenance to the extent required as a direct result of the negligence or willful misconduct of LESSEE.

14.5 **Failure of LESSEE to Make Repairs:** If LESSEE fails to maintain the Premises or to make the repairs required in this article within the time periods as specified in Article 23, LESSOR may perform such maintenance or make such repairs at its expense and at LESSOR's option, either invoice LESSEE for the costs of such repair or add the cost of such repairs to the upcoming rent due from LESSEE.

14.6 **LESSOR/LESSEE Obligations in Applying Noxious Substances:** *If applicable*, LESSEE shall not apply any substance as part of any building maintenance or repair which would introduce irritating or noxious odors or any other hazardous condition to occupied spaces with the Premises or the Common Areas without prior coordination and approval of LESSOR. Prior notification and approval shall be made at least 48 hours prior to the desired application time. Also, a Product Safety Data Sheet shall be furnished by the proposed applicator to the LESSOR. Examples of such substances or materials include, but are not limited to, the following:

- a. Termite Control Materials
- b. Pesticides
- c. Paint
- d. Water Treatment Chemicals
- e. Any other substance that is or could be construed as hazardous

14.7 **Pest control:** LESSEE will at the request of and no cost to LESSOR and in conformity with all applicable governmental regulations, trap and/or poison squirrels and/or noxious weeds, or take other appropriate steps to control the population of such pests.

14.8 **Roads:** LESSEE shall be responsible for, at a minimum, maintaining all roads in accordance with 14 CCR Article 2, §1273.00, et. seq., at all times.

ARTICLE 15 - INVASIVE SPECIES INSPECTION AND CONTROL MEASURES

[RESERVED]

ARTICLE 16 - SERVICE COMPANIES

[RESERVED]

ARTICLE 17 - CONDITION OF THE LEASED PROPERTY

17.1 **Opportunity to inspect:** LESSEE acknowledges that it has inspected the subject property and knows its condition and further acknowledges that the Agency has not, and does not, make any representation or warranty regarding the condition of the subject property.

17.2 **Erosion standards and control:** LESSEE will take an Agency-approved rangeland management class. LESSEE shall submit proof of completion of said rangeland management class to the LESSOR's General Manager, which must include a course on soil erosion standards and control.

17.3 **Overgrazing and Best Management Practices:**

17.3.1 LESSEE shall not suffer or permit the overgrazing of any portion of the premises. Overgrazing occurs when, in the opinion of LESSOR's General Manager, accessible forage has

been utilized to the extent where further grazing would be detrimental to the land or vegetative resources. LESSOR shall determine whether overgrazing has occurred using any method that fairly determines the amount of forage remaining on the premises or on any portion thereof. The decision by the General Manager that overgrazing has occurred shall be conclusive and final. In determining whether overgrazing has occurred, the General Manager may refer to standards set forth in Clawson, W. J., N. K. McDougald, and D. A. Duncan. 1982. Guidelines for residue management on annual range. University of California Division of Agriculture and Natural Resources, Leaflet 21327.

17.3.2 If the General Manager determines that overgrazing has occurred, the General Manager may take any or all of the following actions: the General Manager may direct that the stock be removed from all or part of the affected premises; may direct that the herd be reduced in number, even down to zero if necessary to protect the forage; and, if the General Manager directs that stock be removed from a portion of the premises, may direct that LESSEE install appropriate fencing or take other protective measures needed to keep the stock off the affected portion of the premises. In any event, if the General Manager determines that there remain on the premises or any portion thereof less than 600 pounds of residual dry matter per acre, the General Manager may direct that the number of stock on that portion of the premises be reduced to zero. LESSEE shall comply promptly with any such direction by the General Manager, and LESSEE shall continue to comply with such directions and any modifications thereof, until LESSEE receives written notification from the General Manager releasing such directions.

17.3.3 Ranch Plan: The LESSEE agrees to complete a Ranch Plan form provided by the Agency within one year of occupancy. LESSEE will work closely with LESSOR to complete and implement this plan, which will include Best Management Practices that are applicable for this lease. LESSEE shall complete and implement the Ranch Plan in order to meet LESSOR's Conservation Objectives and Goals.

17.3.4 The Conservation Goals and Objectives listed in Exhibit F provide the LESSOR's management objectives for these premises. All lessees must employ practices which are in accordance with these Goals and Objectives. Standard practices on all of the LESSOR's leases shall be to provide water for stock away from the reservoir's high-water mark.

ARTICLE 18 - MECHANICS' LIENS

18.1 Mechanic's Liens: LESSEE shall keep the Premises free from any liens arising out of any work performed by, materials furnished to, or obligations incurred by such LESSEE or on its behalf.

ARTICLE 19 - ASSIGNMENT AND SUBLETTING

LESSEE has no right to assign this Agreement to any party or entity, or in any manner sublease, transfer, or in any manner encumber, the subject property, without the prior written consent of the Agency.

ARTICLE 20 - ENTRY BY LESSOR

20.1 **Entry by LESSOR:** LESSOR shall, at all times during the term of this Agreement, have the right to enter upon and inspect the property for any purpose, including, but not limited to, assuring that the obligations of LESSEE, including those set forth in Articles 14 and 17, above, are met. LESSOR and LESSOR'S agents will give reasonable advance notice of entry (except in the case of emergency), and such entry shall be made in a reasonable manner and not unreasonably interfere with the conduct of LESSEE'S business.

20.2 **Entry by peace officers and LESSOR employees:** LESSEE agrees that Agency employees, Monterey County Park's employees, and any County, State, or Federal peace officer may enter the Property at any time to routinely patrol the property, investigate any crime, or for any other lawful purpose.

ARTICLE 21 - INSURANCE AND INDEMNIFICATION

21.1 **Insurance:** LESSEE shall, at all times during the term of this Agreement, maintain public liability and property damage insurance of at least \$2,000,000 per occurrence or if LESSEE requires aggregate no less than \$5,000,000 and property damage insurance of at least \$250,000 insuring against all liability of LESSEE and its authorized representatives arising out of and in connection with LESSEE'S use or occupancy of the Premises. LESSEE must also carry Auto liability of \$1,000,000 combined single limit. Such insurance shall name the AGENCY as an additional insured and is expressly intended to provide AGENCY with protection from third party property damage and bodily injury claims, and damage to AGENCY property, arising out of the use of the property. LESSEE shall provide proof of such insurance to the AGENCY annually, and upon AGENCY's request.

21.2. **Insurance for Grazing operations.** LESSEE shall acquire and maintain throughout the lease such insurance as required by Monterey County Risk Management Division. Without limiting LESSEE's duty to indemnify, LESSEE shall, at no cost to LESSOR, maintain in effect throughout the term of this agreement a policy or policies of insurance including meeting the requirements hereinafter set forth:

a. LESSEE shall maintain comprehensive general liability insurance, covering all of LESSEE's operations on the premises and LESSEE's use and occupancy of the premises with a combined single limit of not less than \$3,000,000.00;

b. Each policy shall be with a company authorized by law to transact insurance business in the State of California, and shall be written on an occurrence form;

c. Each policy shall provide that LESSOR shall be given notice in writing at least thirty (30) days in advance of any change, cancellation or non-renewal thereof;

d. Each policy shall provide an endorsement naming the LESSOR and the County of Monterey and their officers, agents and employees as additional insureds, and shall further provide that such insurance is primary and non-contributory to any other insurance maintained by the LESSOR or the County of Monterey.

e. Prior to the execution of this agreement by the LESSOR, LESSEE shall file certificates of insurance with the LESSOR's Risk Management Division, showing that LESSEE has in effect

the insurance required by this contract. LESSEE must submit a renewed certificate of insurance every year at the time annual rent payment is due. LESSEE shall file a new or amended certificate promptly after any change is made in any insurance policy which would alter the information on the certificate then on file.

21.3 Duty to defend and indemnify LESSOR from activities: LESSEE shall indemnify, defend, and hold harmless the AGENCY, the County of Monterey, their officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting from the following uses or activities on the lease premises:

- a. boats or other vehicles catching fire on the shore; and
- b. oil, gasoline, other fuel or contaminant, or any hazardous material spill or contamination on land or in the lake.

21.4 Duty to defend and indemnify LESSOR generally: LESSEE shall indemnify, defend, and hold harmless the AGENCY, the County of Monterey, their officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with the LESSEE's performance of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of the AGENCY. LESSEE's performance includes LESSEE's action or inaction and the action or inaction of LESSEE's officers, employees, agents and subcontractors.

ARTICLE 22 - DESTRUCTION

22.1 Destruction of property: If the Premises are totally destroyed by fire or other casualty, either party may terminate this Lease immediately by giving notice to the other party.

22.2 LESSOR termination for default: If LESSEE remains in occupancy of the Premises though partially destroyed, the rent for said Premises as herein provided, during restoration, shall be reduced by the same ratio as the usable square feet LESSEE is thus precluded from occupying, bears to the total rentable area in the Premises. For purposes of this Article, "usable area" shall not include public areas.

ARTICLE 23 - DEFAULT BY LESSEE

23.1 Default: If any of the following events occur, each such event shall constitute a material breach of this Lease, and LESSOR may, at LESSOR'S option, exercise any or all rights available to a LESSOR under the laws of the State of California:

- a. A default in the payment of rent or other obligation when such default continues for a period of thirty (30) days after written notice from LESSOR to LESSEE of such default, or

- b. LESSEE fails to faithfully perform or observe any other covenant or undertaking required under this Lease and such failure continues for a period of thirty (30) days after written notice thereof from LESSOR to LESSEE of such default or, if such default is not reasonably curable within such thirty (30) day period, LESSEE fails to commence to cure such default within such thirty (30) day period and thereafter diligently pursue such cure to completion, or
- c. LESSEE is adjudicated bankrupt, or
- d. LESSEE'S lease interest is sold under execution of judgment.

23.1.1 **Notice of default:** Notice of default is sufficient if it is in writing, identifies the act, omission, or condition that constitutes the default, and is served upon LESSEE in the manner provided by this Lease for the giving of notice.

23.1.2 **Prohibition against involuntary assignment:** Any involuntary assignment of LESSEE's interest in this lease shall constitute a default by LESSEE under this lease and shall give LESSOR the right to terminate this lease by giving written notice of termination to LESSEE or to LESSEE's successor or personal representative. For purposes of this section, "involuntary assignment" shall mean any of the following:

- a. The transfer of this lease or any interest in this lease by will or intestate succession on LESSEE's death;
- b. The appointment of a receiver, trustee, or other like official to take possession of substantially all of tenant's assets located at the premises or of LESSEE's interest in the lease, when possession is not restored to LESSEE within 45 days;
- c. The attachment, execution, or other judicial seizure of substantially all of LESSEE's property located at the premises or of LESSEE's interest in this lease, when such seizure is not discharged within 30 days;
- d. The making by LESSEE of any general assignment or general arrangement for the benefit of creditors;

23.2 **Remedies:** If LESSEE fails to cure a prospective default within the time frames outlined above, if any, LESSOR shall have the option to cure the default, if curable, or to terminate this Lease, in addition to any other remedies at law not inconsistent herewith. Should LESSOR elect to cure the default itself, all reasonable costs associated with such cure, including reasonable attorneys' fees (if any), shall be reimbursed by LESSEE to LESSOR, as additional rent, within thirty (30) days of receipt of LESSOR'S invoice for said costs.

23.3 **Termination following notice to cure:** In the event that LESSEE defaults under any provision of this Agreement the AGENCY may, if such default is not cured within 30 days following written notice given by the AGENCY to LESSEE, elect to terminate this Agreement. Such termination is effective upon the expiration of the 30 day cure period and a written "notice of election to terminate" being served upon LESSEE by the AGENCY.

Such election to terminate in no way absolves LESSEE from any obligations under this Agreement, including the payment of any rent then owing, or the obligation to return the property in

substantially similar condition to that at the effective date of this Agreement.

ARTICLE 24 - DEFAULT BY AGENCY

24.1 ***Default:*** LESSOR shall not be in default unless LESSOR fails to perform its obligations under this Lease within a reasonable time, but in no event later than thirty (30) days after written notice by LESSEE to LESSOR specifying wherein LESSOR has failed to perform such obligations. If the nature of LESSOR'S obligation is such that more than thirty (30) days are required for performance, then LESSOR shall not be in default if LESSOR commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion.

24.2 ***Remedies:*** If LESSOR fails to cure a prospective default within the time periods outlined above, LESSEE shall have the option to cure the default or to terminate this Lease, in addition to any other remedies at law not inconsistent herewith. Should LESSEE elect to cure the default itself, all reasonable costs associated with such cure, including reasonable attorneys' fees (if any), shall be reimbursed by LESSOR to LESSEE within thirty (30) days of receipt of LESSEE'S invoice for said costs.

ARTICLE 25 - CONDEMNATION

If the Premises are taken or condemned for a public or quasi-public use, or the part taken renders the entire Premises insufficient for grazing operations, then this Lease shall terminate at the option of LESSEE as of the date title shall vest in the condemnor. If only part of the Premises is taken and the remainder of the Premises is sufficient for the conduct of LESSEE'S grazing operations, then the Lease shall continue as to the part not taken, but the monthly rent shall be reduced in the proportion that the rentable area of the Premises taken bears to the rentable area of the Premises before the taking.

ARTICLE 26 - HOLDING OVER

If LESSEE remains in possession of the Premises after the Lease Term or any Extended Term, this Lease shall automatically be extended on a month-to-month basis at the monthly rent applicable to the last month of the Lease Term, subject to termination upon sixty (60) days' written notice by either party. During such holdover period, the cost of living increases provided by this Lease shall be applied to rent. All other terms and conditions shall remain in full force and effect.

ARTICLE 27 - WAIVER

The waiver by LESSOR or LESSEE of any term, covenant or condition herein contained shall not be deemed to be a waiver of any other term, covenant or condition of this agreement

ARTICLE 28 - QUIET POSSESSION

LESSEE shall at all times during the term of this Lease peaceably and quietly have, hold and enjoy the Premises, without suit, trouble or hindrance from LESSOR or any person claiming under LESSOR, subject to the terms of this Lease.

ARTICLE 29 - ESTOPPEL CERTIFICATE

Within thirty (30) days of written notice by one party to the other, each will execute, acknowledge and deliver to the other an estoppel certificate in writing declaring any modifications, defaults or advance payments and whether the lease, as may be modified, is in full force and effect. Any such certificate may be conclusively relied upon for the intended transaction for which the statement was requested.

ARTICLE 30 - MISCELLANEOUS PROVISIONS

30.1 **Amendment; Waiver:** This Lease may be amended or modified only by an instrument in writing signed by LESSEE and LESSOR. Any waiver of any term or condition of this Lease must be in writing and signed by LESSEE and LESSOR.

30.2 **Time is of the Essence:** Time is of the essence as to each and every provision of this Lease.

30.3 **Binding Effect:** Subject to any provision hereof restricting assignment or subletting by LESSEE, this Lease shall bind the parties, their personal representatives, successors, and assigns.

30.4 **Invalidity:** The invalidity of any provision of this Lease as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision hereof.

30.5 **Authority:** Any individual executing this lease on behalf of LESSEE or LESSOR represents and warrants hereby that he or she has the requisite authority to enter into this Lease on behalf of such party and to bind the party to the terms and conditions of this Lease.

30.6 **Interpretation of Conflicting Provisions:** In the event of any conflict or inconsistency between the provisions of this Lease and the provisions of any addendum or exhibit attached hereto, the provisions of this Lease shall prevail and control.

30.7 **Integration:** This Lease, including the exhibits and addenda, represents the entire agreement between LESSEE and LESSOR with respect to the subject matter of this Lease and shall supersede all prior negotiations, representations or agreements, either written or oral, between LESSEE and LESSOR as of the effective date of this Lease, which is the date that LESSOR signs this Lease.

30.8 **Successors and Assigns:** This Lease and the rights, privileges, duties, and obligations of

LESSEE and LESSOR under this lease, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successor, representatives, assigns, and heirs.

30.9 **Headings:** The headings in this lease are for convenience only and shall not be used to interpret the terms of this Lease.

30.10 **Governing Law:** This Lease shall be governed by and interpreted under the laws of the State of California.

30.11 **Construction of Lease:** LESSEE and LESSOR agree that each party has fully participated in the review and revision of this Lease and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this lease or any amendment to this Lease. The parties agree that they have been afforded an opportunity to have this Agreement reviewed by counsel of their choice. In interpreting this Agreement there shall be no presumption based upon the authorship of this Agreement.

30.12 **Counterparts:** This Lease may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Lease.

30.13 **Disputes; consultations by parties:** In the event that any problem or issue arises with respect to the implementation or interpretation of the Agreement, the parties mutually agree to meet at the request of either of them to discuss and resolve the issue. In such event, the general manager of LESSEE will meet with the General Manager of AGENCY or his/her designee to reach a mutually satisfactory and reasonable conclusion.

If the parties cannot resolve the dispute pursuant to the preceding paragraph above, the Parties agree to mediate any disagreements in good faith. Should either Party determine the dispute cannot be resolved in mediation, it is agreed that the dispute may be resolved in a court of law competent to hear the matter.

30.14 **LESSOR's lease administrator.** LESSOR's General Manager, or designee, (herein referred to as "General Manager") shall act as the lease administrator for LESSOR.

ARTICLE 31 – LESSEE FEES AND EXPENSES

In addition to any other rates, rents, charges, cost of living increases or other fees and expenses otherwise provided for in this Agreement, LESSEE agrees to pay, upon invoice or demand, those costs, fees and expenses provided for in Exhibit C to this Agreement, or as may be provided for by a schedule of fees and expenses adopted by the Agency from time to time.

ARTICLE 32 – PROPERTY TAX EXEMPTION

[Reserved]

LESSOR: MONTEREY COUNTY WATER RESOURCES AGENCY

APPROVED AS TO FORM:

Charles J. McKee, County Counsel

By: _____

By: _____

David E. Chardavoyne

Jesse J. Avila

Title: General Manager

Title: Deputy County Counsel

Date: _____

Date: _____

APPROVED AS TO FISCAL PROVISIONS: (County Auditor/Controller)

APPROVED AS TO LIABILITY PROVISIONS: (Risk Management)

By: _____

By: _____

Name: _____

Name: _____

Title: Auditor-Controller

Title: _____

Date: _____

Date: _____

LESSEE: _____

By: _____

By: _____

Name: _____

Name: _____

Date: _____

Date: _____

Attachments

- A. Description of Premises
- B. Start-up Tasks
- C. Schedule of Fees and Expenses
- D. Improvements: Pre-Approval, Verification and Reimbursement
- E. Summary of Annual Report and Evaluation Meeting Duties
- F. Conservation Goals & Objectives
- G. General Conditions
- H. Special Conditions

EXHIBIT A

DESCRIPTION OF PREMISES

Within those portions of property owned by the MONTEREY COUNTY WATER RESOURCES AGENCY adjacent to the NACIMIENTO RESERVOIR; the southern half of the Northwest ¼ of the Northwest ¼ of Township 25 South, Range 10 East, Section 28, all within San Luis Obispo County or Monterey County as shown on the Exhibit "A" map on file in the office of said MONTEREY COUNTY WATER RESOURCES AGENCY, Post Office Box 930, Salinas, California, 93902.

PARCEL _____ Contains approximately _____ acres above the high water line and _____ acres below the highwater line.

In case of a discrepancy between words and figures, the words shall prevail.

- Legal Description**
- Common Description or address**
- Existing facilities, structures, improvements**
- Natural features**
- Vicinity Map**
- Site Plan/ Plot Plan**

EXHIBIT B

START-UP TASKS

- a. _____
- b. _____
- c. _____
- d. _____
- e. _____

EXHIBIT C

SCHEDULE OF FEES AND EXPENSES

Name	Purpose	Amount/Rate
<i>Initial Lease Administration Charge</i> (ILAC—one time)	Administer the lease by periodic field inspections and yearly document review.	Flat: \$10,500.00 (payable over the lease term)
<i>Follow-up/ Compliance Inspection Fee</i> (Compliance)	Triggered by deficiencies such as untimely or inadequate Lessee reporting, document compliance; follow-up from annual field inspection.	Flat fee: \$600.00 per incident <u>Hours-Position:</u> 1- Attorney 3- Lease/ contract administrator 2- Field inspection / Technician
<i>Late Charge</i>	Assessed on balances 30 days after they come due, unless a different time is specified.	Ten percent (10%) of the Annual Lease
<i>Lease Violation (Breach) Administrative Penalty</i> (LVAP)	A contractual penalty assessed when certain breaches of lease occur: e.g., escaped cows; unauthorized improvements & booms; illegal dumping; runaway vessels; pollution; encroachment; allowing access to/for unauthorized tenants & uses.	First breach: \$250.00 Second breach: \$500.00 Third and subsequent breaches: \$1,000.00
<i>Property Clean-Up Fee</i>	Fee for clean-up, such as pollution, dumping, abandoned Property	Actual costs, plus ten percent (10%) Administrative Fee

ALL FEES AND CHARGES ARE SEPARATE AND CUMULATIVE

EXHIBIT D

**IMPROVEMENTS: PRE-APPROVAL, VERIFICATION OF COMPLETION,
REIMBURSEMENT PROCESS**

1. Construction Plan submitted to Agency General Manager with request that some or all costs be reimbursed. The Construction Plan must include:
 - a. A complete list of all estimated costs for materials and labor to complete the project;
 - b. Any permits required and whether any other agency approval is needed in order to complete the project;
 - c. Start and completion dates for the project;
 - d. Any annual maintenance costs needed after the project is completed.
2. Agency General Manager reviews, plans and approves or okays with conditions or modifications or rejection in whole or in part. General Manager's decision is in writing;
3. Lessor completion improvements and submission to General Manager as-built drawings and Notice of Occupancy/completion.
4. Board of Directors approves or denies Construction Plan as submitted by Lessee, after General Manager review;

EXHIBIT E

SUMMARY OF ANNUAL REPORT AND EVALUATION MEETING DUTIES

The Agency General Manager or designee shall conduct an annual on-site inspection and evaluation of the leased premises to determine the status of livestock operations and checking compliance with conditions of the Lease.

Lessee will be given at least 30 days notice of the scheduled inspection and evaluation date and time. Agency shall meet with the LESSEE or his designee as part of the evaluation. The meeting may be conducted via telephone conference, if Lessee makes a reasonable timely request.

One week prior to the evaluation, Lessee must submit evidence of:

1. Timely and current payment of rental and other charges and fees;
2. Certificate of current required insurance coverages; and
3. Written self-assessment report.

Failure to meet any of these obligations is grounds for termination of the lease agreement.

EXHIBIT F

CONSERVATION GOALS AND OBJECTIVES

1. Protect the Water Quality and Quantity of Reservoirs. A goal of the Agency is to eliminate access by cattle to reservoir waters as soon as practicable.
2. Minimization of fire hazards through vegetative fuel management and responsible livestock management.
3. Preservation of open space for recreation, scenic beauty and education, and preservation of native plants and animals, and biotic communities; all or portions of the Agency Land, including the Premises, may be made open to the public subject to reasonable restrictions determined by Landlord.
4. Maintenance of rich and productive grassland and oak woodland communities with healthy populations of rare, threatened or endangered vertebrates, significant native grasses, and for components and minimal exotic pest plants.
5. Restoration of degraded vegetation and wildlife habitat.
6. Maintenance of livestock distribution over the Premises, to achieve uniform range utilization, reduce overall fire hazard, minimize sacrifice forage areas and meet conservation objectives.
7. A key requirement for any lease will be the completion of a ranch plan within one year of execution of a contract which will lay out specific measures that will be used on each lease to protect the water quality and quantity of the reservoirs.

EXHIBIT G

SPECIAL CONDITIONS

As to Grazing Lease SA- 2:

SC 1. **Special Events:** LESSOR reserves the right to temporarily, and with prior sixty (60) day written notice to LESSEE, sublease any unused portion of the property for third-party use for special events.

As to Grazing Lease NAC- 3A:

SC 2. **Termination due to Sale:** In the event that LESSOR sells the property, LESSOR may terminate this lease with sixty (60) day written notice to LESSEE.

EXHIBIT H

GENERAL CONDITIONS

As to ALL Grazing Leases the following General Conditions apply. LESSEE is required to be familiar with, and implement the requirements of, the most recent version of the statutes, regulations and policies listed below.

- GC 1. Ranching Sustainability Self-Assessment (RSA) (completion of self-assessment with 12 months of lease commencement)**
- GC 2. Notices (posting, placement, content)**
- GC 3. Fish and Game Code Sections 1801, 1802, 4181, and 4181.1**
- GC 4. Guidelines for Wild Pig Depredation**
- GC 5. Options for California Livestock Producers to Discourage Wolf Presence and Guidance for Suspected Wolf Depredation**
- GC 6. Human/Wildlife Interactions in California: Mountain Lion Depredation, Public Safety, and Animal Welfare**
- GC 7. Cal. Code of Regulations § 400. Deer Depredation Hunts**
- GC 8. Cal. Code of Regulations § 401. Issuance of Permit to Take Animals Causing Damage**
- GC 9. Cal. Code of Regulations § 402. Issuance of Permits to Kill Mountain Lion Causing Damage**
- GC 10. States' Fence Laws State of California**
- GC 11. Cal. Agric. Code §§ 16901 to 16909, §§ 17001 to 17153, and Cal. Pub. Util. Code §§ 7626 to 7631**
- GC 12. California Board of Forestry and Fire Protection SRA Fire Safe Regulations**
- GC 13. San Luis Obispo County Department of Public Works & Transportation, 2011 Public Improvement Standards**