RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUTTER CREEK AGREEING TO ACCEPT ASSIGNMENT OF GROUND LEASE NO. L-2070, THE 2007 WASTEWATER AGREEMENT, AND THE 2024 SETTLEMENT AGREEMENT FROM AMADOR REGIONAL SANITATION AUTHORITY

WHEREAS, the Amador Regional Sanitation Authority ("ARSA") is a public entity formed pursuant to a certain Joint Exercise of Powers Agreement, as amended, in accordance with Government Code section 6500 *et seq*.; and

WHEREAS, ARSA is currently comprised of three member entities, namely, the County of Amador, the City of Amador, and the City of Sutter Creek; and

WHEREAS, the JPA was recently amended ("2024 JPA Amendment") to modify Paragraphs 9.1 and 9.2, to allow dissolution and termination of ARSA and allow the City of Sutter Creek to become a successor-in-interest to ARSA for all purposes; and

WHEREAS, the California Department of Corrections and Rehabilitation ("CDCR") owns a series of pipelines, reservoirs, rights of way, and water rights, each of which interconnect to allow the transport of water and/or wastewater, which is knowns as the "Henderson/Preston System"; and

WHEREAS, ARSA is a party to that certain "Agreement to Regulate Use of Henerson/Preston Wastewater Disposal System" ("2007 Wastewater Agreement"), dated September 18, 2007; and

WHEREAS, ARSA is a lessee to that certain Ground Lease (Lease No. L-2070), dated January 1, 2009, for a term of thirty (30) years ("Ground Lease"), which gives ARSA the right to use the Henderson/Preston System, subject to the terms and conditions stated therein; and

WHEREAS, ARSA is a party to that Settlement Agreement between ARSA, CDCR, and the City of Ione, dated May 22, 2024 ("2024 Settlement Agreement"); and

WHEREAS, pursuant to Section 17 of the Ground Lease, the State of California, acting by and through the Director of General Services (DGS), with the consent of the California Department of Corrections and Rehabilitation (CDCR), must give prior written consent of any assignment of the Ground Lease; and

WHEREAS, pursuant to the 2024 JPA Amendment, ARSA will soon be dissolved and terminated, and the City of Sutter Creek will assume all obligations of ARSA, including without limitation, its obligations under the Ground Lease, its obligations under the 2007 Wastewater

Agreement, and its obligations under the 2024 Settlement Agreement, immediately upon ARSA's legal dissolution; and

WHEREAS, one of the other necessary conditions precedent to such final dissolution and termination of ARSA, is that the State of California, acting by and through DGS or CDCR, provides written consent of the assignment to the City of Sutter Creek of the Ground Lease; and

WHEREAS, the City of Sutter Creek and ARSA have agreed to each adopt this resolution to further memorialize their mutual intentions to the satisfaction of the State of California, so that the State may then provide the written consent required for any assignment as contemplated under Section 17 of the Ground Lease, as well as memorialize their intent to assume all of ARSA's obligations, including without limitation, the 2007 Wastewater Agreement and the 2024 Settlement Agreement.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SUTTER CREEK RESOLVES AS FOLLOWS:

Section 1. That the City of Sutter Creek hereby agrees to accept assignment of the Ground Lease from ARSA, the 2007 Wastewater Agreement, and the 2024 Settlement Agreement, upon ARSA's immediate dissolution and termination as currently planned by the ARSA member agencies pursuant to the 2024 JPA Amendment.

Section 2. That, pursuant to Paragraph 9.1 of the 2024 JPA Amendment, the effective date of such termination of ARSA and succession by the City of Sutter Creek shall be the date that the second member agency under the 2024 JPA Amendment adopts a resolution to that effect (provided that one such member agency must be the City of Sutter Creek).

Section 3. That the City Manager is hereby authorized to execute any documents (including any agreement memorializing such termination), and take any other actions reasonably necessary, to effectuate and implement the orderly and timely succession of City of Sutter Creek to ARSA for all purposes, including the assignment of the Ground Lease, the 2007 Wastewater Agreement, and the 2024 Settlement Agreement, to the City of Sutter Creek immediately upon the dissolution and termination of ARSA.

Section 4. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the City Council of the City of Sutter Creek this ___ day of _____, 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Claire Gunselman, Mayor

ATTEST:

_____
Karen Darrow, City Clerk