



Board of County Commissioners - Staff Report

Meeting Date: August 7, 2018
Submitting Dept: Road & Levee

Presenter: David Gustafson
Subject: Walton Quarry Gravel Lease

Statement / Purpose: Consideration of Walton Quarry Sand and Gravel Lease with the State of Wyoming Board of Land Commissioners

Background / Description (Pros & Cons): The Walton Quarry was historically used to obtain rip-rap for levee armor during flood fight and maintenance operations. The facility is approximately 10 acres in size. The quarry is now used for rip-rap storage, however in case of future emergency or shortage of rip-rap availability, the sand and gravel lease agreement has been maintained. The lease is for a 2 year period.

Stakeholder Analysis & Involvement: Teton County and the Walton Ranch are the sole stakeholder. The Walton Quarry is located on Walton Ranch lands.

Fiscal Impact: The annual rental payment is \$1.00 per acre, \$10.00 per year. The royalty rate for rip-rap extraction is \$1.50 per ton, however rip-rap is currently not mined from the quarry.

Staff Impact: No Staff impact.

Legal Review: Gingery.

Staff Input / Recommendation: Staff recommends approval of the the State of Wyoming Sand and Gravel Lease Agreement, No. SG-1532, for the Walton Quarry.

Attachments: Copy of lease agreement.

Suggested Motion: I move to approve the State of Wyoming Sand and Gravel Lease Agreement, No. SG-1532, for the Walton Quarry.

STATE OF WYOMING
BOARD OF LAND COMMISSIONERS
SAND AND GRAVEL LEASE

1. THIS LEASE, is entered into this 2nd day of June 2018 by and between the State of Wyoming, Board of Land Commissioners, as LESSOR, and Teton County Road & Levee as LESSEE.
2. The LESSOR hereby grants unto LESSEE, its successors, or assigns, authority to explore for, extract, and remove sand and gravel from the following described land, to-wit:

10.00 acres Lot 3 (PT SENW) Section 7 Township 41N, Range 116W 6TH P.M.
Teton County, Wyoming
3. The term of this lease shall be two (2) years, commencing on the 2nd day of June 2018 and ending June 1, 2020.
4. In consideration for the grant of this lease, LESSEE agrees to pay the LESSOR royalties at the rate of Sixty Cents (\$0.60) per ton for all sand and gravel removed by LESSEE under the terms of this lease. LESSOR reserves the right to increase the royalty rate during the term of this lease.
5. LESSEE shall have the right to enter upon and use so much of the surface of lease premises as is necessary and incidental to the exploration, extraction, and removal performed by LESSEE under this lease, provided that the LESSEE shall fully protect the rights of all lessees under agricultural or grazing leases, which are in effect, or shall be hereafter granted by LESSOR, for the same land as is the subject of this lease. LESSEE further agrees to:
 - a. Fence the pit from which the sand and gravel is removed, erect and keep closed gates in all fences in which openings may be made, close and keep covered all holes or open cuts for the protection of stock grazing on the premises;
 - b. Avoid and prevent the contamination of any living water upon the land;
 - c. Fully indemnify any tenant, lessee, purchaser, or other person holding under the LESSOR, should LESSEE or any person holding from, by, or under the LESSEE destroy or injure any crop, building, or other property or improvement on lease premises, in a sum as may be mutually agreed upon by the parties, or if agreement is not reached, by the LESSOR;
 - d. Comply fully with the Wyoming Weed and Pest Act, W.S. 11-5-102 et.seq., in regard to control of noxious weeds.
 - e. Hold the LESSOR harmless from any responsibility for any and all claims for damages whatsoever which may be incurred by reason of the action of the LESSOR in the granting of this lease.
6. LESSEE will remit to the Office of State Lands and Investments, Cheyenne, Wyoming, annual rental payment of One Dollar (\$1.00) per acre, such annual rental is creditable against the royalty due in the lease year, and as such, will be applied to the next annual rental due unless the annual royalty in any year does not equal the required annual rental amount.

LESSEE further covenants and agrees to submit monthly reports verified under oath showing the number of tons of sand and gravel removed during the one month period, which reports the LESSEE agrees to render and transmit to the Office of State Lands and Investments within thirty (30) days of the last day of the period covered. These reports are to be rendered whether or not there was any material removed from the land.
7. LESSEE further covenants and agrees that it will fully pay, when they fall due, all bills for machinery, lumber, timber and other materials, all wages for labor, and all other demands caused by its operations hereunder on said described land, so that no laborers' or other mechanics' liens, attachments, or liens of any character shall arise against said land.
8. It is expressly understood and agreed by and between the signatory parties, their successors or assigns, that if default shall be made in any of the covenants and agreements herein contained, to be kept and performed by LESSEE, its successors or assigns, the LESSOR shall serve notice in writing on the LESSEE, either by personal service or by registered mail of such default, and if the said LESSEE shall fail to perform the covenants and agreements of this lease so defaulted in within thirty days from the date said notice is served personally, or from the date said notice is mailed by registered mail, then the LESSOR may declare this lease canceled and re-enter into the premises or any part thereof; and in case of default in and of any of the covenants or agreements herein contained, by the LESSEE, upon thirty days notice by the LESSOR to the LESSEE that this lease has been declared canceled, the LESSEE hereby agrees to surrender the peaceful and uninterrupted possession of the premises to the LESSOR; and that neither the LESSEE nor its legal representatives, nor assigns will permit any loss, or permit or cause to be permitted any waste or destruction in, to or upon said premises or any part thereof, nor remove any improvements placed thereon without the consent of the LESSOR.

9. It is expressly understood and agreed by and between the signatory parties, their successors or assigns that the lease premises shall be maintained in a condition acceptable to the LESSOR at all time, in conformance with Chapter 25 of the Board of Land Commissioners Rules and Regulations, and further, the LESSEE agrees to comply fully with the Wyoming Environmental Quality Act, W.S. 35-11-101 et.seq., and that the obligation for reclamation to a condition acceptable under said act, and to the LESSOR for any land disturbance by the LESSEE, will be the sole responsibility of the LESSEE. LESSEE agrees to indemnify the LESSOR for any costs arising out of a default by the LESSEE under this paragraph.
10. It is expressly understood and agreed by and between the signatory parties hereto that no assignment of this lease shall be made by the LESSEE except with the consent and approval of the LESSOR.
11. It is expressly understood and agreed by and between the signatory parties, their successors or assigns that this lease is to be construed under the provisions of the laws of the State of Wyoming; and at the expiration of this lease by limitation, forfeiture or otherwise, the LESSEE agrees to remove all improvements from the land described herein without cost to the LESSOR.
12. It is further understood that this lease is issued subject to rescindment and termination at the option of LESSOR if the lease premises are offered for sale.

STATE OF WYOMING
Board of Land Commissioners

Director,
Office of State Lands & Investments

LESSEE: Teton County Road & Levee
ADDRESS: P.O. Box 9575, Jackson Wyoming 83002

BY: _____

PRINT NAME: _____

TITLE: _____

STIPS:

1. This lease is issued subject to and conditioned upon lessee's acknowledgment and agreement that, pursuant to Chapter 25, Section 3 (g) of the Rules and Regulations of the Board of Land Commissioners, any discovery of historical, archeological or paleontological deposits on state lands during the course of development shall be reported to the Office of State Lands and Investments by the lessee prior to further disturbance, and operations may only recommence as authorized by the Director. The Director shall notify the lessee regarding mitigation within five (5) working days after receiving the report.

Resource issue: Big Game crucial winter range. This lease is issued subject to and conditioned upon lessee's acknowledgement and agreement that any exploration and development activities undertaken shall: 1) avoid human activity in Big Game crucial winter range from November 15 to April 30; or 2) In the alternative, exploration and development activities shall be subject to approval by the Director of the Office of State Lands & Investments. Director approval will be subject to consultation with Wyoming Game & Fish Department to consider alternative practices/plan of development that will provide similar resource protection and mitigation.

136. Resource Issue: aquatic invasive species: Prevent spread of aquatic invasive species – To prevent the spread of aquatic invasive species (AIS) we recommend the following guidelines outlined in the Aquatic Invasive Species in Wyoming brochure, which can be found at the following website: <http://gf.state.wy.us/fish/AIS/index.asp>. If equipment has been used in an area known to contain aquatic invasive species, the equipment will need to be inspected by an authorized aquatic invasive species inspector certified in the state of Wyoming prior to its use in any Wyoming water. If aquatic invasive species are found, the equipment will need to be decontaminated.”