

City of  
**FRESNO**  
Department of Public Utilities  
Memorandum

**DATE:** August 19, 2019

**TO:** Michael Carbajal, Director  
Department of Public Utilities

**THROUGH:** Brian S. Spindor, PE<sup>(WA)</sup>, Assistant Director  
Department of Public Utilities, Wastewater Management Division

**FROM:** Rosa Lau-Staggs, Wastewater Manager  
Department of Public Utilities, Wastewater Management Division

**SUBJECT:** LEASEHOLD VALUES FOR FARMLAND AT THE RWRF  
LEASE PROCESS AND REGULATORY LIMITATIONS

Purpose

On February 28, 2019, Council approved a Second Amendment (Amendment) for the Lease and Agreement between the City of Fresno and Mr. James Cook, for the lease of 550 acres of land for cultivation of non-food crops. The Amendment added 51 acres to the existing Lease and added three one-year extensions to the existing two extensions totaling five one-year extensions. The first extension would be effective January 1, 2020.

Upon Councilmember Soria's motion, the Second Amendment was approved with conditions.

1. The first one-year extension would require Council approval and that DPU provide Council with an analysis of the value of the leasehold.
2. In addition, the Department of Public Utilities was to conduct a study on how to best monetize wastewater resources within the City, including small farmers' contributions, and report on the findings prior to execution of the first one-year extension.

This memo will provide the Councilmember with background and status updates related to the conditions.

Background

Wastewater Management Division (WMD) oversees the leases of land within the Fresno-Clovis Regional Wastewater Reclamation Facility (RWRF).

- Attachment A provides a brief overview of the requirements by the Central Valley Regional Water Quality Control Board to acquire farmland for overflow management. The purpose of the farmland for the RWRF is overflow management, and the quality of irrigation water provided (undisinfected secondary treated wastewater) dictates regulatory limitations on the type of crops that may be cultivated on the leased areas

pursuant to California Code of Regulations Title 22 Recycled Water Criteria (non-food crops only).

- Attachment B provides a description of the leasing process DPU has used for the RWRF overflow management acreage, a list of the parcels for lease, their current lease status and examples of leases executed within the last 5 years. The RFP process for land leasing results in the selection of the best value to the City
- Lastly, a summary of the revenue generated through these leases since 1997 is provided. Land lease proposals per acre have increased exponentially with prices per acre ranging from \$50 per acre in 1997 to \$600 per acre in recent years.

Undisinfected secondary treated wastewater is a sustainable and cost effective source of irrigation water approved by Title 22 Recycled Water Criteria for non-food crops such as alfalfa, cotton, silage corn, sorghum, Sudan grass and other crops. Leasing land for the farming of non-food crops closes the beneficial re-use cycle of wastewater treatment.

#### Study on Maximizing RWRF Lands

The Department of Public Utilities (DPU) is in the process of developing an update to the 2010 City of Fresno Recycled Water Master Plan (RWMP). This updated RWMP will address potential uses of recycled water that will bring capital investments to areas where recycled water can be used, and recycled water projects that bring maximum benefits to customers and the City of Fresno.

DPU believes the updated RWMP will provide the substance of Councilmember Soria's request to provide a study of the best way to maximize the use of wastewater within the City, but updated RWMP may not be complete before DPU seeks Council approval to execute the first extension of the lease.

## **Attachment A**

### **Historical Background of Farm Land Acquisition at the RWRP**

The Fresno-Clovis Regional Wastewater Reclamation Facility (RWRP) is located on 3,200 acres of City of Fresno's owned land with approximately 1,700 acres of percolation ponds for disposal of undisinfected secondary treated wastewater or undisinfected final effluent.

Prior to 1995, the RWRP disposed of excess undisinfected final effluent to farmland east and south of the treatment facility through agreements with farmers. The excess was due to the increase of flows (close to 68 MGD) and unusual storm flows.

A 1995 Compliance Inspection by the Central Valley Regional Water Quality Control Board (Water Board) indicated there was not sufficient pond storage capacity to meet the Waste Discharge Requirements (WDR) provision to have pond capacity for a total annual precipitation using a return period of 100 years. The Board deemed that agreements with farmers were not appropriate and the City needed to acquire and be responsible to manage all land used for disposal of undisinfected final effluent. Land to be acquired should be enough for overflow management in the case pond capacity was not adequate.

Farmland east and south of the RWRP was acquired between 1994-1996 through purchase agreements (Souza, McNeil) and eminent domain (Quist). Farmland south of Central Avenue (Tavares/Jensen/Qualls) was purchased around 1998.

Disposal ponds were added on the land purchased between Muscat and Central avenues. The remainder stayed as farmland (on-site) irrigated with undisinfected secondary effluent (Title 22 Recycled Water Criteria) for non-food crops only. Exhibit A shows a Map of Land Purchased for Overflow Management by the City of Fresno.

The Water Board protects and encourages use of by-products of wastewater treatment facilities for beneficial reuse. Approximately 759 acres of land has been farmed for the cultivation of non-food crops only. RWRP's undisinfected secondary effluent is provided free to farmers through leases with conditions and specific provisions as required by the California Code of Regulation Title 22 Recycled Water Criteria for the use of Undisinfected Secondary Treated Wastewater.

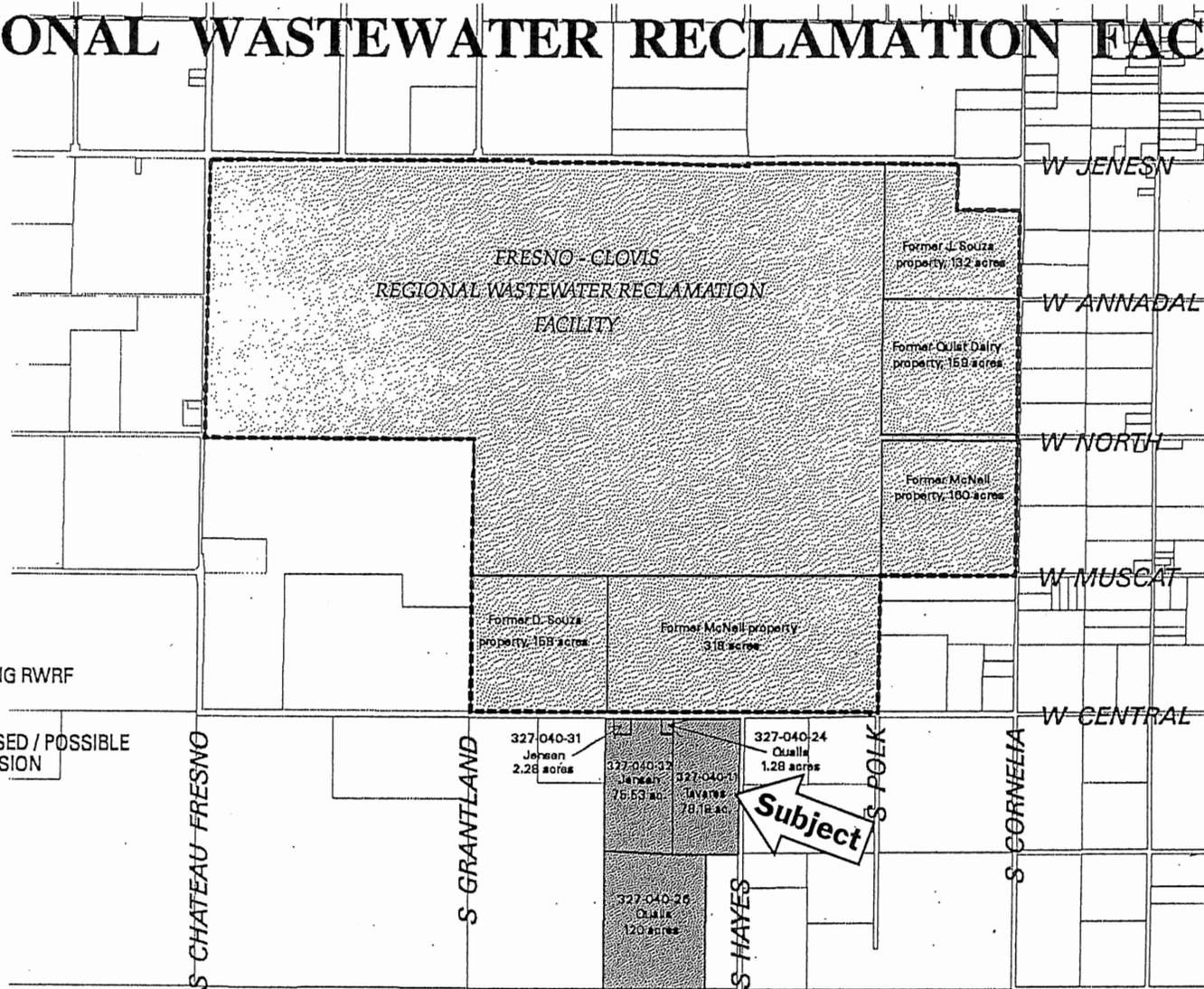
The WDR requires farming of 125 acres of the area known as Winery Bed which received winery waste until December 2003 causing degradation of groundwater in that area. The area is allowed farming of non-food crops and use of reclamation well water only. No nitrogen or phosphorus based fertilizers are allowed in this area. The Winery Bed has been leased since 2006.

# Exhibit A - Historical Map of Land Purchased for Overflow Management

## REGIONAL WASTEWATER RECLAMATION FACILITY



-  EXISTING RWRF
-  PROPOSED / POSSIBLE EXPANSION



## **Attachment B**

### **Farmland Leasing Process on RWRP Overflow Acreage**

The RWRP lease process is an RFP process.

- The RFP process is initiated with a public announcement of the properties to be leased, and a deadline to submit a proposal. In addition, interested parties are contacted by e-mail to ensure everybody is aware of the opportunity to lease property at the RWRP.
- The announcement refers interested parties back to RWRP which will provide information and a “Proposal to Lease Land at the RWRP” package with instructions and General Recycling Requirements as well as a deadline for submittal.
- The minimum proposal amount is also mentioned which usually is set according to the latest (or current) lease amount.
- Proposals are opened, reviewed and ranked from the highest proposal to the lowest based on the best value presented to the City and the RWRP.
- Ranking for best value includes factors other than highest per-acre price proposed. For example, selecting a lessee that uses secondary disinfected wastewater on non-food crops provides environmental benefits are found in the beneficial use of undisinfected secondary treated wastewater on at least 759 acres for the production of non-food crops or in the cultivation of nitrogen-removing crops in areas impacted by exceeding amounts of nitrogen and other nutrients.
- The party with the highest-ranked proposal is informed of the selection, and if they choose to proceed reference checks are performed to ensure the interested party is experienced in good farming practices.
- The Lease and Agreement document is drafted and reviewed by the City Attorneys’ Office. The selected party signs the Lease and Agreement document and the item goes to Council for approval.
- Once approved by Council and approval of insurance documents by Risk Management, the interested party, now a Lessee, can take over the land at the period stated in the Lease and Agreement and they can start preparing the land for farming or continue farming if they were the previous tenants.

**Exhibit B. Land historically leased- acreage and locations**

Parcel #	APN	Acres	Location
1	327-03-41	65	Southwest corner of Cornelia & Jensen
2	327-03-038T	51	South of PG&E tower West of Cornelia
3	327-030-22s	127	Northwest corner of Cornelia & North
4	327-050-02T	158	Southeast corner of Cornelia & Muscat
5	327-040-08	160	Northeast corner of Grantland & Central
6	327-040-32	45	Southwest corner of Central & Bryan
7	327-040-11	78	Southwest corner of Central and Hayes
8	327-040-26	120	Northeast corner of American and Bryan

Parcel #	APN	Acres	Location
Winery Bed	Various	125	South of Jensen Ave

**Exhibit C. Current land leased for cultivation of non-food crops**

Parcel	APN	Acres	Leased	Comments
1	327-03-41	65	No	20 acres potential non-farming use
2	327-03-038T	51	Yes*	Prepared for cultivation
3	327-030-22s	127	Yes	Cultivated with cotton
4	327-050-02T	158	No**	Recently vacated
5	327-040-08	160	Yes	Cultivated with cotton
6	327-040-32	45	No	Sold to PD (Training Center)
7	327-040-11	78	Yes	Cultivated with cotton
8	327-040-26	125	Yes	Cultivated with cotton

Parcel	APN	Acres	Leased	Comments
Winery Bed	Various	125	Yes***	Cultivated with cotton

\*Lessee seeking removal of this APN from existing Lease and Agreement

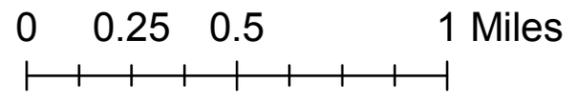
\*\*Farmland Lease process to start before end September 2019

\*\*\*Soil and groundwater remediation project.

Examples of three lease processes covering all parcels are included with this attachment. Each lease process provides informational packages to interested participants to ensure they are informed of the quality of water provided and the type of crops allowed. Example 2 shows the process and selection for the lease of the 550 acres by James Cook for which an extension is being requested.

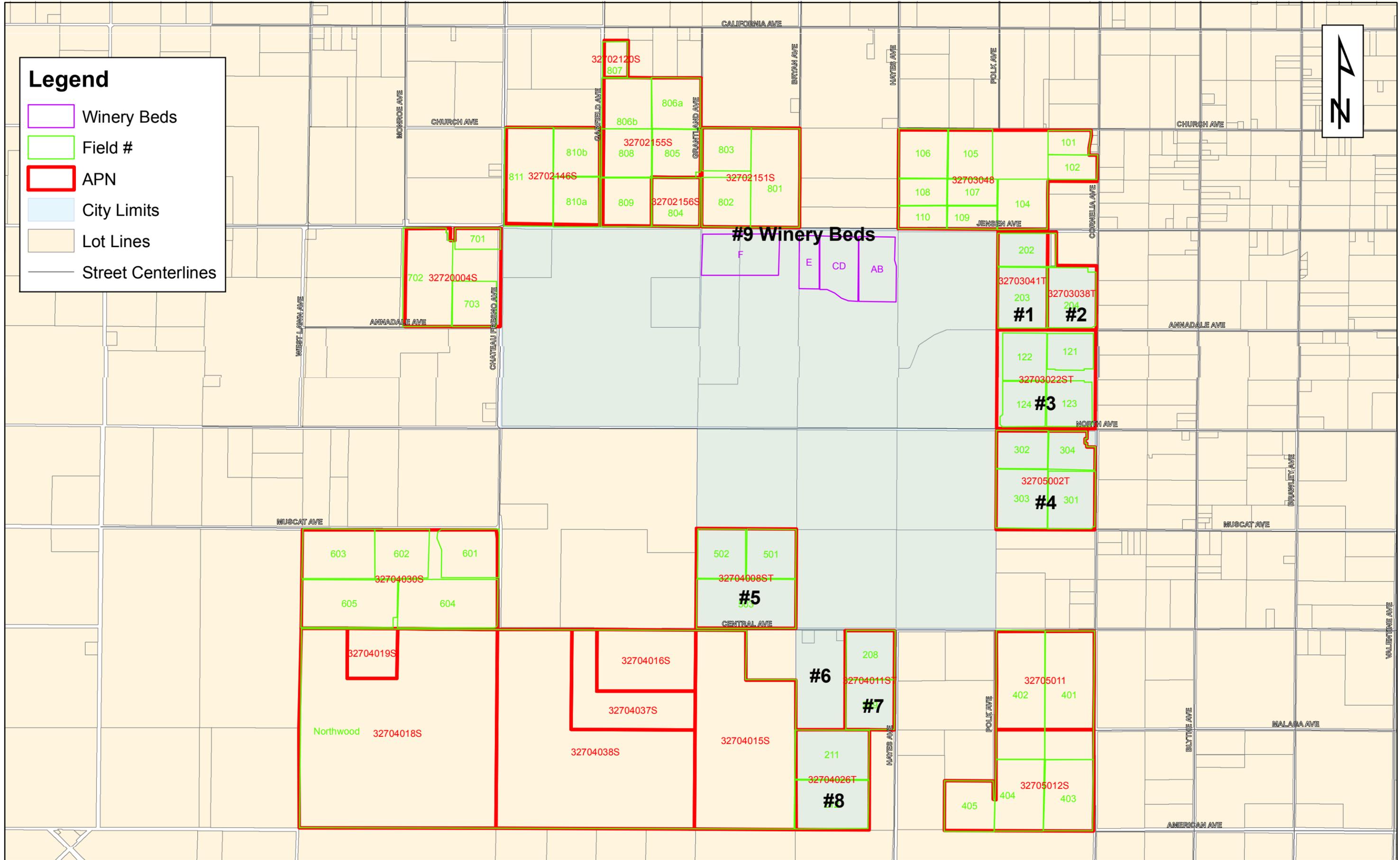
The following spreadsheets shows revenues based on lease agreements of RWRF farmland from 1997 through 2019. All revenues from leases goes to the WMD Enterprise Fund.

# Exhibit B- Parcels Leased for Non-Food Crops at the RWRP



### Legend

- Winery Beds
- Field #
- APN
- City Limits
- Lot Lines
- Street Centerlines





## **Example 1. Lease of 158 acres of farmland, single parcel - 2013**

### **AGRICULTURAL ACREAGE FOR LEASE Fresno-Clovis Regional Wastewater Reclamation Facility (RWRF)**

The City of Fresno, Department of Public Utilities is soliciting proposals from experienced farmers or ranchers for the short term lease of 158 acres land at the Regional Wastewater Reclamation Facility (RWRF) located southwest corner of West North and South Cornelia Avenues (APN 327-050-02T).

This parcel shall be farmed solely for fiber, feed or seed crops not intended for direct human consumption. Recycled water (direct reuse of secondary treated wastewater) is provided at no cost for irrigation of crops. The Lessee is required to use recycled water for all crop irrigation unless other arrangements are made with Wastewater Management Division in writing.

The Lessee must comply with all laws, regulations and orders in addition to the reclamation requirements contained in Exhibit "A." A map showing the location of the property for lease is in Exhibit "B."

The terms of the lease will commence on the first day of January 2014, and will extend through December 31, 2019 with possible 2 one-year extensions.

**Minimum bid will be \$300.00 per acre per year.**

The City of Fresno will review the proposals and may request additional information or may verify information provided by the applicant. Proposals will be evaluated on the basis of price offered for the acreage and the experience of the applicant, with a primary consideration of the greatest benefit to the RWRF and the City of Fresno. Lease agreements must be approved by City of Fresno executive officers and the City Council.

If you are interested in submitting a bid to lease of the above-identified parcel, you must complete and submit the attached form by **September 6, 2013** to:

City of Fresno, Wastewater Management  
5607 W. Jensen Avenue  
Fresno, CA 93706  
Attention: Rosa Lau-Staggs

Postmarks will not be accepted.

If you have any questions regarding this lease, please contact Rosa Lau-Staggs, Chief of Environmental Service, at (559) 621-5130.

**Example 1.1**

**PROPOSAL TO LEASE LAND AT THE  
REGIONAL WASTEWATER RECLAMATION FACILITY**

1. Names of the applicant: \_\_\_\_\_

2. Doing business as: an individual \_\_\_\_\_ a partnership \_\_\_\_\_  
Corporation \_\_\_\_\_ other (specify) \_\_\_\_\_

3. Farming/Ranching experience:  
a. Number of years of farming/ranching in Fresno County \_\_\_\_\_ years  
b. Number of years farming/ranching outside Fresno County: \_\_\_\_\_

4. References. Please provide the name, address, and telephone number for three businesses from which you purchased equipment, fuels, supplies, or services during the past three years.

<u>Name of Business</u>	<u>Address</u>	<u>Phone number</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

Note: References and credit history may be checked or reviewed.

5. No right of first refusal may be granted.

6. Contact information:

Street or P.O.Box Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip code \_\_\_\_\_

Telephone: Home ( ) Business ( ) Cell ( )

8. Signature(s) \_\_\_\_\_  
Name Title Date

\_\_\_\_\_  
Name Title Date

9. Bid amount: 158 acres at \$ \_\_\_\_\_ per acre per year for the total of \$ \_\_\_\_\_ per year.

10. First and last name:

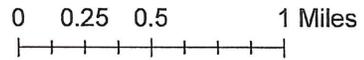
11. Signature:

## Example 1.2

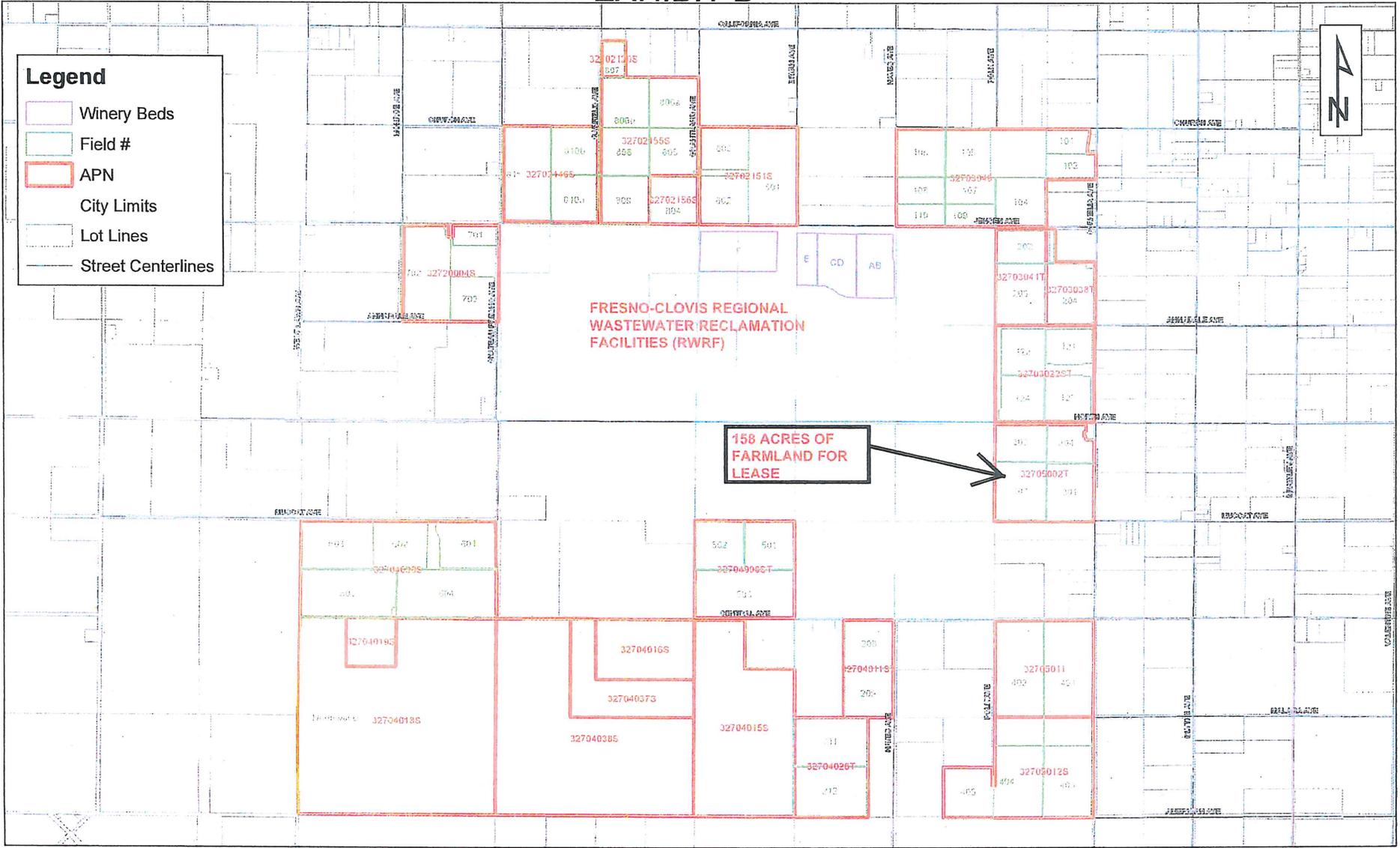
### Exhibit A GENERAL RECYCLING REQUIREMENTS

- A. The discharge of recycled water to surface waters or surface water drainage courses, either by direct discharge or runoff from the use area, is prohibited.
- B. Recycled water shall remain within the approved use area at all times.
- C. The use of recycled water shall be limited to irrigation of fodder, fiber, and seed crops for non-human consumption.
- D. There shall be no irrigation or impoundment of recycled water within 50 feet of drainage courses, within 100 feet of any irrigation well or within 150 feet of any domestic well.
- E. The perimeter of the use area shall be graded to prevent ponding along public roads or other public areas.
- F. Recycled water shall not be applied within 25 feet of property lines and 30 feet of public roads.
- G. Public contact with recycled water shall be precluded through such means as fences, signs, or acceptable alternatives. Signs shall be as shown herein.
- H. Areas irrigated with recycled water shall be managed so as to prevent breeding of mosquitoes. More specifically:
  - a. Tail water must be returned. All irrigation water must infiltrate completely within a 48-hour period.
  - b. Ditches must be maintained free of emergent, marginal, and floating vegetation.
  - c. Low-pressure and unpressurized pipe lines and ditches accessible to mosquitoes shall not be used to store recycled water.
- I. Recycled water shall be managed to prevent runoff onto adjacent properties not owned or controlled by the User.
- J. The use of recycled water must comply with the recycling requirements of Title 22, California code of Regulations, Section 60301, et seq.
- K. The use of recycled water shall not cause a nuisance or pollution as defined by the California Water Code, Section 13050.
- L. Supplementing recycled water by connection with a domestic drinking water source or an irrigation or industrial well requires an air gap device or back flow prevention device that complies with Title-17, California Code of Regulations, Section 7583, et seq.
- M. All reasonable steps shall be taken to minimize or prevent any discharge, which was reasonable likelihood of adversely affecting human health. In such an event; the User shall orally report the circumstances to the regional Board within 24 hours from the time of discovery. Personnel employed to manage irrigation shall be advised of the source of the reclaimed water and appropriate precautions during handling.
- N. The requirements prescribed herein do not authorize the commission of any act causing injury to persons or property; do not protect the User from liability under Federal, State, or local laws, and do not create a vested right to continue recycling.

# Example 1.3



## VICINITY MAP EXHIBIT B





## Example 2. Lease of 550 acres of farmland, various parcels - 2016

### AGRICULTURAL ACREAGE FOR LEASE Fresno-Clovis Regional Wastewater Reclamation Facility (RWRF)

The City of Fresno, Department of Public Utilities is soliciting proposals from experienced farmers and ranchers for the short term lease of the following parcels:

Parcel #	APN	Acres	Location
1	327-03-41	65	Southwest corner of Cornelia & Jensen Ave
2	327-030-22s	127	Northwest corner of Cornelia & North Ave
3	327-040-08	160	Northeast corner of Grantland & Central Ave
4	327-040-11 and 327-040-26	198	Southwest corner of Hayes & Central Ave

These parcels shall be farmed solely for fiber, feed or seed crops not intended for direct human consumption. Recycled water (direct reuse of secondary treated wastewater) is provided at no cost for irrigation of crops. The Lessee is required to use recycled water for all crop irrigation unless other arrangements are made with Wastewater Management Division in writing. The Lessee must comply with all laws, regulations and orders in addition to the reclamation requirements contained in Exhibit "A."

The terms of the lease will commence on the first day of January 2017, and will extend through December 31, 2019 with 2 possible one-year extensions.

Minimum proposal will be \$350.00 per acre per year.

The City of Fresno will review the proposals and may request additional information or may verify information provided by the applicant. Proposals will be evaluated on the bases of price offered for the acreage and the experience of the applicant, with a primary consideration of the greatest benefit to the RWRF and the City of Fresno. Lease agreements must be approved by City of Fresno executive officers and the City Council.

If you are interested in submitting a proposal to lease the above-identified parcels, you must complete and submit the attached form by 5:00 p.m. September 21, 2016 to:

City of Fresno, Wastewater Management  
5607 W. Jensen Avenue  
Fresno, CA 93706  
Attention: Conrad Braganza

If you have any questions regarding this proposal, please contact Conrad Braganza, Wastewater Reclamation Coordinator, at (559) 621-5134.

**Example 2.1**

**PROPOSAL TO LEASE LAND AT THE  
REGIONAL WASTEWATER RECLAMATION FACILITY**

1. Names of the applicant: \_\_\_\_\_

2. Doing business as: An individual \_\_\_\_\_ A partnership \_\_\_\_\_  
Corporation \_\_\_\_\_ Other (specify) \_\_\_\_\_

3. Farming/Ranching experience:

a. Number of years of farming/ranching in Fresno County \_\_\_\_\_

b. Number of years farming/ranching outside Fresno County: \_\_\_\_\_

4. References. Please provide the name, address, and telephone number for three businesses from which you purchased equipment, fuels, supplies, or services during the past three years.

<u>Name of Business</u>	<u>Address</u>	<u>Phone number</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

Note: References and credit history may be checked or reviewed.

5. No right of first refusal may be granted.

6. Contact information:

Street or P.O.Box Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip code \_\_\_\_\_

Telephone: Home ( ) Business ( ) Cell ( )

8. Signature(s) \_\_\_\_\_  
Name Title Date

\_\_\_\_\_  
Name Title Date

9. Proposal amount:

Parcel #	APN	Acres	Proposal per acre	Proposal per year
1	327-03-41	65		
2	327-030-22s	127		
3	327-040-08	160		
4	327-040-11 and 327-040-26	198		

10. First and last name: \_\_\_\_\_

11. Signature: \_\_\_\_\_

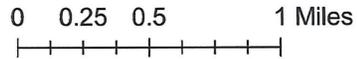
## Example 2.2

### Exhibit A GENERAL RECYCLING REQUIREMENTS

- A. The discharge of recycled water to surface waters or surface water drainage courses, either by direct discharge or runoff from the use area, is prohibited.
- B. Recycled water shall remain within the approved use area at all times.
- C. The use of recycled water shall be limited to irrigation of fodder, fiber, and seed crops for non-human consumption.
- D. There shall be no irrigation or impoundment of recycled water within 50 feet of drainage courses, within 100 feet of any irrigation well or within 150 feet of any domestic well.
- E. The perimeter of the use area shall be graded to prevent ponding along public roads or other public areas.
- F. Recycled water shall not be applied within 25 feet of property lines and 30 feet of public roads.
- G. Public contact with recycled water shall be precluded through such means as fences, signs, or acceptable alternatives. Signs shall be as shown herein.
- H. Areas irrigated with recycled water shall be managed so as to prevent breeding of mosquitoes. More specifically:
  - a. Tail water must be returned. All irrigation water must infiltrate completely within a 48-hour period.
  - b. Ditches must be maintained free of emergent, marginal, and floating vegetation.
  - c. Low-pressure and unpressurized pipe lines and ditches accessible to mosquitoes shall not be used to store recycled water.
- I. Recycled water shall be managed to prevent runoff onto adjacent properties not owned or controlled by the User.
- J. The use of recycled water must comply with the recycling requirements of Title 22, California code of Regulations, Section 60301, et seq.
- K. The use of recycled water shall not cause a nuisance or pollution as defined by the California Water Code, Section 13050.
- L. Supplementing recycled water by connection with a domestic drinking water source or an irrigation or industrial well requires an air gap device or back flow prevention device that complies with Title-17, California Code of Regulations, Section 7583, et seq.
- M. All reasonable steps shall be taken to minimize or prevent any discharge, which was reasonable likelihood of adversely affecting human health. In such an event; the User shall orally report the circumstances to the regional Board within 24 hours from the time of discovery. Personnel employed to manage irrigation shall be advised of the source of the reclaimed water and appropriate precautions during handling.
- N. The requirements prescribed herein do not authorize the commission of any act causing injury to persons or property; do not protect the User from liability under Federal, State, or local laws, and do not create a vested right to continue recycling.

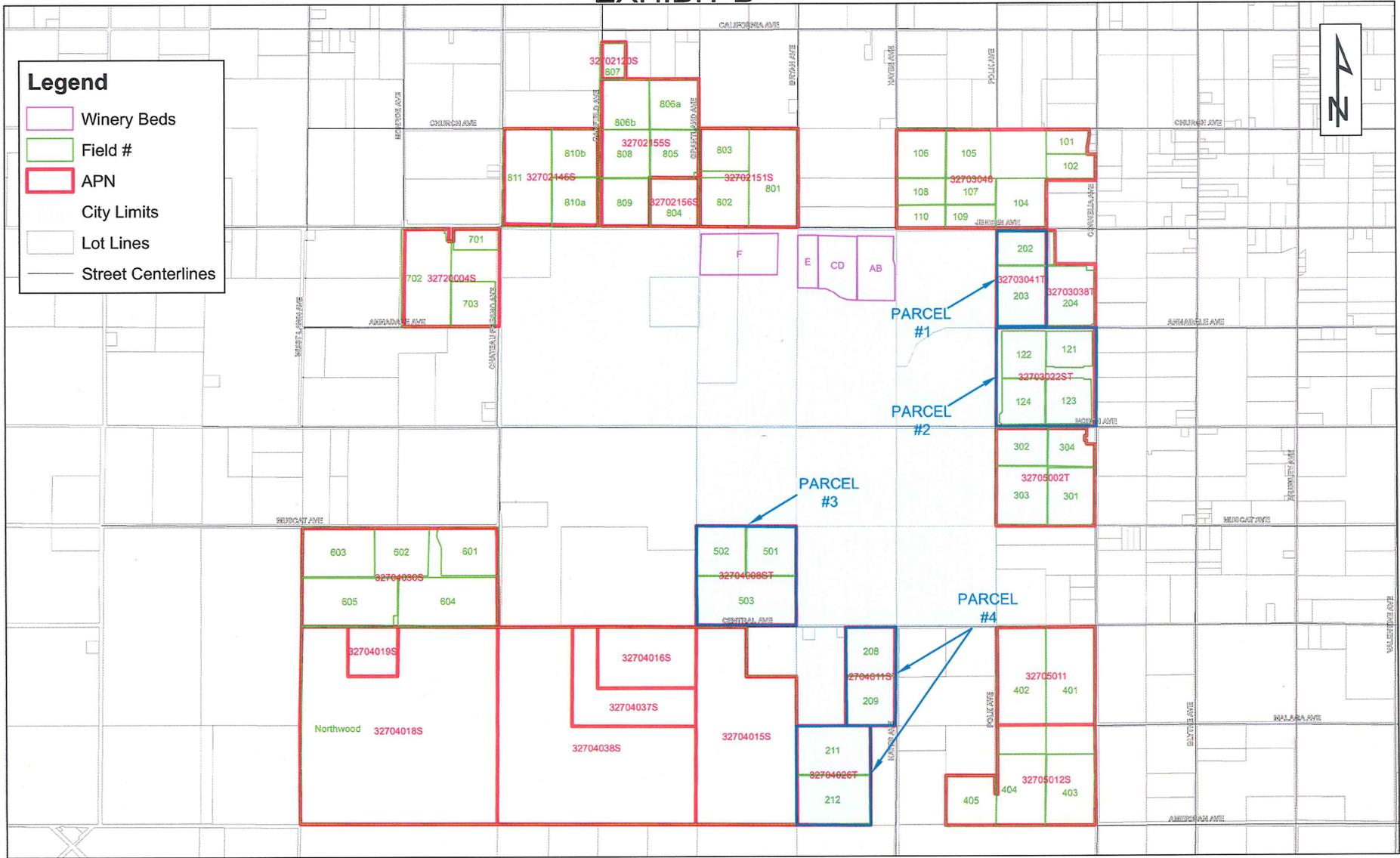
Example 2.4

# VICINITY MAP EXHIBIT B



**Legend**

- Winery Beds
- Field #
- APN
- City Limits
- Lot Lines
- Street Centerlines



### **Example 3. Lease of 125 acres for farming on Winery Bed - 2016**

#### **AGRICULTURAL ACREAGE FOR LEASE Fresno-Clovis Regional Wastewater Reclamation Facility (RWRF)**

The City of Fresno, Department of Public Utilities is soliciting proposals from experienced farmers and ranchers for the short term lease of 125 acres at the Regional Wastewater Reclamation Facility (RWRF), portion of APN 327-021-45T, 327-021-04T and 327-021-05T located at South Jensen and West Hayes Ave, inside the fenced area of the RWRF.

This acreage shall be irrigated with extraction well water, which is provided at no cost. Extraction well water is water that percolates from disposal ponds where treated wastewater is filtered by the soil. It is required that extraction well water be used for all crop irrigation unless other arrangements are made with Wastewater Management Division in writing. The application of any nitrogen-based fertilizer at this site is prohibited. A limited application of other fertilizers requires prior approval by the Director of Public Utilities or his/her designee. The Lessee must comply with all laws, regulations and orders in addition to the general requirements contained in Exhibit "A."

The terms of the lease will commence on the first day of January 2017, and will extend through December 31, 2019 with 2 possible one-year extensions.

Minimum proposal will be \$150.00 per acre per year.

The City of Fresno will review the proposals and may request additional information or may verify information provided by the applicant. Proposals will be evaluated on the bases of price offered for the acreage and the experience of the applicant, with a primary consideration of the greatest benefit to the RWRF and the City of Fresno. Lease agreements must be approved by City of Fresno executive officers and the City Council.

If you are interested in submitting a proposal to lease the above-identified parcel, you must complete and submit the attached form by 5:00 p.m. September 21, 2016 to:

City of Fresno, Wastewater Management  
5607 W. Jensen Avenue  
Fresno, CA 93706  
Attention: Conrad Braganza

If you have any questions regarding this lease proposal, please contact Conrad Braganza, Wastewater Reclamation Coordinator, at (559) 621-5134.

**Example 3.1**

**PROPOSAL TO LEASE LAND AT THE  
REGIONAL WASTEWATER RECLAMATION FACILITY**

1. Names of the applicant: \_\_\_\_\_

2. Doing business as: An individual \_\_\_\_\_ A partnership \_\_\_\_\_  
Corporation \_\_\_\_\_ Other (specify) \_\_\_\_\_

3. Farming/Ranching experience:

a. Number of years of farming/ranching in Fresno County \_\_\_\_\_

b. Number of years farming/ranching outside Fresno County: \_\_\_\_\_

4. References. Please provide the name, address, and telephone number for three businesses from which you purchased equipment, fuels, supplies, or services during the past three years.

<u>Name of Business</u>	<u>Address</u>	<u>Phone number</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

Note: References and credit history may be checked or reviewed.

5. No right of first refusal may be granted.

6. Contact information:

Street or P.O.Box Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip code \_\_\_\_\_

Telephone: Home ( ) Business ( ) Cell ( )

8. Signature(s) \_\_\_\_\_  
Name Title Date

\_\_\_\_\_  
Name Title Date

9. Proposal amount:

APN	Acres	Proposal per acre	Proposal per year
Portion of APN 327-021-45T, 327-021-04T and 327-021-05T	125		

10. First and last name: \_\_\_\_\_

11. Signature: \_\_\_\_\_

## Example 3.2

### Exhibit A GENERAL REQUIREMENTS

- A. Use of nitrogen-based fertilizers is prohibited at the lease site (formerly a winery stillage disposal site). A limited application of any fertilizer requires prior approval by the City of Fresno Wastewater Management Division.
- B. Extraction well water shall remain within the approved use area at all times.
- C. The perimeter of the use area shall be graded to prevent ponding along public roads or other public areas.
- D. Areas irrigated with extraction well water shall be managed so as to prevent breeding of mosquitoes. More specifically:
  - a. Tail water must be returned. All irrigation water must infiltrate completely within a 48-hour period.
  - b. Ditches must be maintained free of emergent, marginal, and floating vegetation.
  - c. Low-pressure and unpressurized pipe lines and ditches accessible to mosquitoes shall not be used to store extraction well water.
- E. Extraction well water shall be managed to prevent runoff onto adjacent properties not owned or controlled by the User.
- F. The requirements prescribed herein do not authorize the commission of any act causing injury to persons or property; do not protect the User from liability under Federal, State, or local laws, and do not create a vested right to continue recycling.



## Selection for Example 2

Agricultural Land Lease Proposals for Direct Reuse of Effluent on Non-Food Crops

Minimum: **\$350.00 per acre**

Proposals Due: **September 21, 5:00 pm**

APN	Name	Submittal Date	Submittal Time	Complete Information Submitted	Total Acres Available	Proposal per acre	Proposal per year	Comments
327-03-41	James Cook	9/21/2016	16:00	Yes	65	\$482.00	\$31,330.00	Requested clarification on farming acreage.
	James Quist	9/21/2016	14:10	Yes		\$425.00	\$27,625.00	
327-030-22s	James Cook	9/21/2016	16:00	Yes	127	\$482.00	\$61,214.00	
	James Quist	9/21/2016	14:10	Yes		\$425.00	\$53,975.00	
327-040-08	James Cook	9/21/2016	16:00	Yes	160	\$482.00	\$77,120.00	Requested clarification on farming acreage.
	Dan Souza	9/21/2016	16:18	Yes		\$350.00	\$56,000.00	
327-040-11 and 327-040-26	James Cook	9/21/2016	16:00	Yes	198	\$482.00	\$95,436.00	
	Dan Souza	9/21/2016	16:18	Yes		\$350.00	\$69,300.00	

## Selection for Example 3

Agricultural Land Lease Proposal for Use of Extraction Well Water on Non-Food Crops at the Winery Beds

Minimum: **\$150.00 per acre**

Proposals Due: **September 21, 5:00 pm**

APN	Name	Submittal Date	Submittal Time	Complete Information Submitted	Total Acres Available	Proposal per acre	Proposal per year	Comments
Portion of APN 327-021-45T, 327-021-04T, and 327-021-05T	James Cook	9/21/2016	15:58	Yes	125	\$304.00	\$38,000.00	Requested clarification on (a) type of crops that can be grown at winery beds and, (b) if there is right of first refusal.

### Notes:

1. Wastewater Management Division (WMD) advertised availability of agricultural land for lease at the Regional Wastewater Reclamation Facility (RWRF) in The Fresno Bee. The ads started running on September 7, 2016 for 7 consecutive days in print and online. Lease proposals were advertised as 3 year terms with (2) 1 year extensions.
2. All proposals were received on time prior to the 5:00 pm deadline on 9/21/2016.
3. Proposal review process opened on 9/22/16 at 9:00 am in the presence of Rosa Lau-Staggs as witness.
4. James Cook submitted letter of acceptance on 10/10/2016 at 12:37 pm for all available parcels.

**Table 3. Revenues for Land Leases at the RWRf**

	Parcel #	1	2	3	4	5	6	7	8	9	
	APN	327-03-41	327-03-038T	327-030-22s	327-050-02T	327-040-08	327-040-32	327-040-11	327-040-26	Winery Beds	Annual Lease Revenues
Year	Acres	65	51	127	158	160	45	78	120	125	
1997				\$12,200	\$16,250	\$8,000					\$36,450
1998		\$7,182	\$5,635	\$14,032	\$19,500	\$8,000	\$7,425	\$12,480	\$19,800		\$94,055
1999		\$7,182	\$5,635	\$14,032	\$19,500	\$8,000	\$9,450	\$12,480	\$25,200		\$101,480
2000		\$14,731	\$11,559	\$14,032	\$19,500	\$8,000	\$9,450	\$11,440	\$25,200		\$113,912
2001		\$14,731	\$11,559	\$14,032	\$19,500	\$8,000	\$9,450	\$12,480	\$25,200		\$114,952
2002		\$14,731	\$11,559	\$25,540		\$21,600	\$9,450	\$12,480	\$25,200		\$120,560
2003		\$14,731	\$11,559	\$25,540	\$24,834	\$21,600	\$8,550	\$14,820	\$22,800		\$144,434
2004		\$14,731	\$11,559	\$25,540	\$31,600	\$21,600	\$8,550	\$14,820	\$22,800		\$151,200
2005		\$14,731	\$11,559	\$25,540	\$31,600	\$21,600	\$8,550	\$14,820	\$22,800		\$151,200
2006		\$14,731	\$11,559	\$25,540		\$21,600	\$8,550	\$14,820	\$22,800	\$3,750	\$123,350
2007		\$14,731	\$11,559	\$25,540		\$21,600	\$8,550	\$14,820	\$22,800	\$7,500	\$127,100
2008		\$14,731	\$11,559	\$25,540	\$47,400	\$21,600	\$8,550	\$14,820	\$22,800	\$7,500	\$174,500
2009		\$14,731	\$11,559	\$25,540	\$47,400	\$21,600	\$8,550	\$14,820	\$22,800	\$7,500	\$174,500
2010		\$22,432	\$17,600	\$42,780	\$47,400	\$44,000	Sold to PD	\$25,740	\$39,600	\$14,322	\$253,874
2011		\$22,432	\$17,600	\$42,780	\$47,400	\$44,000		\$25,740	\$39,600	\$15,625	\$255,177
2012		\$22,432	\$17,600	\$42,780	\$47,400	\$44,000		\$25,740	\$39,600	\$15,625	\$255,177
2013		\$22,432	\$17,600	\$42,780	\$47,400	\$44,000		\$25,740	\$39,600	\$15,625	\$255,177
2014		\$22,432	\$17,600	\$42,780	\$94,800	\$44,000		\$25,740	\$39,600	\$15,625	\$302,577
2015		\$22,432	\$17,600	\$42,780	\$94,800	\$44,000		\$25,740	\$39,600	\$15,625	\$302,577
2016		\$22,432	\$17,600	\$42,780	\$94,800	\$44,000		\$25,740	\$39,600	\$15,625	\$302,577
2017		\$31,330	Non-Farm Use	\$61,214	\$94,800	\$77,120		\$37,596	\$57,840	\$38,000	\$397,900
2018		\$31,330	Hold Lease	\$61,214	\$94,800	\$77,120		\$37,596	\$57,840	\$38,000	\$397,900
2019		Hold Lease	Remove Lease	\$61,214	Hold Lease	\$77,120		\$37,596	\$57,840	\$38,000	\$271,770
Revenue per APN		\$381,361	\$250,060	\$755,747	\$940,684	\$752,160	\$105,075	\$458,068	\$730,920	\$248,322	\$4,622,398

**Table 3.1 - Revenues for Land Leases at the RWRf**

Year	Parcel #	1		2		3		4		5		6		7		8		9		Annual Lease Revenues
	APN	327-03-41		327-03-038T		327-030-22s		327-050-02T		327-040-08		327-040-32		327-040-11		327-040-26		Winery Beds		
	Acres	\$/Acre	65	\$/Acre	51	\$/Acre	127	\$/Acre	158	\$/Acre	160	\$/Acre	45	\$/Acre	78	\$/Acre	120	\$/Acre	125	
1997						\$96	\$12,200	\$102.85	\$16,250	\$50	\$8,000									\$36,450
1998		\$110	\$7,182	\$110	\$5,635	\$110	\$14,032	\$123.42	\$19,500	\$50	\$8,000	\$165	\$7,425	\$160	\$12,480	\$165	\$19,800			\$94,055
1999		\$110	\$7,182	\$110	\$5,635	\$110	\$14,032	\$123.42	\$19,500	\$50	\$8,000	\$210	\$9,450	\$160	\$12,480	\$210	\$25,200			\$101,480
2000		\$227	\$14,731	\$227	\$11,559	\$110	\$14,032	\$123.42	\$19,500	\$50	\$8,000	\$210	\$9,450	\$147	\$11,440	\$210	\$25,200			\$113,912
2001		\$227	\$14,731	\$227	\$11,559	\$110	\$14,032	\$123.42	\$19,500	\$50	\$8,000	\$210	\$9,450	\$160	\$12,480	\$210	\$25,200			\$114,952
2002		\$227	\$14,731	\$227	\$11,559	\$201	\$25,540			\$135	\$21,600	\$210	\$9,450	\$160	\$12,480	\$210	\$25,200			\$120,560
2003		\$227	\$14,731	\$227	\$11,559	\$201	\$25,540	\$157.18	\$24,834	\$135	\$21,600	\$190	\$8,550	\$190	\$14,820	\$190	\$22,800			\$144,434
2004		\$227	\$14,731	\$227	\$11,559	\$201	\$25,540	\$200.00	\$31,600	\$135	\$21,600	\$190	\$8,550	\$190	\$14,820	\$190	\$22,800			\$151,200
2005		\$227	\$14,731	\$227	\$11,559	\$201	\$25,540	\$200.00	\$31,600	\$135	\$21,600	\$190	\$8,550	\$190	\$14,820	\$190	\$22,800			\$151,200
2006		\$227	\$14,731	\$227	\$11,559	\$201	\$25,540			\$135	\$21,600	\$190	\$8,550	\$190	\$14,820	\$190	\$22,800	\$30	\$3,750	\$123,350
2007		\$227	\$14,731	\$227	\$11,559	\$201	\$25,540			\$135	\$21,600	\$190	\$8,550	\$190	\$14,820	\$190	\$22,800	\$60	\$7,500	\$127,100
2008		\$227	\$14,731	\$227	\$11,559	\$201	\$25,540	\$300.00	\$47,400	\$135	\$21,600	\$190	\$8,550	\$190	\$14,820	\$190	\$22,800	\$60	\$7,500	\$174,500
2009		\$227	\$14,731	\$227	\$11,559	\$201	\$25,540	\$300.00	\$47,400	\$135	\$21,600	\$190	\$8,550	\$190	\$14,820	\$190	\$22,800	\$60	\$7,500	\$174,500
2010		\$345	\$22,432	\$345	\$17,600	\$337	\$42,780	\$300.00	\$47,400	\$275	\$44,000	Sold to PD (Training Center)		\$330	\$25,740	\$330	\$39,600	\$115	\$14,322	\$253,874
2011		\$345	\$22,432	\$345	\$17,600	\$337	\$42,780	\$300.00	\$47,400	\$275	\$44,000			\$330	\$25,740	\$330	\$39,600	\$125	\$15,625	\$255,177
2012		\$345	\$22,432	\$345	\$17,600	\$337	\$42,780	\$300.00	\$47,400	\$275	\$44,000			\$330	\$25,740	\$330	\$39,600	\$125	\$15,625	\$255,177
2013		\$345	\$22,432	\$345	\$17,600	\$337	\$42,780	\$300.00	\$47,400	\$275	\$44,000			\$330	\$25,740	\$330	\$39,600	\$125	\$15,625	\$255,177
2014		\$345	\$22,432	\$345	\$17,600	\$337	\$42,780	\$600.00	\$94,800	\$275	\$44,000			\$330	\$25,740	\$330	\$39,600	\$125	\$15,625	\$302,577
2015		\$345	\$22,432	\$345	\$17,600	\$337	\$42,780	\$600.00	\$94,800	\$275	\$44,000			\$330	\$25,740	\$330	\$39,600	\$125	\$15,625	\$302,577
2016		\$345	\$22,432	\$345	\$17,600	\$337	\$42,780	\$600.00	\$94,800	\$275	\$44,000			\$330	\$25,740	\$330	\$39,600	\$125	\$15,625	\$302,577
2017		\$482	\$31,330	Non-Farm Use <sup>1</sup>		\$482	\$61,214	\$600.00	\$94,800	\$482	\$77,120			\$482	\$37,596	\$482	\$57,840	\$304	\$38,000	\$397,900
2018		\$482	\$31,330	Hold Lease <sup>2</sup>		\$482	\$61,214	\$600.00	\$94,800	\$482	\$77,120			\$482	\$37,596	\$482	\$57,840	\$304	\$38,000	\$397,900
2019		Hold Lease <sup>2</sup>		To Be Removed <sup>3</sup>		\$482	\$61,214	Hold Lease <sup>4</sup>		\$482	\$77,120			\$482	\$37,596	\$482	\$57,840	\$304	\$38,000	\$271,770
<b>Revenue per APN</b>		<b>\$381,361</b>		<b>\$250,060</b>		<b>\$755,747</b>		<b>\$940,684</b>		<b>\$752,160</b>			<b>\$105,075</b>	<b>\$458,068</b>		<b>\$730,920</b>		<b>\$248,322</b>		<b>\$4,622,398</b>

- 1 Portion Leased to Amber Kinetics. Lease cancelled
- 2 Holding Lease waiting for development to be finalized
- 3 Leased for 3 months - requesting to be remove from existing lease
- 4 Holding Lease waiting for Councilmember clarification