

COUNCIL AGENDA: SEPTEMBER 3, 2013

SUBJECT: EXTENSION OF RECLAMATION AREA LEASE AGREEMENT

SOURCE: Public Works Department - Engineering Division

COMMENT: On August 1, 2009, the City of Porterville entered into a farm lease agreement with Rick Perigo Roadsiding to manage the Wastewater Treatment Facility Reclamation Area. This contract will expire on July 31, 2014, which is the middle of the crop year.

In an attempt to synchronize the lease expiration at the end of the crop year, staff recommends extending the lease to October 31, 2014. Moving the lease expiration date to October 31 will allow the outgoing farm manager to collect the value of the crops planted in late winter and early spring, if a different farm manager is awarded the lease. The current lease agreement does not include an extension option and therefore, Council must approve the requested extension. The City Attorney has reviewed this matter and has concluded that the City Council does have the legal authority to extend the service agreement.

Extending the lease will still allow the incoming farm manager sufficient time to coordinate all farming activities needed to comply with the City of Porterville's five-year Biosolids Management Plan. The Biosolids Management Plan approved by the California Regional Water Quality Control Board does not allow the City's farmer to irrigate fallow land with treated effluent. Reclamation land must have an acceptable crop if it is to receive effluent.

RECOMMENDATION: That the City Council:

1. Approve the extension of the farm lease expiration to October 31, 2014.
2. Approve the request for an additional lease payment of \$19,363.50 which is equivalent to three (3) months rent on the property.

P:\pubworks\General\Council\Extension of Reclamation Area Lease Agreement - 2013-09-03.doc

Dir Bor Appropriated/Funded



CM



Item No. 4