

SAN MATEO



LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

May 13, 2009

TO: Members, Formation Commission

FROM: Executive Officer

SUBJECT: LAFCo File No. 09-05--Proposed Dissolution of the Skyline County Water District

Summary

This proposal was filed by resolution of the Skyline County Water District (SCWD/"District") and requests dissolution of the District upon sale of the District's water system to California Water Service Company (Cal Water), a private water utility company (Attachment A). The reason for the sale and transfer of the water system is to provide for more affordable and efficient water service to approximately 477 water customers in the Skyline area. The reason for the dissolution is that once the transfer and sale are complete, the Water District will no longer operate as a water district. Approval is recommended.

Departmental Reports/Comments

County Assessor: The net assessed valuation shown in the records of the County Assessor is \$497,026,066. The boundaries of the proposal conform to lines of assessment and ownership.

County Clerk: The territory has 1,015 registered voters. The proposal would not conflict with any political subdivision boundaries.

Environmental Health: Water service in the area is provided by the Skyline County Water District. Sewer service is provided via individual septic systems. Cal Water provides water in adjacent urbanized areas and other areas of the County. The proposal appears to have no adverse environmental health impact.

San Mateo County Public Works, Drafting Services: The present jurisdiction of Skyline County Water District consists of 17 square miles (Attachment B). A State Board of Equalization map and legal description are not required for dissolution of districts.

Public Works (As Successor Agency Pursuant to Section 57451)

For dissolutions where there is no long term successor to district responsibilities, Government Code Section 57451 directs LAFCo to designate a short term successor agency for winding up the affairs of the dissolved district. In this case, because the majority of the assessed value of the district is located in unincorporated San Mateo County, LAFCo is required to designate the County of San Mateo as successor. The County of San Mateo Public Works Director has submitted comments in a letter dated March 17, 2009 (Attachment C). The Director recommends that the District be required to complete or transfer all accounts receivable to Cal Water and that Cal Water assume collection of accounts receivable prior to dissolution. The County also recommends that LAFCo approval be conditioned on the District settling all loans, debts and liabilities, including retiring the CAPMARK Finance, Inc. loan and/or other miscellaneous expenses.

The County also recommends that the District and Cal Water provide statements to LAFCo and the County that both entities will defend, indemnify and hold

harmless the County against any losses, etc. within the District prior to and after dissolution. The County recommends that the District be required to follow through on fiduciary duties, completing all close down payments prior to dissolution, including but not limited to payments for water, electricity, payroll, and payroll taxes; that District fund balance be transferred to the County Public Works Department for the purpose of winding up the affairs of the District, with remaining funds minus administrative expenses to be distributed pursuant to the State statutes and that the District be required to demonstrate that the agreement with Cal Water is consistent with recommendations in the March 17 letter of the County Public Works Department.

California Water Service Company

In response to the County of San Mateo Public Works Department letter of March 17, 2009 Cal Water submitted a May 6, 2009 letter (Attachment D) that indicates that Cal Water supports completion of SCWD water billing and accounts receivable by SCWD and transfer to Cal Water. In regard to indemnification, Cal Water states that Cal Water has agreed to indemnify the District on matters arising after the close of escrow, and the County as successor could enforce such indemnification. Cal Water declines to provide indemnification for claims related to District operations prior to transfer and dissolution. Cal Water cites the District's Occurrence Based Insurance Policy that would permit the County as successor to collect on insurance for claims or events related to the time period prior to Cal Water's acquisition of the system.

Other Comments:

Notice of the hearing on the proposed dissolution was published in the San Mateo Times and mailed to SCWD customers. No comments other than those cited above have been received.

Executive Officer's Recommendation

This application was submitted by resolution of SCWD and requests dissolution of the District in conjunction with the SCWD's negotiated agreement of sale of the water system to Cal Water. SCWD was formed December 22, 1954 pursuant to State Water Code Section 30001 in order to replace private water service provided by several small systems with a larger water supply for fire flow and domestic use. Consolidation of the many small systems and construction of new facilities enabled the District to provide dependable water service to rural areas along Skyline Boulevard. While the District's boundaries of formation extend into the coastal zone and include 17 square miles, the District's service area has been limited to approximately 477 connections along the Skyline Corridor.

In 2006 San Mateo LAFCo completed a municipal service review and adopted determinations that included a recommendation that the District examine the feasibility of transferring the system to California Water service Company. Determinations were based on operating conditions that resulted in the District's water rates being the highest in the County. These conditions included cost of certified personnel required for maintenance, operation and administration of a relatively small system, size of rate base and cost of transmission of water. The District subsequently entered into discussions with Cal Water and an agreement was reached. As noted in the District's application, acquisition and operation of the system by Cal Water will result in more cost effective and efficient service and upon transfer, the District will no longer operate as a water district.

Skyline County Water District Property Tax

Because SCWD was levying a tax prior to Proposition 13, the District receives approximately \$231,000 of the 1% property tax collected within District boundaries. Following notice of the LAFCo application, County Board of

Supervisors on behalf of SCWD, as set forth in Revenue and Tax Code, adopted a resolution of property tax transfer. Absent a long term successor or a finding that a particular agency or agencies should succeed to SCWD's property tax revenues after the District dissolves, the Board of Supervisors adopted a resolution directing the County Controller to redistribute the District's property tax proportionately to the remaining agencies in district boundaries based on their proportional shares of the 1% property tax. The County Controller's Office will calculate redistribution based on the share of the 1% property tax each agency receives within current District boundaries. These entities include the County of San Mateo, County Library, County Fire, San Mateo Community College District, Sequoia High School District, Portola Valley Elementary School District, Woodside Elementary School District, Redwood City Elementary School District, Cabrillo Unified School District, Midpeninsula Regional Open Space District, San Francisco Flood Control Zone, Woodside and Coastside Fire Districts, Sequoia Health Care District, Resource Conservation District, Harbor District, Bay Area Air Quality District and the Town of Woodside.

Asset and Real Property Purchase and Sale Agreement

Following completion of the service review the District entered into discussions with Cal Water and both entities have executed an agreement of sale. The agreement transfers all District assets including water rights, San Francisco Public Utility Commission (SFPUC) Water supply assurance, water system infrastructure, real property, vehicles, etc. to Cal Water for the value of One dollar (\$1) and in exchange, Cal Water will "...accept customers in existing Bear Gulch District at no cost to Seller or Seller's customers and in perpetuity to provide water service to the Seller's customers at rates, charges, and fees no greater than those of other Bear Gulch customers." After transfer to Cal Water, the SCWD system will be interconnected with the Cal Water system, which will provide redundancy in the case of disruption in either of the systems.

While all customers receiving SFPUC water will experience rate increases beginning in July 2009, inclusion of the SCWD customers in the Cal Water Bear Gulch District offers significant economy of scale and rate savings. The Bay Area Water supply and Conservation Agency (BAWSCA) 2007-08 Annual Survey cites the average monthly SCWD consumption at 12 units and average monthly water bill at \$122.80 (monthly service charge of \$35, Capital Improvement Program fee of \$5 and six tier rate per hundred cubic feet (ccf) encouraging conservation) and the Cal Water Bear Gulch monthly average consumption of 28.13 units and the average monthly bill at \$91.01 (monthly service charge of \$12.25 and three tiered rate per ccf.) Application of Cal Water Bear Gulch rates to SCWD average consumption 12 units results in a monthly bill of \$45.85.

Recommendations of County of San Mateo as Short-term Successor

The County's request that SCWD accounts receivable and final billing be completed by SCWD and transferred to Cal Water prior to dissolution will be satisfied and is a recommended condition of LAFCo approval. Likewise, it is recommended that the District retire long-term debt and complete all close down payments including but not limited to payments for water, electricity, payroll, and payroll taxes as a condition of approval. Section 57455 provides that remaining funds of the dissolved district shall be used by the successor for payment of remaining outstanding debt or expenses. The most recent cash flow provided by the District indicates that approximately \$250,000 will be available after close down payments including the CAPMARK/GMAC loan, personnel costs and other final operating expenditures. The County as successor agency would make other payments that come due after dissolution of the District including billing for services to the District that take place during the months of May and June that are not yet billed by the end of June.

The County also requested indemnification by the District and Cal Water. As noted by Cal Water, the agreement of the sale provides that Cal Water will indemnify the District for claims that occur after close of escrow, and the County as successor would have authority to enforce the indemnification. Cal Water also clarifies that the SCWD Occurrence Based Insurance Policy would apply to events that take place prior to dissolution.

Effective Date of Dissolution:

The effective date of dissolution for a district can be either a date specified by LAFCo or absent a specific date, the date the certificate of completion is recorded (Section 56886 [p]). It is important to note that the LAFCo Executive Officer cannot record the certificate of completion until all LAFCo adopted conditions have been met. An effective date of June 30, 2009 would accommodate 30-day waiting period for protest hearing after the LAFCo proposal hearing and time for District staff to pay final accounts payable and transfer accounts receivable to Cal Water. June 30 is also an appropriate effective date because it is the close of the fiscal year.

Other Regulatory Approvals:

As an agency that purchases wholesale water from the SFPUC, SCWD is regulated by the SFPUC and transfer of the District water supply assurance to Cal Water is subject to SFPUC approval. Additionally, the California Department of Public Health (DPH) must approve the Cal Water acquisition of the SCWD system, and inclusion of the SCWD customers in the Cal Water rate base is subject to approval of the California Public Utility Commission (CPUC).

Closing of the asset transfer and sale agreement executed by SCWD and Cal Water is therefore subject to several conditions, including:

- a) Approval by the California Department of Public Health of Cal Water's acquisition of SCWD system (Approval letter to be issued May 15, 2009)
- b) Approval by the California Public Utility Commission of inclusion of the SCWD in the Bear Gulch District (Approved October 3, 2008)
- c) Approval by SFPUC of the transfer of SCWD water supply under the 1984 Settlement Agreement and Master Water Sales Contract to Cal Water (Approved April 28, 2009)
- d) Approval of the dissolution by the Local Agency Formation Commission

Conditions of Approval:

Section 58886 permits the Commission to set conditions of approval that must be met prior to recordation of the certificate of completion. Because dissolution is requested in connection with an executed agreement between SCWD and Cal Water and anticipated transfer of the water system which is anticipated to take effect on June 1, 2009, it is recommended that a condition of LAFCo approval include close of the sale and transfer of the system as well as conditions that respond to concerns expressed by the County of San Mateo as successor. Recommended conditions of approval include the following:

- 1) The effective date of the dissolution will be June 30, 2009
- 2) All SCWD billing and accounts receivable be transferred to Cal Water, rather than succeeding to the County of San Mateo as successor agency.
- 3) SCWD shall settle all loans, debts and liabilities to the extent possible, including retiring the CAPMARK Finance, Inc. loan, personnel costs, and miscellaneous accounts payable.
- 4) Closing of the Agreement of sale between SCWD and Cal Water and assumption of water service by Cal Water.

Dissolution Process and timing:

If approved by LAFCo, the following represents anticipated dates key events in completing the dissolution.

LAFCo Hearing to consider dissolution Proposal	May 20, 2009 ¹
Cal Water Assumption of Service	June 1, 2009
LAFCo Protest Hearing (no sooner than 30 days)	June 19 or 22, 2009
LAFCo Records Certificate of Completion	June 30, 2009
County of San Mateo becomes Successor Agency (remaining District funds transferred to County)	July 1, 2009

If approved by LAFCo, the Executive Officer will publish notice of a protest hearing at which registered voter or landowners may submit written protest of the dissolution. If less than 25% of the registered voters or landowners submit protest by the conclusion of the hearing, and all conditions are met, the Executive Officer can record a certificate of completion finalizing the dissolution. If 25% or more but less than 50% submit valid written protest, an election is required and a simple majority of the voters must approve the dissolution. If more than 50% submit written protest, proceedings are terminated.

Effects of Dissolution:

Following the dissolution effective date, at which time the District will have retired debt and paid outstanding current expenses, the District remaining fund balance, estimated at \$175,000 will be transferred to the County of San Mateo as successor, to use for the purpose of closing the affairs of the District. As successor, the County would also receive any funds due the District including property tax collected but not distributed for the period prior to June 30, 2009. Once the County of San Mateo, specifically the Department of Public Works, determines that that payment or provision for payment has been made of all short-term obligations of the dissolved district, the County will distribute the remaining assets (less reimbursement to the County for administering the winding up of the affairs of the dissolved district) to entities eligible for distribution. Government Codes Section 57457 sets forth that in the case of a dissolved district that includes incorporated and unincorporated area, remaining assets would be distributed to the County of San Mateo and the Town of Woodside in proportion to the value of the assessed value of the dissolved district located in unincorporated and Town of Woodside boundaries.

As noted above the County Board of Supervisors has adopted a resolution of property tax transfer directing the County Controller to, upon dissolution, redistribute SCWD property tax proportionately to remaining agencies in current district boundaries.

Recommendation

Since 1954, the Skyline County Water District has operated a large, remote water system serving a small, sparsely populated customer base. The personnel required to maintain and operate the system and comply with regulations related to water quality safety have contributed significantly to the District having the highest water rates in the County. Sale of the system to Cal Water achieves economy of scale and efficiency resulting in significant rate savings. Assumption of service by Cal Water will also result in system inter-ties that benefit current customers of SCWD and Cal Water, and provides a long-term plan for sustainable water supply management as part of a larger public water system. LAFCo Proposal 09-05 for the dissolution of Skyline County Water District responds to the District's request to dissolve, as it

¹ The District has from the date of LAFCo approval and to the end of June to comply with conditions of transferring accounts receivable, retiring debt and paying existing expenses.

LAFCo File 09-05
May 13, 2009

will no longer operate as a water provider. The proposal is consistent with the LAFCo adopted Municipal Service and Sphere Review of the District, furthers the District's efforts to provide cost effective water service and will result in redistribution of property tax to non-enterprise public agencies.

Recommended Commission Action, by Resolution: Approve LAFCo Proposal No. 09-05 and authorize the Executive Officer to conduct protest proceedings pursuant to Government Code Section 57000 subject to the following conditions:

- 1) The effective date of the dissolution will be June 30, 2009
- 2) All SCWD billing and accounts receivable be transferred to Cal Water, rather than succeeding to the County of San Mateo as successor agency.
- 3) SCWD shall settle all loans, debts and liabilities to the extent possible, including retiring the CAPMARK Finance, Inc. loan, personnel costs, and miscellaneous accounts payable.

Closing of the Agreement of sale between SCWD and Cal Water and assumption of water service by Cal Water.

Respectfully Submitted,

Martha M. Poyatos
Executive Director

Attachments
MMP:sah

**APPLICATION FOR A CHANGE OF ORGANIZATION OR REORGANIZATION
TO THE SAN MATEO LOCAL AGENCY FORMATION COMMISSION**

A. GENERAL INFORMATION

1. Briefly describe the nature of the proposed change of organization or reorganization.

Dissolution of the Skyline County Water District following the sale of assets to California Water Service Company.

2. An application for a change of organization or reorganization may be submitted by individuals in the form of a petition or by an affected public agency in the form of a certified resolution. This application is submitted by (check one):

 Landowners or registered voters, by petition

 X An affected public agency, by resolution

(If this application is submitted by petition of landowners or registered voters in the affected territory, complete the petition form.)

3. What are the reasons for the proposal?

Upon sale and transfer of water system and service responsibility to California Water Service Company in order to provide more cost effective and efficient water service, the District will no longer provide the service for which it was formed.

4. Does this application have 100% consent of landowners in the affected area?

 Yes x No

5. Estimated acreage: 17 sq. miles

B. SERVICES

1. List the name or names of all existing cities and special districts whose service area or service responsibility would be altered by the proposed change of organization or reorganization.

Skyline County Water District – water distribution and service

2. List all changes to the pattern of delivery of local services to the affected area. For each service affected by the proposed change(s) of organization, list the present source of service (state "none" if service is not now provided), the proposed source of service and the source of funding for construction of necessary facilities (if any) and operation. Example is given on the first two lines of the space provided for your response.

SERVICE	PRESENT SOURCE	PROPOSED SOURCE	FUNDING SOURCE	
			CONSTRUCTION	OPERATING
<i>Water for Residential Uses and Fire Protection</i>	<i>Skyline Co. Water District</i>	<i>California Water Service Co.</i>	<i>Water Sales</i>	<i>Water Sales</i>

C. PROJECT PROPOSAL INFORMATION

1. Please describe the general location of the territory which is the subject of this proposal. Refer to major highways, roads and topographical features.

All of Skyline County Water District boundaries comprising approximately 17 square miles. District boundaries include unincorporated area along the ridge line of Skyline Boulevard, (Hwy.35), beginning approximately two miles south of Highway 92, known as the Kings Mt. Area, continuing south to Highway 84. Including portions of the Town of Woodside; West of and the areas including Fox Hill Road, Espinosa Road & Grandview Drive, to Skyline Blvd. and the properties located on Bear Gulch Road.

2. Describe the present land use(s) in the subject territory.

Rural residential area, minimal commercial properties, surrounded by property dedicated to open space.

3. How are adjacent lands used?

North: Similar—less populated

South: Similar—less populated

East: Similar

West: Similar—less populated

4. Will the proposed change of organization result in additional development? If so, how is the subject territory to be developed?

No. The dissolution will not result in expansion of service outside the District's current boundaries and much of the lands within the District's boundaries are open space lands.

5. What is the general plan designation of the subject territory?

RM & H1

6. What is the existing zoning designation of the subject territory?

RM - RSM - RE - R1 S1 - S3 - S11 - TPZ - H1

7. What rezoning, environmental review or development approvals have already been obtained for development in the subject territory?

N/A

8. What additional approvals will be required to proceed?

California Public Utility Commission, California Department of Public Health, San Francisco Public Utility Commission.

9. Does any portion of the subject territory contain any of the following --agricultural preserves, sewer or other service moratorium or wetlands subject to the State Lands Commission jurisdiction?

Territory within Original District boundaries includes various Williamson Act Contracts that will not be affected by Dissolution of the District.

10. If no specific development projects are associated with this proposal, will the proposal increase the potential for development of the property? If so, how?

No.

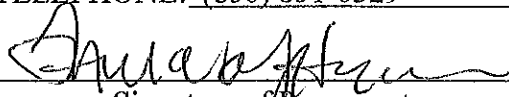
* * * * *

LAFCo will consider the person signing this application as the proponent of the proposed action(s). Notice and other communications regarding this application (including fee payment) will be directed to the proponent at:

NAME: Skyline County Water District

ADDRESS: 14944 Skyline Blvd., Woodside 94062 TELEPHONE: (650) 851-0529

ATTN: Tamara J. Hannon


Signature of Proponent

D. AFFECTED PUBLIC AGENCIES

Please complete this section if this application is submitted by resolution of one or more affected public agencies. Certified copies of resolutions listed below must accompany this application.

1. The names and resolutions of agencies applying for the change of organization or reorganization described above are as follows:

AFFECTED AGENCY	RESOLUTION NO.	DATE ADOPTED
Skyline County Water District	2009-01	February 18, 2009

2. Does this application have 100% consent of landowners in the affected area?

_____ Yes X No (If Yes, include proof of consent.)

E. PLAN FOR PROVIDING SERVICES

**See Exhibit A – Agreement for Sale of Assets*

1. Enumerate and describe the services to be extended to the affected territory.

2. Describe the level and range of those services.

3. Indicate when those services can feasibly be extended to the affected territory.

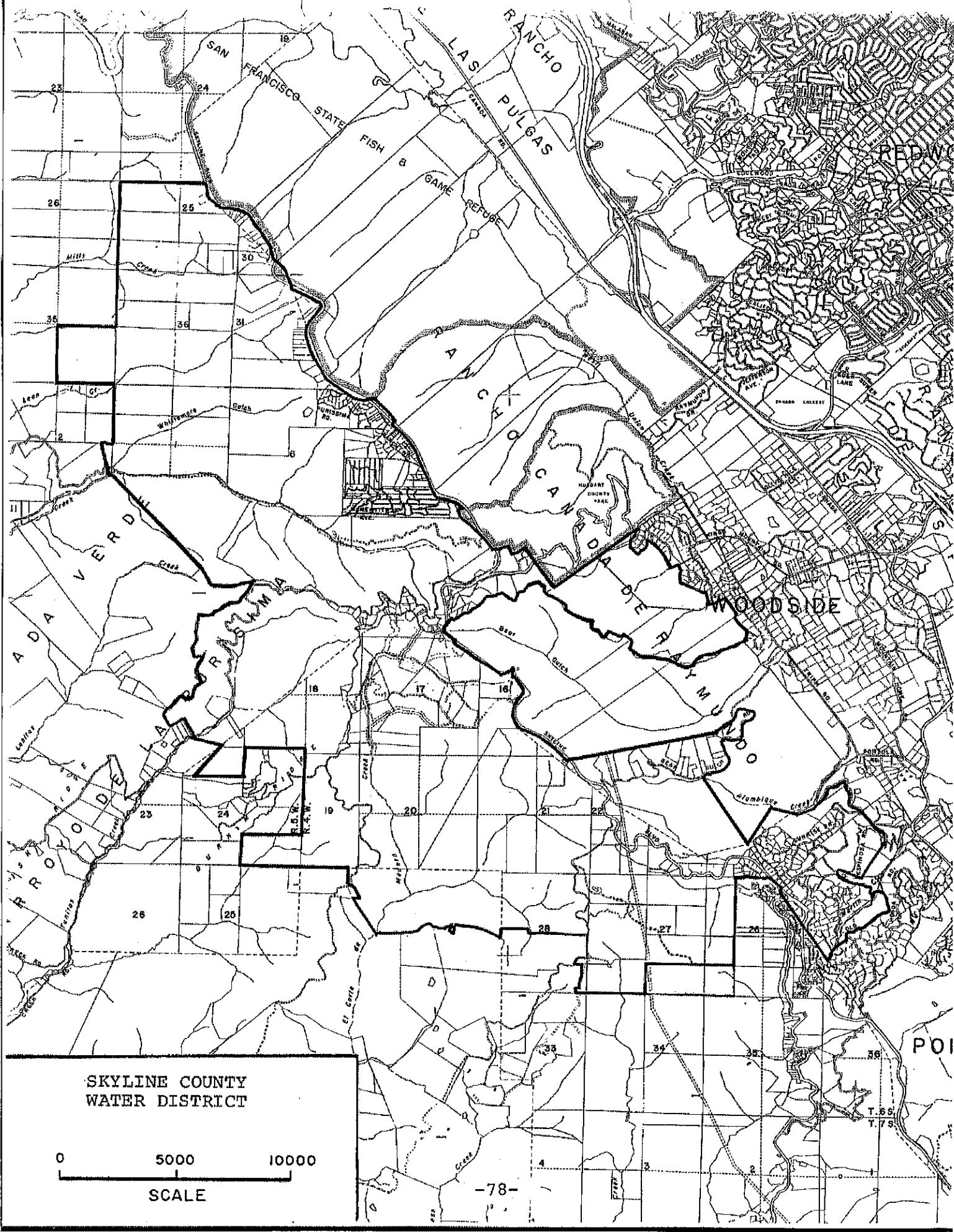
4. *Indicate any improvements or upgrading of structures, roads, sewer or water facilities, or other conditions to be imposed or required within the affected territory.*

5. Describe financial arrangements for construction and operation of services extended to the affected territory. (Attach proposed operations budget if available) Will the territory be subject to any special taxes, charges or fees? (If so, please specify.)

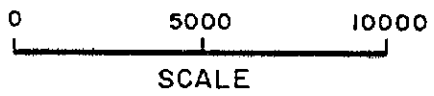
6. In as much detail as required to give a clear explanation, explain why this proposal is necessary at this time.

This proposal requests dissolution of Skyline County Water District to complete the process of transferring the water system and service responsibility to California Water Service Company. This transfer will provide for more cost effective and efficient water service at reduced costs.

This section completed by: Tamara J. Hannon General Manager
(Name) (Title)



SKYLINE COUNTY
WATER DISTRICT



RECEIVED

FEB 19 2009

LAFCO

RESOLUTION NO. 2009-01

**A RESOLUTION OF THE BOARD OF THE
SKYLINE COUNTY WATER DISTRICT
APPROVING THE FORM OF AND AUTHORIZING
THE APPLICATION BY THE SKYLINE COUNTY WATER DISTRICT
REQUESTING THE LOCAL AGENCY FORMATION COMMISSION
TO INITIATE PROCEEDINGS FOR THE DISSOLUTION
OF SKYLINE COUNTY WATER DISTRICT**

WHEREAS, the **SKYLINE COUNTY WATER DISTRICT**, a public agency duly organized and existing under and by virtue of the California Water Code and laws of the State of California, ("SCWD"), has entered into an Asset and Real Property Purchase and Sale Agreement ("Agreement") with California Water Service Company ("CWS") relating to the acquisition and transfer of the operation of the water distribution system.

WHEREAS, the District desires to initiate proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, commencing with Section 56000 of the California Government Code, for the Proposed Dissolution of Skyline County Water District; and

WHEREAS, notice of intent to adopt this Resolution of application has not been given to each interested and each subject agency; and

WHEREAS, the territory proposed to be dissolved is Inhabited, and a description of the boundaries of the territory is set forth in Exhibit "A" attached hereto and by this reference incorporated herein; and

WHEREAS, the proposal is consistent with the sphere of influence of the Skyline County Water District; and

WHEREAS, it is desired to provide that the proposed reorganization be subject to the condition that the transaction pursuant to that Agreement closes pursuant to its terms following approval by the California Public Utilities Commission, the San Francisco Public Utilities Commission, and the California Department of Public Health; and

WHEREAS, the reason for the proposed dissolution in the resolution, is that the District will transfer the water system and responsibility for providing water service to the California Water Service Company if the transaction pursuant to the Agreement closes, and if the transaction closes and the water system and responsibility for providing water service is transferred to California Water Service Company, the District will no longer provide the service for which it was formed; and,

WHEREAS, this Board certifies that this proposal is exempt from the provisions of the California Environmental Quality Act under Section 15320 of the State CEQA Guidelines.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF THE SKYLINE COUNTY WATER DISTRICT AS FOLLOWS:

Section 1. Findings. The Governing Board of SKYLINE COUNTY WATER DISTRICT, hereby specifically finds and determines that the actions authorized hereby relate to the public affairs of the agency.

Section 2. Application for Dissolution. A Resolution of Application in the form presented at this meeting and on file with the District Secretary, is hereby approved. The President of the Board is hereby authorized and directed, for and in the name and on behalf of the Board, to execute and submit an Application for Dissolution to the Local Agency Formation Commission of San Mateo County, and the Local Agency Formation Commission of San Mateo County is hereby requested to initiate proceedings for the dissolution of the Skyline County Water District subject to the terms and conditions set forth in the application for dissolution and in the manner as provided by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Section 3. Other Actions. The Authorized Officers of the Governing Board are each hereby authorized and directed to execute and deliver any and all documents which they may deem necessary in order to consummate the transactions authorized hereby and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

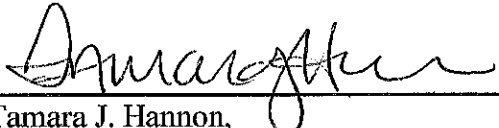
Section 4. Effective Date. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 18th day of February, 2009 by the following vote:


AYES: Lea, Reynolds & Cissell

NOES: None

ABSENT: Jahraus & Stronck



Tamara J. Hannon,
Secretary of Board



Leiv Lea, President of the Board

RESOLUTION NO. 070223

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

* * * * *

RESOLUTION OF COUNTY OF SAN MATEO
MAKING DETERMINATION OF PROPERTY TAX EXCHANGE
PURSUANT TO PROVISIONS OF CHAPTER 282, SECTION 59, PART .05,
IMPLEMENTATION OF ARTICLE XIII A OF THE CALIFORNIA CONSTITUTION
COMMENCING WITH SECTION 95, DIVISION 1,
OF THE REVENUE AND TAXATION CODE

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, the Skyline County Water District, an independent special district, has negotiated an agreement to sell the District's water system and assets to the California Water Service Company, and the District will no longer operate as a water provider;

WHEREAS, the District has submitted a resolution of application to the Local Agency Formation Commission (LAFCo) for dissolution of the District; and;

WHEREAS, Revenue and Taxation Code Section 99(b)(5) requires that when an organizational change would affect the service area or service responsibility of an independent special district, the County shall, on behalf of the independent special district, negotiate a property tax transfer associated with those changes and adopt a resolution identifying the transfers; and;

WHEREAS, the boundaries of the Skyline County Water District include forty-two tax rate areas and portions of the following agencies: County of San Mateo, County Library, County Fire, San Mateo Community College District, Sequoia High School

District, Portola Valley Elementary School District, Woodside Elementary School District, Redwood City Elementary School District, Cabrillo Unified School District, Midpeninsula Regional Open Space District, San Francisquito Flood Control Zone, Woodside and Coastside Fire Districts, Sequoia Health Care District, Resource Conservation District, Harbor District, Bay Area Air Quality District and the Town of Woodside; and

WHEREAS, there is no public agency assuming the long term service responsibility of the Skyline County Water District and it has been determined that it is therefore appropriate to redistribute the property tax of the Skyline Water District proportionately to remaining agencies included in tax rate areas that comprise the Skyline County Water District; and

WHEREAS, the subject determination has been made prior to and as a condition precedent to the Executive Officer of the Local Agency Formation Commission issuing the Certificate of Filing on said proposal; and

NOW THEREFORE, IT IS HEREBY DETERMINED AND ORDERED Upon recordation of a certificate of completion of the dissolution, the property tax of Skyline County Water District shall be redistributed proportionately to the agencies set forth above.

* * * * *

Regularly passed and adopted this 23rd day of June, 2009.

AYES and in favor of said resolution:

Supervisors:

MARK CHURCH

CAROLE GROOM

RICHARD S. GORDON

ROSE JACOBS GIBSON

ADRIENNE J. TISSIER

NOES and against said resolution:

Supervisors:

NONE

Absent Supervisors:

NONE

Mark Church

*President, Board of Supervisors
County of San Mateo
State of California*

Certificate of Delivery

I certify that a copy of the original resolution filed in the Office of the Clerk of the Board of Supervisors of San Mateo County has been delivered to the President of the Board of Supervisors.

Marie L. Peterson

*Marie L. Peterson, Deputy
Clerk of the Board of Supervisors*

