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County of Santa Cruz

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October 10, 2000

Agenda October 17, 2000

Board of Supervisors
County of Santa Cruz
701 Ocean Street, Room 500
Santa Cruz, CA 95060

Re: COUNTY SERVICE AREA 54, MT. CHARLIE WATER SYSTEM

Dear Members of the Board: :

Your Board has previously deferred consideration of the operation details of the CSA 54 water system (former Mt. Charlie water system), to pursue a proposal which would transfer the system to the water users, in the form of a non profit corporation, Santa Cruz Mountains Summit West. This office has been working with the corporation's attorney. It was hoped that prior to your meeting that (1) the corporation would submit evidence that it is a representative entity of all of the water users, in the form of membership shares, and (2) agree upon and execute a transfer agreement.


Since this item was on your agenda last July, the water users have sought to increase their Department of Water Resources (DWR), Clean Water Act loan by \$50,000 (for a total of approximately \$950,000) and to extend the completion date. Both requests have been approved by DWR. DWR has for the first time requested that CSA 54 execute the loan amendment documents. This office has refused to sign any loan documents absent your Board's authority. It is not recommended that CSA 54 sign the loan amendment when it is pursuing a transfer of the water system assets to Santa Cruz Mountains Summit West.

Since the actions needed to conclude the transfer are under the control of Summit West and its counsel, this office is not able to give your Board a precise date when the preconditions for transfer of the water system will be satisfied.

IT IS THEREFORE RECOMMENDED that your Board continue consideration of the transfer of the CSA 54 (formerly Mt. Charlie Waterworks) water system to a non profit corporation until December 12, 2000.

Very truly yours,

SAMUEL TORRES, JR., COUNTY COUNSEL

By: 
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Assistant County Counsel

RECOMMENDED:


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Auditor-Controller
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