

# MONTEREY COUNTY

## WATER RESOURCES AGENCY

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September 20, 2017

### **ATTENTION:**

Monterey County Water Resources Agency  
Project No. 17-001, Bid Package No. 17-001 (Cattle Lease)  
Prospective Bidders  
Response No. 2 to Questions  
Addendum No. 2

	QUESTIONS	RESPONSES
#2	Can you give us the acreage for the Naci and San Antonio Leases.	Question answered with Addendum #1 on 9/18/17
#3	On the minimum bid schedule I did a comparison to the 2010 approved bid for the contract. Was there a certain formula used in coming up with the min. bids? There is a rather large difference in San Antonio Parcel 1 and 2 min. bid compared to rest of San Antonio and Naci. Parcel 1 is 4,125 higher and Parcel 2 is 4,050 higher. All others are 2,250 or less. (See attached)	Minimum bids are based on the land value plus the Administrative Fee.
#4	On Lake San Antonio Leases how will the each lessee or new lessee keep their cattle separated now that the natural boundaries on 1 & 2 are gone and leaving on 1 & 3 If new lease holders come in will this be taken care of before new cattle are brought in and at whose cost?	Lessee is required to maintain stock tight fences at all times and at Lessee's cost.
#5	The Initial Lease administration Charge of a flat rate of \$10,500 (payable over lease term \$1,750) is this on top of the annual rent payment plus the unsecured property taxes?	The Administrative Fee is included in the minimum bid, all property taxes are additional.
#6	What is the proposed estimate of taxes?	Unknown.
#7	What is the proposed estimate of cost of living increase?	It is set by the Consumer Price Index.
#8	Do we need to fill out separate bid packets if we intend to bid on more than one lease or will it be like prior years which has been as long as you qualified to bid you could bid on any lease the day of the public auction?	As long as you are qualified to bid, you may bid on any/all leases.

#9	Whereby my husband and I are not bidders on this project, I do see common interest in protecting water quality and our environment. We live and work on the Carrizo Ranch in the Carissa Plains. The Carrizo Ranch is a 30,000 acre working cattle ranch. Proper management of our grazing range, protecting water quality and our environment is of utmost importance to the health and well being of our livestock. Please take a moment to review our website, <a href="http://www.watergapsaver.com">www.watergapsaver.com</a> . My husband invented this innovative easy to use product, to allow water gap fencing to rise above debris washed down by storms during the rainy season. As small as it is, it's impact on the environment is huge! As well as it being a major time saver and money saver! Please take the time to check out our website, I promise you have never seen another product out there that does what the Water Gap Saver does!	Response unnecessary.
#10	Regarding Reservoir Lease NAC-4: There was no detailed information on this lease in the packet. If possible, how do I obtain the location, acreage, etc.	Nacimiento Lease 4 is being separately negotiated for legal reasons.
#11	Also, could you explain "To Negotiate" as listed on the lease bid information.	See Response #9
#12	Exhibit C, page 21, Schedule of Fees and Expenses: Under Initial Lease Administration Charge, the Amount/Rate is shown as "Flat: \$10,500.00 (payable over the lease term). Is this fee in addition to the cost of the lease?	See Response #4
#13	Was the legal access to Nacimiento Lease #1 determined prior to distribution of the lease packets? If so, would you please explain that access?	MCWRA has a legal access to Nacimiento Lease #1 via SLO Co. Road 22
#14	I was wondering if there is a page that describes each lease as to acres and maybe a ball park from the past as to how many head they can run on each one . I looked through the packet on the internet didn't see any thing on the acres of each lease.	See Addendum #1, 9/18/17. Number of cattle is subject to grazing criteria in bid packet.
#15	I was wondering if there was more info on these leases like duration of the lease, how many acres, and if there were ever long term deals granted	Bid packet defines lease duration. For acreage, see Addendum #1, 9/18/17
#16	How much are the property taxes on lease 3A & 3B and how many acres are included in that lease?	See Response # 5 and see Addendum #1, 9/18/17.
#17	Why are the rental amounts tied to the cost of living index in San Francisco, Oakland and San Jose, which don't seem to have anything to do with the rural area we live in?	All County of Monterey Leases/Contracts are tied to the San Francisco, Oakland, and San Jose Consumer Price Index.

#18	What are MCWRA's specifications for fencing and are you going to come out and identify where the boundary fences, that were destroyed by the Chimney Fire, should be located.	Lessee must submit a fence proposal following specifications in the bid packet. MCWRA will review, adjust, and approve as necessary.
#19	What are the limited reimbursement rates for fencing and what percentage will be withheld until the end of the lease term.	See Responses #4
#20	What does exhibit D pertain to: fencing, working corrals, panels, watering facilities? Does this work have to be done at prevailing wage?	See Section 7.4 of the lease. For desirable improvements, if you seek reimbursement, prevailing wage must be paid.
#21	What does road maintenance entail? On lease 3A & 3B there are miles of roads that are maintained by the South Nacimiento Road Association, are we going to be expected to take over this maintenance or to pay the annual dues to SNRA? What other roads have to be maintained.	Road maintenance entails roads within the lease area following BMPs for grazing land. SRNA maintains South Nacimiento Road.
#22	Is lease 3A for sale? If so, is it going to be offered to the public or do you already have someone who has made an offer?	Nacimiento Lease 3A is not for sale at this time.
#23	I am a little curious as to why the present lease holder has not had to put in stock tight fencing on Lease 3A as it has been over a year since the fire and he has cattle on the lease along with many adjoining properties. Seems odd that you allow this and are stating that whoever gets this lease will have to put in that fencing immediately.	Response unnecessary.
#24	several questions regarding 3a and 3b lease. What is the acreage of leases 3a and 3b?	See Addendum #1, 9/18/17.
#25	What is property tax cost for the leases?	See Response # 5 and see Addendum #1, 9/18/17.
#26	Is the property for sale? There is a section in the lease that explains about sale of property and 60 day notice to move. how will this effect moneys spent for improvements made to fence and other systems if this happens the first few years.	Nacimiento Lease 3A & 3B are not for sale at this time. Property would be sold subject to the lease or a negotiated termination of the lease. Only improvements that are pre-approved for reimbursement are eligible.
#27	How will it work if all Fencing upgrades to lease are done which is allot of money. Then the lease sells and we get 60 noticed. will we be reimbursed for work performed?	See Response #26

#28	What is the percentage reimbursement for work performed? as stated in contract. What is the reimbursement percentage of work performed. There is miles of fence that has been damaged in the fire and miles that has not been maintained in the recent years. How will this be addressed.	See Response #26. Reimbursement may be negotiated.
#29	Road maintenance is this for all roads on lease or just dirt roads? How with this work since this lease has many other parties that are using the road. There are multiple paved roads and different associations that use and maintain these roads. Which roads are referred to and at what level of maintenance?	See Response #21
#30	Work performed must go through a comity? How does this work if water line needs immediate attention or a tree breaks a fence down and cattle are getting out. It describes that all work done be approved by comity. Does this include fence repairs water supply repairs and standard daily repairs that could be unforeseen. If so this could take some time if cattle are getting out or water supply is damaged and all repairs must happen ASAP.	Not all work needs to go through a committee. Routine maintenance and repair work must be completed in a timely manner.
#31	It also states that any work performed must be done under the Labor law which requires pay to be prevailing wage does this pertain to fence and any basic ranch improvements?	Any work performed that is paid for or reimbursed with public funds requires prevailing wage.
#32	In some areas of the lease water must be pumped for livestock water. How will this work if water can not be used for livestock water?	Lessee must propose livestock water system for review and approval by MCWRA.
#33	I had a few questions regarding the leases, and in particular 3A at Nacimiento. There is a provision for the sale of this property - is it currently being marketed? Or could it just be potentially sold?	See Response #22.
#34	I believe there was quite a bit of perimeter fencing lost due to fire - what would the lessee's responsibility be for this? Any estimate on replacement cost of said fencing?	We have no estimates. It depends on the type of stock tight fence proposed.
#35	If lessee is responsible for replacing fence and water lines at an initial cost, what happens if property is sold? Can those costs be recovered?	See Response # 18 & 26.
#36	Are there any water systems installed on 3A? Or a source of water other than lake to use to create water system. I will be visiting the property with Tom next week, but I don't recall seeing any.	No, there are no installed systems. The lake is the water source. Lessee can propose alternative system for review and approval by MCWRA.
#37	What are the acreages of all the leases?	question answered with Addendum #1 on 9/18/17

#38	I am curious how the minimum bid amounts were derived? In all the years that my late husband and I had Nacimiento 3A & 3B, we were told that the objective of the county was not to make money on the leases, but to assure that they could have cattle grazing the areas around the lakes to maintain a healthy watershed and keep the fire danger down, without overgrazing. On the other hand, it is the cattleman's objective to be able to make some profit on these leases. If the total cost, which includes rent, added on fees, supplement feed, improvements (water systems, fencing) to name a few, is too high, then they will have to bring in more cattle than the land can sustain or not lease the land at all. When I did my ranch plan on this lease, the total usable acreage was approximately 2,682+/- acres. I know that after the Chimney Fire that has increased some, but as the brush comes back the grazeable acreage will decrease again.	Response unnecessary.
#39	Also, was the acreage for lease Nacimiento 4 deducted from 3A & 3B?	Nacimiento Lease 4 acreage is not included in Lease 3A & 3B.
#40	My next major concern is the possibility of 3A selling. If I were to be a successful bidder on this lease and put out the money to do the necessary fencing and then go out and purchase cattle to stock it, a 60 day notice to vacate would be devastating.	See Response #22
#41	My other concern with the sale of this lease is my proximity to the lease and who would be buying it and for what purpose. If someone is considering purchasing it to subdivide or use for vineyards or marijuana planting, I would want to know. Just because you know longer would own the property, it would still be watershed for the lake and I am afraid any of those uses would be detrimental to the health of Lake Nacimiento.	Response unnecessary.
#42	Just curious is too any fencing that got burn in the chimney Fire last year if it has been replaced or if it will need to be and too who is responsible for it.	See Responses #4 and #18
#43	We received a call from the person listed below. She would like to know if individuals (prospective grazing lease bidders) can view the lease areas in person? She would like to view Nacimiento lease area #1 and maybe others.	MCWRA is not conducting walk throughs. If perspective bidders have alternative legal access, they may do so.
#44	will deadline be extended ?	No
#45	will postmarks be accepted?	No, deadlines are defined in the bid packet.

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Deputy General Manager