



STAFF REPORT

TO: THE HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
MEETING DATE: SEPT 16, 2024
FROM: CITY MANAGER, TOM DUBOIS
SUBJECT: CDCR GROUND LEASE ASSIGNMENT FROM ARSA TO SUTTER CREEK

RECOMMENDATION:

Approve the attached resolution, specifying that Sutter Creek will inherit the ground lease for the ARSA pipeline and reservoirs upon the final dissolution of the ARSA JPA.

BACKGROUND:

Early this year, the ARSA JPA board began the process of dissolving the ARSA JPA. The JPA had outlived its usefulness and the board no longer represented the rate payers served by the JPA. The City of Sutter Creek, which is 80-85% of the service area of the JPA will become the successor organization.

One of the key issues is the assignment of the lease for the ARSA pipeline and system to the Castle Rock Golf Course in Ione. In order to agree to the transfer, which is permitted under the lease and is primarily a ministerial assignment, CDCR attorneys wanted additional clarification that the City of Sutter Creek will become the successor organization to all relevant agreements. The attached resolution captures there request and is required in order to have the lease transfer, which is requisite in order to operate after the JPA dissolution

DISCUSSION:

This is another step in getting to the final “closing” of the dissolution. Approving the resolution tonight gets the lease aligned so that on the final vote to dissolve, everything will transfer over to the City of Sutter Creek. This item could have been on consent, but because of its unusual nature, staff decided to put in on the Administrative Agenda in order to explain and answer any questions.

BUDGET IMPACT:

There is no additional financial impact.

ATTACHMENT:

Resolution for Sutter Creek Assumption of the Ground Lease