



**JOHN A. FANTHAM**  
DIRECTOR OF PUBLIC WORKS

# County of Santa Cruz 0159

## DEPARTMENT OF PUBLIC WORKS

701 OCEAN STREET, ROOM 410, SANTA CRUZ, CA 95060  
(831) 454-2160 FAX (831) 454-2385 TDD (831) 454-2123

**AGENDA: MARCH 14, 2000**

March 2, 2000

SANTA CRUZ COUNTY BOARD OF SUPERVISORS

701 Ocean Street

Santa Cruz, California 95060

**SUBJECT: PROPOSED SAINT FRANCIS SEWER ASSESSMENT DISTRICT  
UNITED STATES DEPARTMENT OF AGRICULTURE FUNDING  
RURAL DEVELOPMENT WATER AND WASTE DISPOSAL  
LOAN/GRANT PROGRAM**

Members of the Board:

As a result of increased costs associated with the Saint Francis Sewer Assessment District, Public Works contacted the United States Department of Agriculture (USDA) to see if there were any programs that could assist with project funding. One of the programs the USDA administers, the Rural Utilities Service Program, offers funding at a lower interest rate and for a longer term than conventional bond financing and might include grant funding for a portion of the costs. The total project cost is estimated to be \$1,250,000. Without USDA loan or grant funding, individual lot assessments are estimated to be as high as \$34,000.

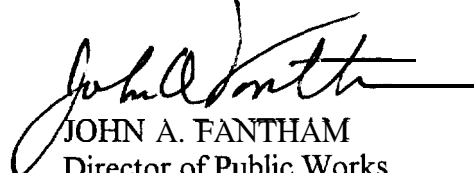
In a letter dated February 4, 2000 (copy attached), the Saint Francis Subdivision Citizens Committee requested that your Board authorize staff to apply for USDA funding. Board authorization to apply for funding is a requirement of the USDA application process.

It is therefore recommended that the Board of Supervisors take the following action:

1. Authorize Public Works to apply for USDA Rural Utilities Service Program funding by completing and submitting the pre-application form to determine eligibility for proposed assessment district improvement costs.

2. Authorize Public Works to contact the Salsipuedes Sanitary District Board on the Board of Supervisors' behalf to obtain records, ordinances, and service charge schedules required by the pre-application process.


Yours truly,

  
JOHN A. FANTHAM  
Director of Public Works

DR:mg

Attachments

RECOMMENDED FOR APPROVAL,:

  
\_\_\_\_\_  
County Administrative Officer

copy to:     Public Works  
                 Salsipuedes Sanitary District Manager  
                 Ifland Engineers  
                 Stephen Casaleggio, Jones Hall  
                 Citizens Committee

COPY

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ST. FRANCIS SUBDIVISION CITIZENS COMMITTEE

2717 East Lake Avenue, Watsonville. CA. 95076

The Board of Supervisors  
Santa Cruz County  
701 Ocean Street  
Santa Cruz, CA. 95060

February 4, 2000

Subject: Planned Public Hearing March 14. 2000.

This is to support the approval of this agenda item.

A property owners! public meeting to discuss the sewer extension which was recommended by the County Board of Health and the County Board of Supervisors was held on January 24th.

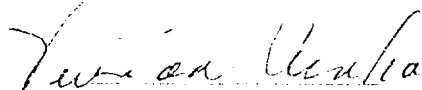
County Public Works staff presented two funding alternatives to pay for the sewer line we hope to construct in our neighborhood. One of the alternatives will finance the project from a bond sale and repay the bonds over a 20-year period. The other alternative would use a loan from the United States Department of Agriculture (USDA) to pay for the improvements. A USDA loan would be repaid at a lower interest rate over 40 years, and thus would result in a lower monthly payment. Therefore, it is more attractive to many of the St. Francis property owners. it may also be possible to secure USDA grant funding for a portion of the project.

At our meeting, a unanimous vote by the 18 property owners present (a majority of the 31 owners) agreed that the USDA alternative should be explored because it has the potential to result in substantial savings to the community.


Board of Supervisors approval is needed to apply to the USDA, according to Public Works staff. We request that you so direct staff to apply, without delay.

We understand that this application for USDA funding does not constitute property owner approval for this sewer line, but rather to provide us with an optional means to finance it, before voting it in.

Sincerely,

  
Vivian Dunne

  
Norman Dickens

  
Donald Cooley

COPY TO PUBLIC WORKS

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NAME	PHONE NUMBER
John & Arcilla Campos	728-9094
Abel Campos	724-8445
Naman & Jan Dickens	724-0328
Jennifer Ringe / Harry Williams	761-1655
Mark Minter	728-4698
Mike Sanders	722-2222
* Russell Deane	724-3734
Don Cooley	724-8133
BARRY & BARBARA SHARPE	728-9102
Juan C P	722-7258
Bob Hayton	763-2540
Ruth & Hugh Ash	728-1807
Phil & Allison Ealon	724-3532
Joni & Aldene Wright	724-0536
Ernie Agace	724-7548
BRIAN & JULIE POST	724-0248
Gloria Scheller	724-1102
Julie Post	724-0248
Larry & Barbara Lycka	724-1532

MOTION: TO REQUEST COUNTY TO APPLY FOR USDA LOAN

AND/OR HAVE OTHER GRANT SOURCE TO FINANCE  
ST. FRANCIS SEWER SYSTEM. PASSED - UNANIMOUSLY