

REQUEST FOR PROPOSALS

CONSERVATION GRAZING LEASE

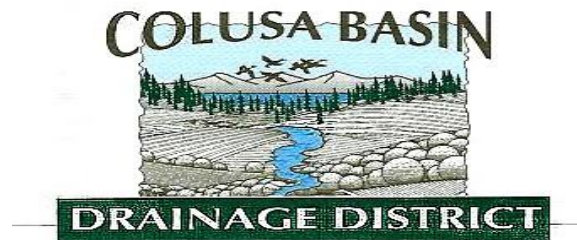
September 11, 2023

Colusa Basin Drainage District

1030 W Wood St, Ste 3

P.O. Box 390

Willows, CA 95988



Proposals Due by 1:00 p.m., Friday, October 13, 2023

BACKGROUND

The Colusa Basin watershed comprises over 1 million acres in northern California within Glenn, Colusa, and northern Yolo counties including 32 ephemeral streams that convey storm runoff to the Colusa Basin Drain. The Colusa Basin Drainage District (District) was formed in 1987 by the State Legislature after landowners recognized the need to address flooding and winter drainage in the basin. Subsequently in September 2000, the District received federal authorization in the passage of H. R. 1113, the Colusa Basin Watershed Integrated Resources Management Act, to assist in the development and implementation of projects to provide for the control of drainage, storm, flood, groundwater recharge and other waters as part of the water-related integrated resource management, environmental infrastructures, and resource protection and development projects in the Colusa Basin Watershed.

Colusa Basin Drainage District Goals:

- Minimize property damage caused by flooding within the Colusa Basin Watershed and District;
- Work in tandem with landowners, managers, or other interested parties;
- Minimize impacts to downstream interests;
- Maximize landowner benefits;
- Increase animal carrying capacity through enhanced productivity of perennial grasslands;
- Improve water quality by minimizing erosion and sedimentation;
- Enhance and promote conservation measures;
- Provide additional opportunities for groundwater recharge;
- Ensure measures are compatible with the primary objectives of California Resources Agency and the California Department of Water Resources; and
- Provide a demonstration site whereby conservation methods can be proven to meet industry acceptable standards and margins.

In 2003, the District received a grant from the California Resources Agency through the Proposition 12 Parks Bond Act of 2000, to purchase an approximately 3000 acre ranch in the South Fork Willow Creek Watershed. As per grant agreement, the District will implement a range management plan that will result in the enhancement of native vegetation (including perennial forbs and grasses, and riparian vegetation) while maintaining a viable, and profitable ranching operations. The project will not only result in the restoration of the physical and biological processes of the property, but the working ranch will serve as a model illustrating how conservation-based management can also be profitable. Other conservation benefits of the project include:

- Reduction of flood flows (increased absorptive capacity of the soil and vegetation) and
- Decrease erosion and sedimentation into the Sacramento River (amplified soil stabilization due to increased coverage of perennial herbaceous layer).

The District has identified the following South Fork Willow Creek Ranch goals (both short and long term) to represent a blend of the District’s goals and those set forth in the Proposition 12 grant and associated Grant Agreement signed by the District in December 2003. The goals are largely overlapping and can be accomplished through two primary means (prescriptive grazing and public participation):

- Enhance perennials (forbs and grasses) in the upper watershed;
- Enhance creek and floodplain function;
- Enhance groundwater absorption and recharge;
- Enhance native habitat and wildlife;
- Create a profitable ranching operation; and
- Provide outreach to the surrounding community.

The District hereby discloses that the Premises has been acquired by District as part of the Colusa Basin Drainage District Integrated Watershed Management Plan, as amended (“Watershed Management Program”) pursuant to the certain Grant Agreement with the State of California a Memorandum of which is recorded in the Official Records of Glenn County on January 9, 2004 as document number 2004-0194 (“Grant”), and that the premises and any subsequent tenancy are subject to the proposed and requirements of the Watershed Management Program and the Grant.

INTRODUCTION

The Colusa Basin Drainage District (CBDD) is seeking proposals from qualified entities or individuals to operate an economically viable livestock operation-integrating water shed conservation principles, sound farming practices, and rangeland stewardship principles. The period of the livestock grazing lease shall commence in September of 2024, and is expected to continue for five years (through August 31, 2029). CBDD is seeking proposals from livestock operators who have the interest, skills, experience, and capabilities to cooperate in achieving objectives for livestock production, rangeland health, conservation, and other management goals to be defined in a grazing management plan. Guiding principles and regulatory drivers of grazing methods to be included in the management plans are listed herein. Proposals will be evaluated and scored as described below under the heading Evaluation and Selection Criteria,

based on operational capacity, demonstrated experience, proposed management approach and public outreach plan (collectively 55%), and proposed lease pricing (45%).

CBDD's Primary Objectives for Grazing Lease Agreements are as Follows:

- a) Maximize returns of professional rangeland stewardship services while maintaining fair and competitive rental rates.
- b) Utilize comprehensive annual and long-term management plans that clearly define the grazing operations.
- c) Integrate grazing operations and improve water quality by minimizing erosion and sedimentation.
- d) Increase animal carrying capacity through enhanced productivity of perennial grasslands.
- e) Improve water quality by minimizing erosion and sedimentation.
- f) Provide additional opportunities for groundwater recharge.
- g) Provide a demonstration site whereby conservation methods can be proven to meet industry acceptable standards and margins.
- h) Ensure measures are compatible with the primary objectives of California Resources Agency and the California Department of Water Resources.
- i) Create transparency, accountability and security in the stewardship of the land owned by CBDD to its taxpayers, regulatory agencies, conservation organizations, and the public.
- j) The proposer will accept all facilities, corrals, water systems, fences, gates, and other appurtenances "as-is." The lessee is subject to terms and conditions of the District's Proposition 12 Grant Agreement and agrees to schedule, manage and document all public access tours, experiments and cooperative agreements with other entities for the District's public outreach goals.

SCOPE OF WORK

This Request for Proposals (RFP) relates to approximate 2,942.3 acres property located on both sides of County Road 302, east of County Road 303, in the Coast Range Mountains, approximately seven miles southeast of Elk Creek and eleven miles west of the City of Willows, Glenn County, California (See Attachment A for Plats and Maps). The ranch lies in Sections 3, 4, 9, and 10, Township 19 North, Range 5 West and Sections 28, 32, 33, and 34, Township 20 North, Range 5 West, M.D.B. & M.

The subject property is irregular in shape with a length of 3.0 +/- miles, and a width of 2.25 +/- miles. Its boundaries generally correspond to surveyed section lines. The property is bordered by paved County Road 303 along a portion of the westerly side with approximately three miles of frontage. The property is bisected by paved County Road 302 running east and west, which

extends from the ranch to Highway 162. The ranch has approximately five miles of frontage on County Road 302. The ranch currently contains a limited conservation easement in favor of the California Department of State Resources. Said easement is set to expire after the term of this offering, therefore said lease shall comply with all terms of said recorded conservation easement.

Historically, the ranch has held approximately 1350 standard animal unit months (AUM's). This estimate of the ranch's AUM's are for reference purposes only and do not represent a guaranteed stocking rate.

In the past 20 years, the valley area has a history of being dry farmed to wheat, barley, and/or triticale and the ranch had the FSA base indicated below (as of 2014) for these crops:

<u>Crop</u>	<u>Acres</u>
Wheat	214.0
Barley	35.5

Selection Process and Schedule

This section outlines dates of key milestones of the selection process.

1. Site visit shall be October 3 or 4, 2023. Interested operators wishing to view the available leases may do so on these days only, and under the guidance of the District's management. Travel on the subject property must be done in accordance with CBDD's policies at the time. Due to dry conditions and fire hazards, site visit will be limited to easily accessible roads and by foot. Reservations may be required and each interested party or interested business entity may be allowed to send only one representative depending on the level of response. Reservations will be made by calling (530) 934-7794, or emailing cbdd61@yahoo.com by 4:00 p.m. on September 29, 2023 in order to participate in the site visits. Once reservations are made instructions for further instruction on the visits will be provided.
2. All questions of clarification regarding this RFP must be submitted by email to cbdd61@yahoo.com and received no later than 10:00 a.m. on September 26, 2023. Questions will be addressed in an addendum to this RFP and provided to all interested parties.
3. Deadline for proposal submissions shall be 1:00 p.m. on Friday, October 13, 2023. See the Proposal Instructions sections below for submission requirements.
4. If deemed necessary, CBDD may conduct interviews during the weeks of October 23 and 30.
5. Lease finalization and negotiations will be conducted by January of 2024, or sooner.
6. Leases will commence in September of 2024.

Eligibility and Minimum Qualifications

For the purpose of this RFP, an eligible livestock operator may be a single producer or operator, conducting business as a sole proprietor, or as a partnership, a limited liability company, or a corporation.

Proposals must clearly demonstrate the primary individual(s) proposed to be directly overseeing and managing grazing operations possess individually, or collectively, the following minimum qualifications:

1. Five years (full-time equivalent) in a leadership role of a livestock grazing enterprise operating in California annual grassland.
2. Two years (full-time equivalent) direct experience managing livestock on rangelands managed for watershed and water quality protection and/or perennial grassland propagation, and conservation.
3. One or more representatives must be located close enough to the property and possess the physical and logistic capabilities to respond to unexpected livestock-related incidents within a minimum of three hours.
4. Financial resources and/or backing to adequately fund the proposed livestock operations as evidenced by a signed asset/liability worksheet or a line of credit demonstrating access to capital two times the proposed base rent, or a minimum of \$40,000, whichever is greater.

Proposal Instructions

Eligible livestock operators meeting the minimum qualifications listed above are encouraged to submit proposals.

Deadline for proposal submission is 1:00 p.m. on Friday, October 13, 2024. One copy of the proposal, one sealed envelope of proposed lease pricing memo (addressing items a and b below), and one sealed envelope containing proof of financial solvency and financial backing marked “proprietary and confidential” must be received at the following address prior to the submission deadline:

Proposal for Grazing Lease
Colusa Basin Drainage District
P.O. Box 390
Willows, CA 95988
(or in person at 1030 W Wood St, Ste 3)

Proposals must not exceed 10 printed page limit. This page limit is exclusive of the cover letter, reference letters, resumes of key personnel, financial documents, and pricing memo.

Proposal packages must include all required forms, statements, rates, and memos as described below:

1. Signed cover letter stating that information in proposal is true, factual and accurate. The cover letter is not included in the 10-page limit.
2. Concise statement of qualifications demonstrating eligibility and possession of minimum qualifications.
3. Company and personnel qualifications, including specialized personnel and equipment. If included, resumes of key personnel should be in an appendix to the proposal and are not included in the 10-page proposal limit.
4. Statement of interest, willingness, experience, and demonstrated capabilities to provide the required and optional lease activities and stewardship services, plus any other potentially of value to the District.
5. Proposal must indicate a plan to coordinate and manage twelve annual public access events which are required under the CBDD's public access agreement with the State of California. Said plan shall provide an outreach program that provides for the receiving, participation, and coordination of at least 12 public outreach ranch visits and demonstrations per year. Said outreach shall meet District's liability requirements, and a monthly report shall be provided to the District. Said report shall provide the names of all attendees of each public outreach ranch visit and demonstration.
6. Proposal must indicate a level of interest in leasing the recreation and hunting privileges and farming rights.
7. A rangeland monitoring plan shall be included.
8. A written agreement that the proposer will not promote or conduct activities that are inconsistent with the District's grant agreement under Proposition 12 and the overarching District goals. Said successful tenant shall be free of a criminal record which will prevent party's compliance with the District's grant agreement under Proposition 12 and the overarching District goals. Said successful tenant shall be free of a criminal record which will prevent party's compliance with the District's outreach program, or create District additional liability costs.
9. At least two letters of reference from individuals with names, addresses and telephone numbers, preferably from clients or contacts knowledgeable about the proposer's participation in projects similar in nature to that identified in the proposal. All listed references should be available to be contacted and willing to discuss proposer's qualifications.

In a separate sealed envelope, proposer shall:

- a) Provide a memo detailing the proposed rate (acre/year) for each property right bundle (grazing, recreation and hunting, and farming), in its current condition and without any additional grazing related improvements, accepting required maintenance.
- b) List any assumptions or justifications made which may be necessary for clarification purposes.
- c) All proposed pricing and justifications or assumptions are to be submitted as a memo in a separate and sealed envelope.

In a separate sealed envelope, marked “proprietary and confidential”, proposer shall provide:

- i. Proof of financial solvency and adequate financial backing to fund proposed operations and improvements.
- ii. Proof of financial solvency and financial backing shall be submitted in a separate and sealed envelope marked “Proprietary and Confidential.”
- iii. Financial information so submitted with a proposal will be considered confidential and is not expected to be subject to the California Public Records Act. However, by submitting a proposal, each operator agrees that it may seek to protect such financial information by obtaining a court order enjoining disclosure. District shall promptly notify the operator upon receiving a Public Record Act request seeking that operator’s financial information.

Evaluation and Selection Criteria

This lease program is designed to afford flexibility and responsibility in management decision-making to the lessee to meet the stated performance standards for each field. CBDD will expect the lessee to endeavor in good faith to meet those performance standards each year of the lease. CBDD wishes to build a sustainable relationship with the lessee, and is looking for the most suitable candidates to effectively meet its objectives.

Proposals that meet the minimum qualifications may be forwarded directly to the Board for review, or may be forwarded to a CBDD Selection Committee to narrow down to the most qualified three to five proposals. The Selection Committee will score proposals based on the criteria and weighting listed below, and prepare a ranking to submit to the full CBDD Board.

1. Operational Capacity (10%), including the documented ability to:
 - a) Provide livestock, as well as supplies, equipment owned by the party(s), and labor for successful enterprise operations.
 - b) Operate with flexibility in stocking rates, grazing periods, and kind and class of livestock to accommodate seasonal fluctuations in forage availability as well as specialized grazing treatments.

- c) Allocate financial resources to fund the construction of capital improvement projects as well as the required maintenance and optional Stewardship Service until any corresponding reimbursements, previously approved by the district, if any, are made by the District.
 - d) Support rangeland management assessment, planning, and monitoring efforts.
 - e) Perform required and optional Lessee responsibilities as outlined herein.
 - f) Maintain and improve rangeland grazing infrastructure including watering systems, perimeter and internal fencing, corrals, grasslands, timber, and roads.
2. Experience with grazing management programs focused on conservation (10%) which demonstrates:
- a) Knowledge of watershed and water quality protection principles and practices.
 - b) Awareness of environmental permitting, mitigation, and management planning and monitoring processes.
 - c) Ability to manage grazing to target pest plants and/or enhance native vegetation that reduces runoff and promotes adsorption.
 - d) Positive working relationships and collaboration with public or private landlord leasing rangelands to be grazed for conservation purpose, for watershed protection, and accommodating public access and recreational & hunting uses.
3. Proposed management approach (15%), which describes strategy to:
- a) Determine when and if the leased property is ready for grazing before commencing grazing.
 - b) Determine and maintain the stocking rate suitable to meet the performance objectives.
 - c) Meet the special-status performance standards under varying levels of forage productivity and infrastructure deficiencies.
 - d) Meet the grazing and special-status performance standards under varying levels of forage productivity and infrastructure deficiencies. Rangelands monitoring plan shall be included.
 - e) Collaborate with CBDD to meet objectives related to watershed, water retention, and water quality protection, pest plant control, erosion prevention, and fire hazard control.
 - f) Determine that your livestock are healthy prior to being introduced to CBDD property and ensure that they remain so throughout the lease period.
4. Proposed approach to public outreach (10%), which discusses:
- a) A plan to facilitate, manage, monitor, and document at least twelve (12) public access events each year.

5. Proposed lease pricing (45%) is to be submitted for each faction, including livestock, recreation & hunting, and farming, of the overall lease on a dollar per acre basis for each faction. Said shall be calculated on a weighted average basis, using the following formula:

$$\text{Applicant Proposed Price for Lease (Combined)} \times 0.45 = \text{Weighted Score}$$

6. The final 10% shall be based upon recreation and hunting (5%) and farming components (5%), which addresses:
 - a) A recreational plan which incorporates a wildlife management plan and hunting plan.
 - b) A farming plan.

Interview

Proposers may, at CBDD's sole discretion, be asked to participate in an interview to evaluate the Proposer's skills in problem solving, project management, communications, and judgment. Any interviews will occur after the proposal scoring and ranking process described in the preceding section has been completed and will have a separate evaluation process.

Lease Pricing and Negotiation

Lease pricing should be based on an annual fixed rate that will be paid despite drought or other impediments.

Based on the criteria described herein, CBDD reserves the right to conduct a separate evaluation to determine the proposal with the highest and best qualified operational plan. At the option of the CBDD, the Proposer of this highest and best qualified operation plan may be asked to re-evaluate their financial compensation package to a more competitive level. If unable to reach a final agreement on pricing with any proposer deemed best qualified, the CBDD may, at its sole discretion, initiate negotiations with the proposer deemed the next best qualified and such may continue as needed until an agreement can be made with the proposer deemed most qualified who has agreed to a fair and competitive price as deemed by CBDD.

Administrative Conditions

1. This request does not commit CBDD to pay any costs incurred by respondents in the preparation or submission of proposals resulting from this RFP.
2. Submitted proposals will not be returned to respondents unless explicitly requested. Then all costs for the return shall be born by the proposer.
3. All submitted proposals, including price, will be subject to the California Public Records Act (see Proposal Instructions above concerning financial documents submitted as proprietary and confidential).
4. CBDD reserves the right to reject any proposals. The determination of qualifications is solely with the District.

5. CBDD reserves the right to conduct discussions with any applicant if it is deemed necessary for understanding, clarity, or negotiations.
6. The outcomes shall be based on an “overall value” process and it is the intention of CBDD to enter into final negotiations with the successful respondent to finalize lease terms.
7. There may be more than one lessee selected for each facet of the ranch (grazing, recreation and hunting and/or farming). However, one lessee is preferred, and at the discretion of CBDD, components may be left vacant.

Notable Lease Terms

Below are summaries of selected lease terms that applicants should note in considering proposal submissions. A sample lease is not attached to this RFP.

1. The resulting lease will be for a five (5) year term. CBDD may give the tenant the opportunity to extend the lease beyond the 5-year initial term. Extensions can be given for no more than up to a five (5) year term. District reserves the right to renegotiate any and all terms of the lease prior to granting an extension.
2. The resulting leases will have the following provision related to the value of lost or unavailable forage due to prolonged drought or wildfire:
 - A requirement for the lessee to obtain and maintain an insurance policy for business losses due to wildfire or drought associated with the lease.
3. The resulting leases may offer a method to reimburse lessee for improvements and other services, agreed to and **approved in advance**, at approved compensation rates. These activities are likely to include tasks associated with improvements to grazing related infrastructure and targeted grazing services. However, debris removal, rangeland monitoring, homestead fence maintenance, off season water system maintenance, and maintaining a regular site presence on the leased properties when livestock are not present will not be reimbursable. All potentially reimbursable work will require prior written CBDD Board authorization and will be inspected upon completion to ensure conformance to CBDD standards and specifications. Reimbursement will only be issued upon completion and inspection of the work.
4. The successful lessee and any subcontractors will be required to maintain insurance policies with the following coverage limits. Lessee will be required to endorse CBDD as an additional insured on said insurance policies.
 - a) Commercial General Liability Insurance with limits of liability no less than \$1,000,000 combined single limit and \$2,000,000 aggregate. Said liability coverage must include all activities of the lease, inclusive of recreation or hunting, or a rider policy shall be required which is inclusive of recreation and hunting at the same limits as above.

- b) Comprehensive Automobile Insurance with limits of liability no less than \$1,000,000 combines single limit and \$2,000,000 aggregate.
 - c) Worker's Compensation and Employer's liability as required by the State of California.
5. Following lessee selection, lease terms including rent, stewardship activities, and mechanisms and rates for reimbursement will be negotiated and finalized. The lease will be fully executed and provisions in place, including an annual work plan, to initiate livestock operations in fall of 2024.
 6. Following lease commencement, the successful respondent will be subject to a nine-month probationary period in which time CBDD may evaluate ranch operations and elect to terminate the lease immediately. In the case of termination, CBDD may select replacement operators as needed from the proposals generated through the RFP process.
 7. Rent shall be due and payable in full in advance for each individual year on September 1st. Failure to pay rent on the close of business on September 1st shall be considered a breach of said lease. Any checks tendered with insufficient funds shall be considered an immediate breach of said lease. CBDD may immediately select replacement operators as needed. Said replacement operators may come from the proposals generated through the RFP process. Tenant shall reimburse CBDD for all costs incurred from said breaches.
 8. Performance Bond: The successful proposer will be required to submit a performance bond equal to one-half of proposer's rental rate, and evidence of insurance required here under. Failure to submit the bond and/or insurance verification within the time limit presented may be treated as a refusal to execute if the District so elects.

CONSIDERATIONS

For both the District and the lessee, the grazing duration and rest of the period will be timed with recovery of the native perennial grasses and other herbaceous plants. The grazing season will begin on October 1 of each year, unless a mutually agreed upon alternate day each year has been approved, and will end no later than May 15, of the following year, unless a mutually agreed upon alternate day each year has been approved. Due to the potential that short grass years and/or drought conditions may occur, a mutually acceptable solution by the District and Lessee may be determined.

The proposer will accept all facilities, corrals, water systems, fences, gates, and other appurtenances "as-is." The lessee is subject to terms and conditions of the District's Proposition 12 Grant Agreement and agrees to schedule, manage and document all public access tours, experiments and cooperative agreements with other entities for the District's public outreach goals.

PROPOSER RESPONSIBILITIES:

The submission of a proposal shall be deemed evidence that the proposer is fully aware of the responsibilities of being a lease, having carefully examined State Laws relating to leaseholds, the site(s) selected for said lease, obligations and responsibilities related to local control agencies (including District) and permitting requirements, and the proposal instructions and proposal forms included herein.

CONFIDENTIALITY OF PROPOSALS:

All submitted proposals submitted in response to this RFP become property of the District and are subject to the requirements of the Public Records Act. Proposers claiming exemption must include this statement in their proposal:

“The proposer agrees to indemnify, defend and hold harmless the Colusa Basin Drainage District and their officers, employees and agents from any actions, claims, liability or damages that may be brought against the District, its officers, employees or agents for the refusal to disclose material included in the proposal, trade secrets, or other proprietary information to any party.”

Failure of a proposal to include such a statement shall be deemed a waiver of any exemption from disclosure under the Public Records Act. Requests to review proposal submissions will not be allowed until after a lease is negotiated.

The proposer must identify in writing, all copyrighted material, trade secrets, or other proprietary information the proposer claims are exempt from disclosure under the Public Records Act (California Government Code Sections 6250 et seq).

WITHDRAWAL OF PROPOSALS:

Proposal may be withdrawn at any time prior to the hour fixed for the acceptance of proposals, provided that a written request for the withdrawal of such proposal, executed by the proposer or his/her duly authorized representative is filed with the District. The withdrawal of a proposal shall not prejudice the right of a proposer to file a new proposal prior to the time and date set for acceptance of proposals. However, once proposals are formally received on the date specified for the receipt of proposals, they shall be irrevocable.

THE DISTRICT’S RIGHT TO REJECT PROPOSALS, WAIVE DEFECTS AND REQUIREMENTS:

The District reserves the right to accept or reject any or all proposals, waive any or all immaterial defects of irregularities or requirements in the RFP for the benefit of the District. A proposer shall not be relieved of his/her proposal nor shall any change be made in his/her proposal because of mistakes.

SUPPLEMENTAL INFORMATION:

The District, at its sole discretion, reserves the right, but does not have the obligation to seek supplementary information or clarification from any proposer at any time between the dates of the proposal submission/acceptance and the contract award. The District may make background

inquiries to further establish the qualifications of any proposer. Any proposer may be subject to personal interview and inspection of his/her business premises prior to award.

LEASE NEGOTIATIONS:

After reviewing and evaluating all proposals, a lease will be negotiated with the selected proposer pursuant to Section 402 of the Colusa Basin Drainage District Act. The selected proposer will comply with the terms of the lease and perform prescriptive grazing operation in the best interests of the District and public. Once a proposer has been selected, all proposers will be notified in writing.

PERFORMANCE BOND:

The successful proposer will be required to submit a performance bond for one half of the Proposer's rent and shall provide evidence of insurance required here under.

Failure to submit the bond and/or insurance verification within the time limit presented may be treated as a refusal to execute if the District so elects.

FAILURE TO SIGN/DELIVER LEASE:

A failure to the successful proposer to sign and deliver the lease within 15 days of receipt thereof, and to provide the District with any bond and any evidence of insurance required there under within the time limit presented, may be treated as a refusal to execute if the District so elects. In the event the selected proposer fails to execute, the District in its sole discretion, may revoke the lease offer and continue negotiations with another proposer.