



## Legislation Text

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**File #:** 18-378, **Version:** 1

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### MEMORANDUM

**TO:** Board of Supervisors

**FROM:** Carol J. Huchingson, County Administrative Officer

**DATE:** May 8, 2018

**SUBJECT:** Consideration of (a) Property Tax Revenue Exchange Agreement with Cobb Area County Water District Resulting From Annexation of Water Service Areas; and (b) Resolution Providing for the Exchange of Property Tax Revenues as a Result Of Annexation Of County Services Area 7, Bonanza Springs; County Service Area 18, Starview; County Service Area 22, Mount Hannah; Adams Spring Water District, Alpine Meadows Water System, Pine Grove Water System, Hill 9 and 10 Mutual Water Association, and Branding Iron Mutual Water Company, and to Facilitate the Reorganization of Cobb Area County Water District (LAFCO File 2017-0001, Cobb Area Reorganization)

### EXECUTIVE SUMMARY:

Cobb Area County Water District has been working with LAFCO to facilitate the annexation of eight water systems that serve the Cobb Mountain areas, three of which are operated by the County including County Services Area 7, (Bonanza Springs); County Service Area 18, (Starview); and County Service Area 22, (Mount Hannah).

LAFCO is prepared to certify that it has completed its analysis of the proposed consolidation and make a favorable recommendation. State law requires that before LAFCO can issue such a recommendation, the involved parties must negotiate a property tax exchange agreement. Only County Service Area 7 actually receives an apportionment of property taxes. Staff has conducted the required negotiations and Cobb Area County Water District has agreed that the property tax currently received by CSA No. 7 (Bonanza Springs) will not be apportioned to Cobb Area County Water District as a result of the annexation. The result is “zero” exchange of property tax.

Another concern that arose during negotiations is the potential for audit exceptions relative to the funding provided by FEMA and CalOES for the reconstruction of the three CSA's being annexed. Cobb Area County Water District has agreed to hold the County harmless from any monetary

consequences that may result from such an audit.

**FISCAL IMPACT:** ☒ None ☐ Budgeted ☐ Non-Budgeted

Estimated Cost:

Amount Budgeted:

Additional Requested:

Annual Cost (if planned for future years):

**FISCAL IMPACT (Narrative):** None

**STAFFING IMPACT (if applicable):** None

**RECOMMENDED ACTION:**

Staff recommends that your board approve the attached documents, including:

- (a) Property Tax Revenue Exchange Agreement with Cobb Area County Water District Resulting From Annexation of Water Service Areas.
- (b) Resolution Providing For The Exchange Of Property Tax Revenues as a Result Of Annexation Of County Services Area 7, Bonanza Springs; County Service Area 18, Starview; County Service Area 22, Mount Hannah; Adams Spring Water District, Alpine Meadows Water System, Pine Grove Water System, Hill 9 and 10 Mutual Water Association, And Branding Iron Mutual Water Company, and To Facilitate The Reorganization of Cobb Area County Water District (LAFCO File 2017-0001, Cobb Area Reorganization)