

COUNCIL AGENDA: MAY 6, 2014

SUBJECT: PIONEER WATER COMPANY - WATER SHARES LEASE

SOURCE: Public Works Department - Field Services

COMMENT: At the April 1, 2014, City Council meeting, Council directed staff to solicit bids for the lease of 400 shares of the City's Pioneer Water Company holdings for the 2014 year. Council further directed the 400 shares be divided into 8 lots of 50 shares each to provide farmers with smaller operations an opportunity to bid.

Pursuant to Council's direction, staff solicited bids for the lease of the 400 shares and received eleven (11) bids from six (6) different bidders. Three of those bid for multiple 50 share lots and three bidders submitted for single 50 share lots.

Once the bids were tallied it was determined that three of the six bidders had submitted the top three bids and would be awarded 50 share lots each. The remaining bids were all tied. After consulting with the City attorney for direction, the review Committee determined that the other three bidders would receive a 50 share lot at their bid price. This left 2 lots of 50 shares to divide among the 5 remaining tied bids. Staff then contacted the multi-bid bidders and they did not object to dividing the 100 remaining shares into five lots of 20 shares each, rather than risk a drawing to break the tie. Attached is the bid summary.

Lease agreements have been signed and funds received totaling \$150,250. The leases for 2014 have been recorded with Pioneer Water Company.

RECOMMENDATION: INFORMATIONAL

ATTACHMENT: Bid Summary

Dir Appropriated/Funded MB CM

Report No. II-6

Bid Summary for the Leasing of Pioneer Water Company Shares
Owned by the
City of Porterville

Bidder			Bid Price	Shares	Totals
1	Alta Vista Water Company	1 Lot @ 50	\$655	50	\$32,750
		1 Lot @ 20	\$300	20	\$6,000
				70	\$38,750
2	Griffith Farms	1 Lot @ 50	\$500	50	\$25,000
		2 Lot @ 20	\$300	40	\$12,000
				90	\$37,000
3	Sun Pacific (Cloverleaf Ranch Co. Ltd)	1 Lot @ 50	\$350	50	\$17,500
4	Limoneira	1 Lot @ 50	\$300	50	\$15,000
		2 Lot @ 20	\$300	40	\$12,000
				90	\$27,000
5	Bee Sweet Citrus	1 Lot @ 50	\$300	50	\$15,000
6	Hermosa Tierra / Julia Inestroza (Richardson Family Trust)	1 Lot @ 50	\$300	50	\$15,000
* Shares Leased				400	
* Total Lease Earnings					\$150,250

Note:

6 Lots @ 50 Shares Each to Total 300 Shares.

Remainder 100 Shares were divided among additional Lot Bids
100 Share / 5 Bids = 20 Shares