

**MEMORANDUM
DEPARTMENT OF FACILITY SERVICES
COUNTY OF PLACER**

To: **BOARD OF SUPERVISORS**

Date: **OCTOBER 2, 2007**

From:  **JAMES DURFEE / ALBERT RICHIE** 

Subject: **LEASE AGREEMENT – SHERIDAN IRRIGATION FIELD**

ACTION REQUESTED / RECOMMENDATION: Adopt a Resolution delegating authority to the Director of Facility Services to complete negotiations for a new Lease Agreement between the County of Placer and Mary Louise Morrison for the County's use of pastureland for irrigation with reclaimed wastewater; and authorize the Director of Facility Services, or his designee, to execute this Lease Agreement on behalf of your Board contingent upon approval by Risk Management and County Counsel.

BACKGROUND: The Environmental Engineering Division of Facility Services operates the Sheridan wastewater treatment and disposal system through CSA No. 28, Zone of Benefit No. 6. For the last thirty years, wastewater from the town has been treated in stabilization ponds and sprayed on pastureland for disposal. Since the beginning of this operation, a portion of that water is sprayed on County-owned land and for the last thirteen years the remainder has been sprayed on 5.4 acres of private land owned by Ms. Morrison.

In order to maintain regulatory compliance with the State Regional Water Quality Control Board, the County has been required to make improvements to the system including the construction of additional holding ponds. This has precipitated the need for an increase in the size of the spray field. A lease of additional land from Ms. Morrison will facilitate Environmental Engineering's analysis of any future improvements necessary to expand the disposal operations. Environmental analysis will be conducted concurrently with project design, and presented to your Board for approval prior to expansion of the spray field.

To this end, the County and Ms. Morrison have agreed to the attached Material Terms for a new Lease Agreement that will increase the leased land to 19 acres. This Agreement provides for a ten year term with two three-year options exercisable upon mutual agreement. The Lease Agreement will commence on November 1, 2007 at the annual rental rate of \$9,448, which will be adjusted annually using the C.P.I. Index. The County will be given First Right of Refusal to purchase the subject property if the Landlord and/or heirs choose to sell the property.

ENVIRONMENTAL CLEARANCE: Approval of this Lease Agreement is Categorically Exempt from the California Environmental Quality Act pursuant to Section 15301 "Existing Facilities" that provides for the leasing of property when no expansion of use will occur. Expansion of the spray field is subject to separate permitting and environmental review.

FISCAL IMPACT: Sufficient funding for this lease is included in the Fiscal Year 2007/2008 CSA 28, Zone of Benefit No. 6, Sheridan Sewer, Water and Street Light budget.

JD:AR:MR:mm

ATTACHMENTS: MATERIAL TERMS
RESOLUTION

cc: COUNTY EXECUTIVE OFFICE
ENVIRONMENTAL ENGINEERING

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**SUMMARY OF MATERIAL TERMS
PROPERTY LEASE
ENVIRONMENTAL ENGINEERING - WASTE WATER TREATMENT
5415 RANCH HOUSE ROAD, SHERIDAN, CA
October 2, 2007**

Parties: County of Placer and Mary Louise Morrison, Trustee (Landlord).

Use: The County of Placer's Environmental Engineering Department shall use this premises for the aeration and disposal of treated domestic wastewater from the County's adjacent wastewater treatment plant.

Property: Approximately 19 acres, located at 5415 Ranch House Road, Sheridan, CA; and also known as a portion of APN 019-250-023 (Premises).

Term: Ten year (10) initial Term, to commence on November 1, 2007.

Options: Two, 3-year options to renew at Landlord and County's mutual agreement.

Base Rent: Annual rent for the Premises will commence will commence at \$9,448.

Rent Increase: Base Rent will be adjusted by the CPI, with a maximum 5% and minimum 3% increase.

Utility Access: Landlord will allow the County to install and maintain a temporary utility service, which traverses Landlord's property adjacent to the Premises.

Extinguishment of Existing Lease Agreement:

With the execution of this Lease Agreement, the existing Lease Agreement #11591 with the Landlord for approximately 5.4 acres shall be extinguished, and that premises shall be incorporated into the new Lease Agreement.

First Right of Refusal:

If Landlord and/or heirs decide to sell the property, County shall have first right of refusal.

Before the Board of Supervisors County of Placer, State of California

In the matter of: A Resolution delegating authority to the Director of Facility Services to take various actions associated with a new Lease Agreement between the County of Placer and Mary Louise Morrison for land in Sheridan.

Resol. No: _____

The following **RESOLUTION** was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held _____, by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chairman,
Board of Supervisors

Attest: Clerk of said Board

WHEREAS, the Environmental Engineering Division of Facility Services has operated the Sheridan wastewater treatment and disposal system through CSA No. 28, Zone No. 6; and

WHEREAS, for the last thirteen years a portion of the reclaimed wastewater has been sprayed on 5.4 acres of private land that the County has leased from Mary Louise Morrison; and

WHEREAS, in order to maintain regulatory compliance with the State Regional Water Quality Control Board, it is necessary to secure additional property to facilitate an increase in the acreage of the spray field on the Morrison property for the disposal of reclaimed wastewater; and

WHEREAS, the Landlord and the County have agreed to a new Lease Agreement that will increase the available acreage for the spray field to a total of 19 acres; and

NOW, THEREFORE, BE IT RESOLVED, that the Placer County Board of Supervisors does hereby delegate authority to the Director of Facility Services to complete the Lease negotiations and authorize the Director of Facility Services, or his designee, to execute the Lease Agreement contingent upon approval by Risk Management and County Counsel.

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