



LOCAL AGENCY FORMATION COMMISSION

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

July 8, 2015

To: LAFCo Commissioners
From: Martha Poyatos, Executive Officer
Subject: LAFCo File No. 15-04—Proposed Dissolution of Los Trancos County Water District Conditioned upon the Formation of a County Maintenance District and Certain Other Conditions

Summary

This proposal was filed by resolution of the Los Trancos County Water District (LTCWD) and requests dissolution of the District with several requested conditions, including formation of a county maintenance district (CMD) to be successor to district property tax and fund enhanced fire safety, storm drain improvements, and land stewardship. The application follows several years of study of LTCWD following the 2006 sale of their water system to California Water Service Company (Cal Water), a private utility company. Following sale of the system, the District remained in existence, receiving property tax and focusing on community priorities including enhanced fire safety, stormwater runoff, and land stewardship, which are not services implicitly authorized for a water district that no longer operates a water system.

The proposal to dissolve the water district and form a CMD as successor for enhanced local services is the product of several years of discussions between the LTCWD Board, the community, LAFCo, and representatives of the County of San Mateo, Woodside Fire Protection District (WFPD), and Midpeninsula Regional Open Space District (MROSD). The District's application and plan for service include several conditions that will provide for enhanced fire safety, stormwater runoff improvements, land stewardship, and community participation through a community advisory committee (CAC). Government Code Section 57077.1(c)(1) sets forth that if a district submits a dissolution proposal that is consistent with the LAFCo adopted sphere of influence and LAFCo approves the dissolution, the dissolution shall be completed without protest hearing or election. The LTCWD application is consistent with the LAFCo adopted sphere and represents years of public dialogue and multi-agency collaboration. Approval is recommended.

Departmental Reports/Comments

County Assessor: The net assessed valuation shown in the records of the County Assessor is \$444,569,851. The boundaries of the proposal conform to lines of assessment and ownership.

County Clerk: The territory has 550 registered voters. The proposal would not conflict with any political subdivision boundaries.

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Environmental Health: Water service in the area is provided by Cal Water, which also provides water in adjacent urbanized areas and other areas of the County. Sewer service is provided via individual septic systems and West Bay Sanitary District.

San Mateo County Department of Public Works: The Department of Public Works has participated in discussions with LAFCo and LTCWD regarding the planned dissolution of the District conditioned upon formation of a county maintenance district (CMD). The proposed CMD would have reduced boundaries to include Los Trancos Woods, Vista Verde, and Oak Forest Court and be successor to LTCWD fund balance and property tax in order to fund enhanced fire safety under a contract with Woodside Fire Protection District, enhanced storm drain and road improvements, and land stewardship. The CMD formation process was initiated at a noticed public hearing on May 19, 2015 by resolution of the County Board of Supervisors (BOS) and the Board held the required hearing to consider objections on July 7, 2015 and ordered formation of the CMD, conditioned upon dissolution of the District.

The Los Trancos County Maintenance District (LTCMD) will be administered by DPW and will have input by the proposed Los Trancos Community Advisory Committee (LTCAC). District operations will include services described in the Enhanced Storm Drainage and Road Improvements in Exhibits A and B of the District's application. The application, plan for service, and proposed budget with estimated property tax revenue will be the guiding documents for operation of the proposed county maintenance district, acknowledging that adjustments in proposed services may need to be made based on actual property tax revenues and changing priorities in stormwater runoff, enhanced fire safety, and land management.

Other Comments: Notice of the hearing on the proposed dissolution was published in the *San Mateo County Times* and *The Almanac (Menlo Park • Atherton • Portola Valley • Woodside)*. No comments have been received.

Executive Officer's Report and Recommendation

This application was submitted by resolution of LTCWD and requests dissolution of the District conditioned upon formation of a county maintenance district, with amended boundaries, to be successor to LTCWD property tax and to provide enhanced fire safety, stormwater runoff improvements, and land management of a small lake and an undeveloped parcel at 126 Lake Road. Other requested conditions include:

- Acquisition of LTCWD-owned lake (APN 080-100-060) and land-locked residentially zoned parcel (APN 080-071-010) by the County of San Mateo and acquisition of the 126 Lake Road parcel (APN 080-060-580) by Woodside Fire Protection District (WFPD) with the intent that both the lake and parcel remain undeveloped.
- Conservation easements by MROSD on the 126 Lake Road parcel and the "lake" parcel to assure that these lands will remain undeveloped and preserved.

- Creation of a Community Advisory Committee to advise the DPW and WFPD on matters related to enhanced fire safety, stormwater runoff improvements, and land stewardship.
- County of San Mateo and WFPD Agreement for Enhanced Fire Safety.
- County of San Mateo Adoption of Plan for Stormwater Drainage Improvements.
- The newly formed County Maintenance District will be the successor to LTCWD and succeed to the rights, property interests, duties, and obligations of the existing LTCWD, including but not limited to: enforcement, performance, or payment of any outstanding bonds (including revenue bonds), Blue Oaks Loan, or other contracts and obligations of the newly reorganized local agency;
- Submittal of map and legal description (metes and bounds) meeting the State Board of Equalization requirements, reflecting the amended boundaries of Los Trancos Woods, Vista Verde, and Oak Forest Court, as well as State Board of Equalization filing fees.

LTCWD is an independent district formed in 1954 to improve water service to a portion of Los Trancos Woods. Subsequent annexations between 1962 and 1972 resulted in the District including all of Los Trancos Woods and Vista Verde and several non-contiguous areas. Passage of Proposition 13 in 1978 resulted in the District receiving a share of the 1 percent property tax within District boundaries. More recently in 1998, the Blue Oaks subdivision was annexed to the District but no property tax was transferred to the District because the District is an enterprise district and there was no transfer of service responsibility from the County.¹

The territory in the District that includes Los Trancos Woods, Vista Verde, and Blue Oaks has an estimated population of 1,064. The Elections Division website reports 550 registered voters. The Los Trancos Woods and Vista Verde neighborhoods are each represented by a neighborhood association. The District is governed by five board members elected by the registered voters in District boundaries. The area is characterized by steep terrain and narrow, winding roads and is heavily wooded. With the exception of about 68 homes in Los Trancos Woods and all homes in Blue Oaks, homes are served by septic systems. In 2005, the District sold the water system to Cal Water for \$125,000. The District however remained in existence collecting property tax and initially issuing water rebates and maintaining District lands as described below.

As an unincorporated area with several overlapping special districts, the area receives municipal-type services from the County, West Bay Sanitary District (portion), and Cal Water.

¹ The Blue Oaks Developers extended a zero-interest loan to the District in the amount of \$617,763 that the District used to fund infrastructure improvements. The loan provides that quarterly payments of \$2,250 are due at such time that 32 homes are constructed and quarterly payments increase to \$2,750 at such time that 36 homes are constructed. The Town of Portola Valley last reported that there are now a total of 32 lots in the subdivision due to merger of lots and dedication of one merged lot to open space. Of 32 total lots, 27 are occupied or under construction and close to occupancy. Of the five vacant lots, two have planning approval but no building permits and timing is uncertain on the three remaining lots

All territory in LTCWD is within the boundaries of WFPD and MROSD. The Blue Oaks subdivision is also within the boundaries of the Town of Portola Valley and West Bay Sanitary District (WBSD). As noted above, Blue Oaks does not contribute property tax to LTCWD and is excluded from the enhanced water conservation and fire prevention programs previously funded by the District. Land use is residential, including low-density residential (0.3 to 2.3 dwelling units per acre). Zoning is R-E/S-11, one- to five-acre minimum lot size in Vista Verde and R-1/S83, minimum lot size of 7,500 square feet. Some parcels in the Vista Verde portion are large enough for subdivision. Future growth is limited to site constraints and sewer availability. Unincorporated Los Trancos Woods and Vista Verde are in the sphere of influence of the Town of Portola Valley and WBSD. As noted above, approximately 68 homes in the unincorporated area have been annexed to WBSD to connect to sewer service and abandon inadequate septic systems. Unincorporated areas receive road service from the County of San Mateo and police service from the San Mateo County Sheriff. The Sheriff's Department also serves the Town of Portola Valley by contract.

2006 LAFCo Municipal Service Review and Sphere of Influence Update

LTCWD was the subject of a LAFCo² municipal service review (MSR) and sphere of influence (SOI) update in 2006. The MSR is a State-mandated study that is required prior to LAFCo reviewing or updating the SOI. The SOI is the plan for the boundaries and governance of a city or special district. At the time of the 2006 MSR/SOI Update, LTCWD had sold its water system to Cal Water but continued to exist and collect property tax, using it to issue water rebates by transferring funds to Cal Water to administer the rebates by reducing water bills. At the time the rebate formula was based on units of water consumed.

During the MSR/SOI, the District expressed concern about disposition of the three District-owned parcels including a small lake and the desire to retain these lands in an undeveloped state for the benefit of district residents. The LAFCo MSR/SOI highlighted the District's practice of rebates as inconsistent with best practices in water conservation³ and the use of property tax for this purpose as inconsistent with legislative intent that property tax be used for non-enterprise services such as public safety and passive recreation. It identified potential successor agencies that could become stewards of the lands and receive District property tax for the purposes of land stewardship, fire safety, and other services to benefit the community. These agencies included the County of San Mateo, WFPD, MROSD, and Town of Portola Valley.

The MSR also cited State law (Government Code Section 56824.10-56824.14) that requires districts to apply to LAFCo for authorization to activate services that are authorized under District enabling legislation but not previously provided. These include fire protection, sanitary sewers, land reclamation, and parks and recreation. (Note that recent revisions to Section

² LAFCo is a State-mandated independent commission with jurisdiction over the boundaries of cities and special districts and the activation or divestiture of services by special districts. See Attachment A – LAFCo Fact Sheet.

³ The rebate on water consumption was discontinued in 2012. Currently the District budgets for interior and exterior water conservation incentives/rebates. Please see budget discussion below.

54824.10 require LAFCo approval for divestiture of service.) The MSR/SOI resulted in the Commission reaffirming the District’s sphere designation of dissolution, citing the fact that the District no longer operated a water system and that overlapping agencies could become successor to District lands⁴ and property tax for the benefit of District residents. More recently the District indicates an intention to comply with Sections 56824.12-56824.14, which would also require a request to amend the District’s sphere of influence.

Civil Grand Jury Report

In 2009, the 2008-09 Civil Grand Jury released the report “A Water District with No Water,” in which the Grand Jury recommended that LAFCo work directly with the District in identifying an agency that would take over ownership and management of the District’s three properties. The Grand Jury also directed the District to seek advice from legal counsel on approaches to transfer the District’s property tax to overlapping agencies for the benefit of District residents after dissolution.⁵

LTCWD Exploration of Governance Alternatives

In September 2013, the Commission received a special report on the District and governance alternatives and in November 2013, LAFCo staff conducted a well-attended community workshop. Following these events, the LTCWD board actively explored alternative organizational structures that would assure that residents would continue to receive enhanced services for fire safety, stormwater drainage, and management of the community’s public land (126 Lake Road and the lake.)⁶ A crucial component for the community was that the District’s lake and 126 Lake Road parcel be preserved in a natural state. As part of the Board’s outreach to residents for their suggestions and comments about possible alternatives to the status quo, it commissioned a professional opinion survey conducted by the regional firm Godbe Research in San Mateo. Strong pluralities agreed that having San Mateo County “provide services is more efficient and would save money” and “is a good idea.” Respondents agreed it is “the best choice among alternatives.”

Proposed Los Trancos County Maintenance District

As noted above, LTCWD includes the Los Trancos and Vista Verde neighborhoods and several non-contiguous areas. This includes two areas on Los Trancos Road and a large area between Skyline Boulevard and Portola Road in the Town of Portola Valley comprised of privately owned as well as publicly owned open space lands. Boundaries of the proposed CMD would include

⁴ District lands include a 10,000 square foot parcel near Los Trancos Creek that was formerly used as a pump station, a 3.78 acre residentially zoned parcel on Lake Road formally used as a reservoir but was drained and contains a storage shed and a 1.72 acre parcel also located on Lake Road that includes a small lake.

⁵ The District has also been the subject of two reports by the State’s Legislative Analyst’s Office.

⁶). In addition, in 2013 the LTCWD Board commissioned a stormwater master plan that identified a variety of storm drain improvements on public and private property that identified low, medium and high priority projects estimated to cost \$3.37 million.

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only Los Trancos Woods, Vista Verde, and Oak Forest Court and these boundaries would contribute property tax to the CMD. For the remaining areas excluded from the CMD, the property tax that is currently received by LTCWD would be redistributed proportionately to the other agencies that share the territory.

Following notice of the LAFCo application, the County Board of Supervisors on behalf of LTCWD, as set forth in Revenue and Tax Code, adopted a resolution of property tax transfer that transfers the LTCWD property tax in the new boundaries to the proposed Los Trancos County Maintenance District (LTCMD) and redistributes the property tax in the non-contiguous areas to the remaining agencies that include these areas. The District currently receives approximately \$300,000 in property tax. The reduced boundaries will result in an *estimated* 19 percent reduction in assessed value of lands included in the District boundaries and property tax revenue. An estimate of property tax revenue for the proposed CMD is \$237,000 based on current assessed values. However, actual revenue is anticipated to be greater based on growth in assessed value and the County Controller's Office calculation of the various components of property tax, including supplemental property tax and Educational Revenue Augmentation Fund (ERAF) refunds.

The homes in the Los Trancos and Vista Verde community were originally built as vacation homes served by narrow winding roads, very limited storm drain improvements, an antiquated water system, and septic systems. LTCWD acquired the water system and improved it over time, and in recent years sewer has been expanded to approximately 68 homes in Los Trancos Woods. Roads have been maintained by the County of San Mateo to the original design and dimensions and subject to available funding. Improvements are constrained by existing dimensions and lack of funding sources.

While the proposal is complex and there are three participating agencies and several conditions of approval, there are three key areas of benefit to the Los Trancos Woods Vista Verde Community that will result from the proposed dissolution and formation of a CMD. These include providing for enhanced fire safety in a heavily wooded residential community; enhanced storm drainage and road improvements given the area's terrain, lack of infrastructure, and vulnerability to storm events; and land stewardship of two local natural resources (126 Lake Road and the lake parcel). The proposal which involves the County of San Mateo, Woodside Fire Protection District and Midpeninsula Regional Open Space District is the product of several agencies sharing the same constituency taking on roles that reflect each agency's area of expertise to benefit the community.

Enhanced Fire Safety

Los Trancos Woods, Vista Verde, and Oak Forest Court are located in the boundaries of WFPD. The community has strong ties to WFPD and participates in WFPD's Citizens Emergency Response and Preparedness Program (CERPP), and District staff work closely with Los Trancos and Vista Verde residents on fire safety initiatives in the community. Enhanced fire safety funded by local property tax, which includes providing for fuel reduction along key roads and

promotes safe access and egress for fire personnel and the community. In addition, fuel reduction and weed abatement for 126 Lake Road and the lake is included. Funding a portion of CERPP costs is consistent with practices by the Towns of Woodside and Portola Valley. See Exhibit A to the District’s application for provisions of the enhanced fire safety program. The proposed revised budget included in the application provides that 33% of the Maintenance District’s property tax will be designated for enhanced fire safety. For the period of October 1 to June 30, 2016 this is shown in the proposed budget as “Post Dissolution Fire Safety” in the amount of \$30,000. In subsequent 5 years, the estimated budget amounts are \$87,500, \$97,500, \$102,500, \$110,500 and \$115,500. The overall budget and appropriation to individual programs will need to be adjusted based actual property tax revenues and may also be revised based on changing priorities.

Enhanced Storm Drainage and Road Improvements

The LTCMD Enhanced Storm Drainage and Road Improvement Plan for Service would include funding for improvements that are not included in routine road maintenance. As contained in the Storm Drainage and Road Improvement Plan for Service, the Director of DPW shall have the authority to determine how to best implement improvements identified in the Stormwater Master Plan and based on existing funding. For the first partial year, \$50,000 is budgeted for enhanced storm drain and road improvements. In subsequent 5 years, the estimated budgeted amounts are \$150,000, 150,000, \$200,000, \$200,000 and \$200,000. As noted above, the overall budget and appropriation to individual programs will need to be adjusted based actual property tax revenues and may also be revised based on changing priorities.

Land Stewardship

As noted above, a significant concern of residents has been the disposition of LTCWD lands in the event of District dissolution. After almost a decade of examining potential successors to the land, WFPD is willing to take ownership of the undeveloped 126 Lake Road parcel consisting of 1.92 acres. WFPD indicates there is a benefit to the community for WFPD to own the land because it can be used as a staging area and includes a small shed that can be used for storage. The County of San Mateo is willing to accept the lake, which includes two parcels totaling 3.2 acres. The lake property includes a viewing area with a bench and is accessed via an opening in a chain-link fence that surrounds the lake. MROSD has begun the process to accept permanent conservation easements on the parcels to be acquired by WFPD and the County. The proposed budget includes \$2,000 per year for conservation easement administration.

A fourth landlocked parcel (APN 080-070-010) located along Los Trancos Creek will also be transferred to the County for the purpose of selling it as surplus property with the funds dispersed to the CMD budget once sold.

Budget

The District has prepared a proposed budget for the County Maintenance District for the first partial year and subsequent five years. The budget includes fund balance carry over from the current fiscal year and estimated property tax revenues. The budget may have to be amended based on actual revenues. Expenditures in year one include transition costs related to land transfers, administrative overhead of 10%, costs for enhanced fire safety, storm drain improvements and land management for October 1, 2015 through June 30, 2016 and election costs because elections code require that an election be called to fill vacant Board positions 88 days before election day if the District is still in existence 88 days before the election. The estimated 2015-16 budget is \$160,827. Estimated budgets for subsequent years reflect fund balance carry over, administrative costs, an appropriation of 33% of property tax revenues for enhanced fire safety (allocated to defensible space clearing, escape route clearing, CERRP contribution and semi-annual weed abatement at 126 Lake Road and the lake) , \$2,000 for conservation easements and funding ranging from \$150,000 to \$200,000 for enhanced storm drain improvements and enhanced road improvement beyond regular road maintenance. The estimated budget will be adjusted based on actual property tax revenues and available and into the future may be adjusted based on changing priorities and needs in district boundaries.

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 October 1, 2015 allows time for conditions to be met, takes into account the beginning of a fiscal quarter and gives the District time to complete current accounts payable and receivable and transfer accounting and other records to the County as successor.

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. Recommended conditions of approval include the following:

- 1) The effective date of the dissolution will be October 1, 2015.
- 2) Formation of the Los Trancos County Maintenance District (LTCMD).
- 3) All LTCWD accounts payable and receivable and other records shall be transferred to the County of San Mateo as successor agency.
- 4) Acquisition of LTCWD-owned lake (APN080-100-060) and land-locked residentially zoned parcel (APN 080-071-010) by the County of San Mateo and acquisition of the 126 Lake Road parcel (APN 080-060-580) by WFPD with the intent that the lake and the 126 Lake Road Parcel remain undeveloped.

- 5) Conservation easements by MROSD on the 126 Lake Road parcel and the “lake” parcel assure that these lands will remain undeveloped and preserved.
- 6) Creation of a community advisory committee to advise the Department of Public Works and Woodside Fire on matters related to enhanced fire safety, storm water runoff improvements and land stewardship.
- 7) County of San Mateo and WFPD Agreement for Enhanced Fire Safety.
- 8) County of San Mateo Adoption of Plan for Stormwater Drainage Improvements.
- 9) The newly formed County Maintenance District will be the successor to LTCWD and succeed to the rights, property interests, duties, and obligations of the existing LTCWD, including but not limited to: enforcement, performance or payment of any outstanding bonds (including revenue bonds), Blue Oaks Loan, or other contracts and obligations of the newly reorganized local agency;
- 10) Submittal of map and legal description (metes and bounds) meeting the State Board of Equalization requirements, reflecting the amended boundaries of Los Trancos Woods, Vista Verde, and Oak Forest Court, as well as State Board of Equalization filing fees.

Dissolution Process and Timing

The following table represents key events in completing the dissolution.

May 7, 2015	LTCWD Board Meeting re survey results and adoption of resolution of application to LAFCo to dissolve conditioned on formation of County Maintenance District and other conditions
May 13, 2015	MROSD initiated conservation easement direction to staff
May 19, 2015	Board of Supervisors (BOS) initiated formation County Maintenance District
June 16, 2015	BOS adopted Property Tax Exchange
July 2, 2015	LTCWD passes budget and update on conservation easements
July 7, 2015	BOS Formation of Los Trancos County Maintenance District
July 8, 2015	SMC Planning Commission – General Plan Conformity for County’s acceptance of lake parcel and land-locked parcel and WFPD acceptance of 126 Lake Road from LTCWD
July 15, 2015	LAFCo hearing
TBA	Town of Portola Valley General Plan Conformity for County acquisition of sliver parcel adjacent to lake

Aug. 12, 2015	MROSD takes action on conservation easements (if not August 12)
Sept.1, 2015	BOS acceptance of lake parcels and land-locked parcel from LTCWD BOS Adoption of Plan for Enhanced Stormwater drainage and road improvements BOS Execution of Memorandum of Understanding (MOU) between County Maintenance District and Woodside Fire Protection District (WFPD) BOS formation of community advisory committee
July 30, 2015	LTCWD potentially grant conservation easements (if not at July meeting, then at special meeting or September meeting) Transfer real property to County and WFPD (if not at July meeting, then at special meeting or September meeting)
TBA	WFPD acceptance of 126 Lake Road parcel
TBA	WFPD execution of Memorandum of Understanding (MOU) between County Maintenance District and WFPD
TBA	Pass thru agreement for County Controller to pass thru property tax revenue to the County Maintenance District between October 1, 2015 and July 1, 2016 when the State Board of Equalization changes the roll to reflect the new district
TBA	Public Works Director becomes signatory to LTCWD bank account
TBA	LTCWD transfers financial and other records to County
October 1, 2015	LAFCo records Certificate of Completion

If approved by LAFCo, the Executive Officer would not record the certificate of completion and finalize the annexation until all conditions have been met.

Effects of Dissolution

Government Code Sections 56885 and 56886 (conditions) and 57450 (effect of dissolution) speak to the ability of LAFCo to set conditions including establishing a long term successor for continuation of service that would succeed to all rights, assets, debts and other obligations of the dissolved district including but not limited to landownership. As noted above, the County Board of Supervisors has adopted a resolution of property tax transfer directing the County Controller to, upon dissolution, redistribute LTCWD property tax to the Los Trancos County Maintenance District for territory to be included in the District and redistribute the District’s

share of property tax proportionately to remaining agencies in areas excluded from the County Maintenance District.

Recommendation

The District's transfer of service to Cal Water resulted in the Los Trancos and Vista Verde Community becoming part of a regional water system with a sustainable water supply management plan and lower water rates. LTCWD has a unique status as a district that no longer provides the service for which it was formed but that includes a residential area with demonstrated needs for enhanced fire safety and enhanced storm drainage and road improvements. Dissolution of the District and formation of a CMD would result in dedicating local property tax for demonstrated needs and assigning enhanced storm drain and road improvements, enhanced fire safety and land stewardships to larger agencies that share the territory, have the specific expertise and leverage property tax for these purposes. The proposal is consistent with the LAFCo-adopted MSR/SOI of the District and will result in redistribution of property tax to a County-governed district to fund enhanced public safety, enhanced storm drain and road improvements for a community that demonstrated need for these services. For areas not included in the CMD, property tax will be redistributed proportionally to remaining agencies.

Recommended Commission Action, by Resolution

Approve LAFCo File No. 15-04 conditioned upon the following conditions and authorize the Executive Officer to record the Certificate of Completion pursuant to Government Code Sections 56886 and 57000 et seq.

Conditions of Approval

- 1) The effective date of the dissolution will be October 1, 2015
- 2) Formation of the Los Trancos County Maintenance District (LTCMD).
- 3) All LTCWD accounts payable and receivable and other records shall be transferred to the County of San Mateo as successor agency.
- 4) Acquisition of LTCWD-owned lake (APN 080-100-060) and land-locked residentially zoned parcel (APN 080-071-010) by the County of San Mateo and acquisition of the 126 Lake Road Parcel (APN-060-580) by Woodside Fire Protection District (WFPD) with the intent that the lake and the 126 Lake Road Parcel remain undeveloped.
- 5) Conservation easements by MROSD on the 126 Lake Road parcel and the "lake" parcel to assure that these lands will remain undeveloped and preserved.
- 6) Creation of a community advisory committee to advise the Department of Public Works and Woodside Fire Protection District on matters related to enhanced fire safety, storm drain and road improvements and land stewardship.
- 7) County of San Mateo and WFPD Agreement for Enhanced Fire Safety.

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- 8) County of San Mateo Adoption of Plan for Stormwater Drainage Improvements.
- 9) The newly formed County Maintenance District will be the successor to LTCWD and succeed to the rights, property interests, duties, and obligations of the existing LTCWD, including but not limited to: enforcement, performance or payment of any outstanding bonds (including revenue bonds), Blue Oaks Loan, or other contracts and obligations of the newly reorganized local agency;
- 10) Submittal of map and legal description (metes and bounds) meeting the State Board of Equalization requirements, reflecting the amended boundaries of Los Trancos Woods, Vista Verde, and Oak Forest Court, as well as State Board of Equalization filing fees.

Respectfully submitted,



Martha M. Poyatos

Executive Officer

Attachments: LTCWD Application



May 7 2015

**CHANGE OF
ORGANIZATION, PLAN OF SERVICE and DISTRICT
RESOLUTION FOR THE APPLICATION TO DISSOLUTION**

**Los Trancos County Water District
126 Lake Road
Portola Valley, CA 94028**

**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 Los Trancos County Water District (LTCWD), conditioned upon formation of a County Maintenance District as successor agency for the purposes of enhanced firesafety; enhanced storm water runoff mitigation; and transfer of the 126 Lake Road parcel and the District's lake to successor agencies with open space easements and a maintenance plan; and associated contracts

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
 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 the LTCWD water system and service responsibility to California Water Service Company in 2005, the District no longer provides the main service for which it was formed but has identified the need for enhanced fire safety, enhanced storm water drainage and land conservation and stewardship. The proposal responds to these long term service needs by establishing a County Maintenance District to be successor to property tax revenue to fund these services.

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

Yes No

5. Estimated acreage: general area's longitude and latitude: 37 Degrees 20" 35.90" North by 122 Degrees 11' 43.47" West

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.

Los Trancos County Water District -Dissolution

County-governed Los Trancos County Maintenance District -Formation

2. List all changes to the pattern of delivery of local services to the affected area.

SERVICE	PROPOSED SOURCE	FUNDING SOURCE	
		CONSTRUCTION	OPERATING
Enhanced Fire Safety	Los Trancos- County Maintenance District	N/A	Property Tax
Storm Water Runoff Mitigation	Los Trancos County Maintenance District	Property Tax & if needed assessments subject to Prop. 218	Property Tax
Land Stewardship	Los Trancos County Maintenance	N/A	Property tax

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.

Los Trancos Woods and Vista Verde and Oak Forest Court in Unincorporated San Mateo County

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

Low Density Residential

3. How are adjacent lands used?

North: Low Density Residential

South: Low Density Residential

East: Open Space-City of Palo Alto's Foothill Park

West: Low Density Residential and Open Space Holdings of Midpeninsula Regional Open Space District

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

N/A

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

Low Density Residential

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

R-1

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

None

8. What additional approvals will be required to proceed?

Adoption of Enhanced Storm water Drainage by the County of San Mateo
Execution of Enhanced Fire Safety Agreement by Woodside Fire District & County
Acceptance of Lake Road Parcel and Lake by Successor agencies

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?

No

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

* * * * *

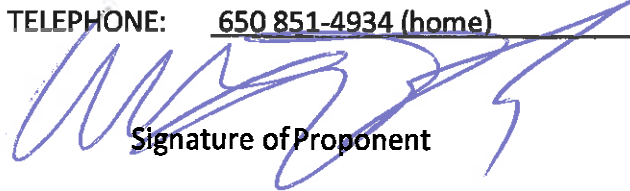
LAFCo will consider the person signing this application as the proponent of the proposed action(s). Notice and other communications regarding this application (including fee payment) will be directed to the proponent at:

NAME: William S. Coats, President, Board of Directors

ADDRESS: 126 Lake Road, Portola Valley, CA 94028

TELEPHONE: 650 851-4934 (home)

ATTN: _____



Signature of Proponent

PLAN FOR PROVIDING SERVICE
Transition of LTCWD, establishing County Maintenance District as Successor
Agency

SERVICE	PROPOSED SOURCE	FUNDING SOURCE	
		CONSTRUCTION	OPERATING
Enhanced Fire Safety	Los Trancos County Maintenance	N/A	Property Tax
Storm Water Runoff Mitigation	Los Trancos County Maintenance District	Property Tax & if needed assessments subject to Prop. 218	Property Tax
Land Stewardship	Los Trancos County Maintenance	N/A	Property tax

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

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

PLAN FOR PROVIDING SERVICES

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

Enhanced fire safety including defensible space clearing, storm drainage improvements and land maintenance per Exhibits A, B & C attached

2. Describe the level and range of those services.

See Exhibits A, B and C attached

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

Upon dissolution of the District and establishment of the successor agency and based on property tax available with a requested effective date of October 1, 2015.

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.

No upgrading of infrastructure is requested as a condition of approval. Conditions include:

a) Formation of a County Maintenance District, to be named the Los Trancos-Vista Verde Community Maintenance District, to be successor to Los Trancos County Water District base property tax and increments, assets and liabilities for the purpose of enhanced fire safety, enhanced storm water drainage improvements and land stewardship as described in Exhibits A, B, and C. A county maintenance district will be formed by the San Mateo County's Board of Supervisors (BoS). The BoS shall:

(i) Make and enforce all rules and regulations necessary for the administration, operation and Government of such district.

(ii) Execute all contracts and make all necessary provisions for the maintenance and operation of the district, except that the Board of Supervisors may authorize a designated county officer (i.e. Department of Public Works) to make and execute enhanced local storm water drainage projects, enhanced local fire prevention service, the management and maintenance of the former LTCWD lake and administration of all contracts;

(iii) Appoint and employ all necessary agents, superintendents, engineers and labor forth proper performance of the work.

(iv) Establishment of a Community Advisory Committee.

b) Execution of Agreement for enhanced fire safety and land maintenance and as set forth in Exhibit A and Exhibit C between the Woodside Fire Protection District and the County of San Mateo that will succeed to the Proposed County Maintenance District

c) Adoption by the County of San Mateo of the Plan for Service and associated exhibits enumerating the services to be provided by the Los Trancos County Maintenance District including but not limited to enhanced storm water drainage improvements as set forth in Exhibit B.

d) Congruent with the formation of the County Maintenance District, the Board of Supervisors shall form a Community Advisory Committee composed of Vista Verde and Los Trancos Woods residents as described in EXHIBIT C.

e) Execution of a substantially similar Open Space Easement in the form attached as EXHIBIT D and transfer of (APN# 080060580) to Woodside Fire Protection District or County of San Mateo;

f) Execution of a substantially similar Open Space Easement in the form attached as EXHIBIT E and transfer of (APN# 080100060) (lake) to MROSD or County of San Mateo

g) Transfer of APN#080071010 (landlocked parcel) to the County of San Mateo to be sold for the sole benefit of the Los Trancos County Maintenance District.

h) The newly formed County Maintenance District will be the successor to LTCWD and succeed to all of the rights, property interests, duties and obligations of the existing LTCWD, including but not limited to: enforcement, performance, or payment of any outstanding bonds, including revenue bonds, Blue Oaks Loan, or other contracts and obligations of the reorganized local agency;

continuation or provision of any service provided, or previously authorized to be provided by an official act of LTCWD; taxes, assessments, charges or fees; and/or all property, real or personal (including but not limited to land, easements, licenses, moneys, funds, or cash on hand or due but uncollected, and any other obligations).

i) Submittal of a map and legal description (metes and bounds) meeting State Board of Equalization requirements reflecting the amended boundaries of the Los Trancos County Maintenance District to include Los Trancos Woods, Vista Verde and Oak Forest Court as well State Board of Equalization filing fees.

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.)

- a. Enhanced Fire Safety activities, under an agreement with Woodside Fire Protection District that stipulates annual agreement amount.
- b. Enhanced storm water drainage projects as prioritized and as funds are available. If it is determined that significant improvements are needed to mitigate public safety risk, funding, such as bond financing, with assessments may be pursued.
- c. Land Stewardship and maintenance under agreement with WFPD stipulating an annual agreement amount.
- d. No LT CMD funds are to be applied to routine road and drainage maintenance or improvements that would be otherwise funded through regular appropriations of County or other publicly available funding for maintenance or improvements of existing facilities.
- e. See EXHIBIT G (2015-2021 Los Trancos County Maintenance District Budget)

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

The Los Trancos County Water District (an independent district formed in 1954 to improve water service to a portion of Los Trancos Woods) sold the water system in 2005 but continues to receive property tax. The territory in the district was originally developed as vacation homes and is characterized by steep terrain and narrow, winding roads and limited storm drain infrastructure. It is remote and heavily wooded. Since divestiture of the water system, the District Board has implemented various programs funded by property tax and most recently has determined that fire safety and enhanced storm water drainage improvements are essential to the health and welfare of the community. The District recognizes that dissolution of the District establishing the County as successor agency to receive property tax and fund fire safety and storm drain infrastructure. The County of San Mateo as successor offers expertise, economies of scale and if necessary financing alternatives that are not currently available to a small single purpose special district with

very limited revenues.

This section completed by: Claudia C. Mazzetti May 7, 2015

LIST OF EXHIBITS

EXHIBIT A --- ENHANCED FIRE PREVENTION SCOPE OF WORK WITH WOODSIDE FIRE PROTECTION DISTRICT: Part 1-3

EXHIBIT B --- ENHANCED STORM DRAINAGE SCOPE OF WORK FOR LOS TRANCOS COUNTY MAINTENANCE DISTRICT (LTCMD)

EXHIBIT C --- RECOMMENDATIONS FOR ESTABLISHMENT OF LTCMD'S COMMUNITY ADVISORY COMMITTEE

EXHIBIT D --- OPEN SPACE EASEMENT AND TRANSFER OF THE 126 LAKE ROAD PARCEL TO WOODSIDE FIRE PROTECTION DISTRICT OR SAN MATEO COUNTY

EXHIBIT E --- OPEN SPACE EASEMENT AND TRANSFER OF LAKE TO EITHER MROSD OR THE COUNTY OF SAN MATEO

EXHIBIT F--- 2015-2021 LOS TRANCOS CMD'S BUDGET

EXHIBIT G --- DRAFT APPLICATION FOR THE RESOLUTION REQUESTING LAFCO TO BEGIN PROCEEDINGS TO DISSOLUTION

EXHIBIT H --- STORM DRAINAGE MASTER PLAN'S FINAL REPORT

Exhibit A: Part 1 – Enhanced Fire Prevention Services

In consideration of the payments set forth in Exhibit A: Part 2, Contractor shall provide the following services:

1. Definitions.

- (a) **Enhanced Fire Protection Sub-Zone.** “Enhanced Fire Protection Sub- Zone” means all that territory (parcels and streets) within the LTCMD as set forth in more detail in Exhibit A: Part 3
- (b) **Fiscal Year.** “Fiscal Year” means the twelve-month period commencing on July 1 of any year and ending on June 30 of the following year.

2. Scope of Enhanced Fire Protection Services Provided.

In consideration of the payments by the LTCMD to the Contractor as herein provided, the Contractor agrees to furnish Enhanced Fire Protection Services within the Enhanced Fire Protection Sub-Zone. Enhanced Fire Protection Services shall be defined as follows:

- (a) Vegetation management adjacent to roads within the community, and roads in the town of Portola Valley that lead to the community. (Exhibit A:Part 3)
- (b) Vegetation management in the buffer space between the community and Portola Valley and other surrounding park and open space areas
- (c) Vegetation management of 126 Lake Road and the former LTCWD Lake just north and east of the intersection of Old Spanish Trail and Lake Road.
- (d) Incentives for private homeowners to:
 - a. Manage vegetation in front of and around their homes to improve exit route safety and create or improve defensible space.
 - b. Harden or otherwise protect their homes from the effects of flying embers.
- (e) Local support for CERPP for the area encompassed by LTCMD
- (f) On a semi-annual basis or more, the WFPD will perform the following maintenance activities: eradication of invasive weeds, poison oak and French Broom, weed abatement along the roadway while protecting all native species.
- (g) Additional service, as the Chief of the Fire Department deems necessary, practicable, and available to supplement the standard Fire Protection services

3. Upon provision of a written request to the LTCMD, Contractor may request to hold/reserve money to be used in a future fiscal year for a program that cannot be completed in one fiscal year or for which funds must be accumulated over time to pay for such program. LTCMD shall not unreasonably deny any such request. Any money which is held shall only be used for Enhanced Fire Protection Services. Any held funds shall be returned to the LTCMD upon termination of this Agreement.

4, Notwithstanding anything to the contrary in this Exhibit A, the Fire Chief of the Woodside Fire Protection District shall have authority to determine how best to provide enhanced fire protection to the area served by the LTCMD. This discretion shall include, but not be limited to the right to increase, decrease and/or suspend any of the programs listed above and to add new programs. Before exercising discretion to suspend or add a new program the Fire Chief shall meet with the Community Advisory Committee. The express intent of this Agreement is to provide funding for Enhanced Fire Protection Services and for the Fire Chief in consultation with the Community Advisory Committee to use the Chief's knowledge and expertise to provide Enhanced Fire Protection Services in the manner those services in the most efficient manner possible to reflect the advances in firefighting and changes in need for Enhanced Fire Protection Services in the LTCMD

5. The Chief shall create a subcommittee composed of residents of the LTCMD ("Fire Safety subcommittee") to meet with the Chief or the Chief's designee at regularly scheduled meetings of no less than twice a year to discuss the Enhanced Fire Protection Services which have been provided in the prior year and what changes, if any, should be made for the upcoming year.

Exhibit A: Part 2 – Payments and Rates

In consideration of the services provided by Contractor in Exhibit A and subject to the terms of the Agreement, LTCMD shall pay Contractor based on the following fee schedule and terms:

- 1) For each year of this Agreement (i.e. each fiscal year, which is July 1 through June 30 next following) the LTCMD agrees to reimburse the Contractor up to thirty-three (33%) of the amount of property tax collected for LTCMD (the "Total Tax") during that fiscal year for services actually performed. For 2015/16 this total amount is projected to be \$300,000. Therefore, \$100,000 would be the maximum projected reimbursement to the Contractor by the LTCMD for these fire protection services for 2015/16.
- 2) By July 31^{set of} each year, the County will notify the Contractor of the projected Total Tax for the current fiscal year, and the actual Total Tax for the immediate prior fiscal year. The projected Total Tax is currently identified in the County's annual budget system (called "IFAS or Intergovernmental Finance Accounting System") as the line item summary "Object Number 1000" ("Taxes"). The total taxes figure projected in the 2014-15 FY budget for Object Number 1000 is currently shown under column titled "Total CLB 2014/15 (CLB=Current Level Budget)".
- 3) Within thirty (30) days of the end of each quarter, the Contractor shall invoice the County in an amount equal to the time and materials expended during the preceding period. LTCMD shall pay such an amount to the Contractor within thirty (30) Days of receipt of the Contractor's invoice. The Contractor's invoice shall be sent to the address stated in section 14 of this agreement. At no time shall the compensation paid to Contractor in a fiscal year exceed 33% of the amount of property tax collected for the LTCMD for that fiscal year unless the LTCMD and Contractor enter into a separate written agreement.
- 4) Notwithstanding anything contrary in this Agreement under no circumstances shall any funds of the LTCMD be used to fund or pay for any items that are not Enhanced Fire Protection Services. LTCMD shall have no responsibility for nor shall it pay for any services other than Enhanced Fire Protection Services provided by Contractor to the areas encompassed by the LTCMD. Furthermore, Contractor shall represent in each application for payment that the payment requested is solely for the provision of Enhanced Fire Protection Services.

EXHIBIT A: PART 3 – MAPS OF DESIGNATED SERVICE AREA

**General Area of Los Trancos Woods and Vista Verde
Neighborhoods in the Unincorporated San Mateo County**



Portola Valley Ranch

Oak Forrest Court

Oak Forrest Court Neighborhood

**Exhibit A: Part 3.1
Enhanced Fire Protection
Sub Zone
Final**

Los Trancos Rd

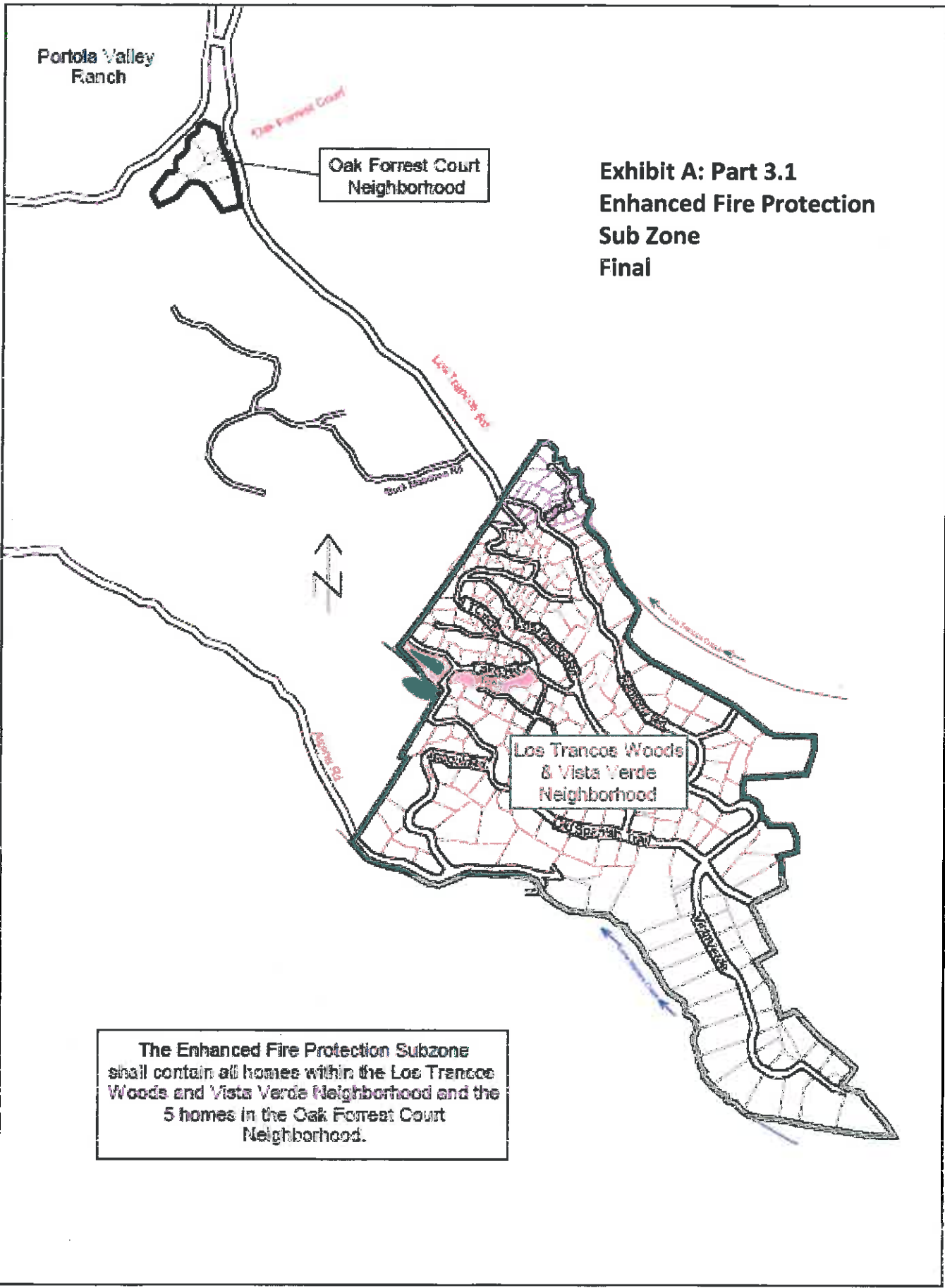
Stockhausen Rd



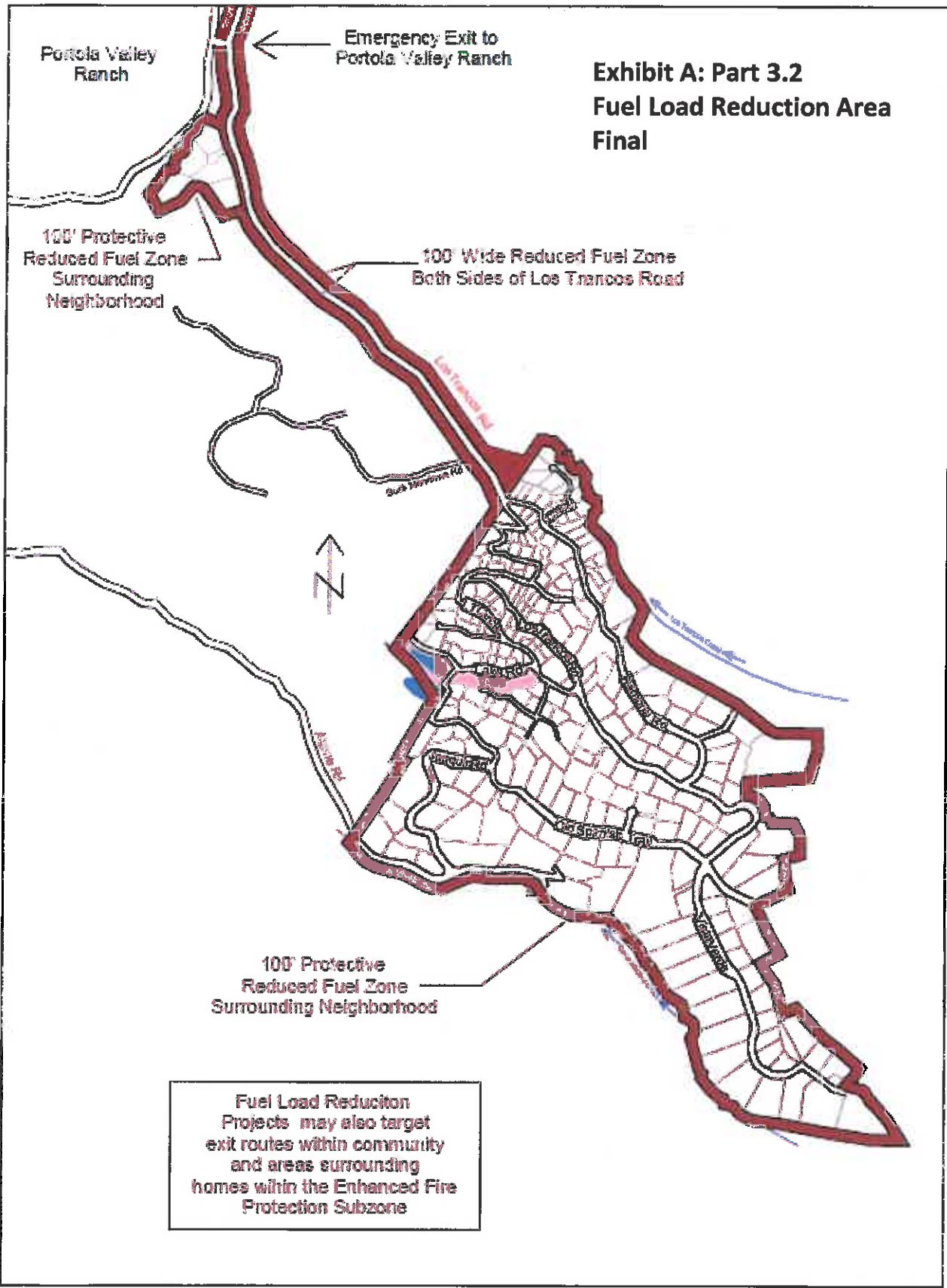
Arroyo Rd

Los Trancos Woods & Vista Verde Neighborhood

The Enhanced Fire Protection Subzone shall contain all homes within the Los Trancos Woods and Vista Verde Neighborhood and the 5 homes in the Oak Forrest Court Neighborhood.



**Exhibit A: Part 3.2
Fuel Load Reduction Area
Final**



Fuel Load Reduction Projects may also target exit routes within community and areas surrounding homes within the Enhanced Fire Protection Subzone

EXHIBIT B
Los Trancos County Maintenance District
ENHANCED Storm Drainage and Road Improvements

1. General Requirements

- a) **CMD funds - All funds distributed by the CMD to the San Mateo County Public Works Department for Storm Drainage and Road Improvements shall solely be used for Enhanced Storm Drainage and Roadway Improvement Work within the boundaries of the CMD (“Enhanced Funds”).**
 - 1) **No Enhanced Funds are to be applied to routine maintenance or improvements to existing facilities that could be otherwise funded through regular appropriations of County monies or other publically available funding for maintenance or improvements of existing facilities.**
 - 2) **Certain deficiencies in the existing storm drainage infrastructure within the CMD have been identified and documented in the Storm Drainage Management Master Plan -Final dated December 2013 (2013 SDMP)(Copies of this original master plan report can be requested from the SMC Department of Public Works.) The 2013 SDMP shall serve to identify and prioritize suggested Enhanced Storm Drainage and Roadway Improvement Work. The information provided in the 2013 SDMP and associated reviews (see EXHIBIT H) and suggested project prioritization provided by members of the Los Trancos County Water District Board constitute recommendations only. Project selection and scope is solely the responsibility of the San Mateo County DPW.**
 - 3) **Addressing and resolving storm drainage issues within the CMD identified by the SDMP or newly identified storm drainage issues shall be considered and investigated for feasibility before Enhanced Funds are allocated to improvements that solely address roadway improvements.**
- b) **Enhanced Storm Drainage and Road Way Improvement Work shall be defined as any improvements or necessary additions to the existing storm drainage systems and/or associated roadways that serve to correct deficiencies, including slope instability, that have reached the end of useful service life (“Enhanced Storm Drainage and Road Way Improvement Work”).**

c) Notwithstanding anything to the contrary in this Exhibit B the Director of Public Works for San Mateo County shall have authority to determine how best to provide Enhanced Storm Drain and Roadway Improvement to the area served by the CMD. This discretion shall include, but not be limited to the right to increase, decrease and/or suspend any of the programs listed above and to add new programs. Before exercising discretion to suspend or add a new program the Director of Public Works shall meet with the Community Advisory Council. The express intent of this Agreement is to provide funding for Enhanced Storm Drain and Roadway Improvements, with an initial emphasis on Storm Drainage, and for the Director of Public Works in consultation with the Community Advisory Council to use the Director's knowledge and expertise to provide Enhanced Storm Drainage and Roadway Improvements in the most efficient manner possible to reflect the advances in technology and engineering and changes in need for Enhanced Storm Drainage and Roadway Improvements in the CMD.

2) Use of Enhanced Funds for Enhanced Storm Drainage and Roadway Improvement Work.

- a) The San Mateo County Department of Public Works ("DPW") will, within 1 year of the date of approval of this agreement by the San Mateo County Board of Supervisors, create and communicate to the Community Advisory Committee residents a prioritized list of improvement projects to be funded by the Enhanced Funds allocated under this Agreement.
- b) The DPW will annually thereafter, communicate in writing to CMD residents an accounting of Enhanced Funds allocated, Enhanced Funds dispersed on improvement activities, and fund balance.
- c) Representatives of the DPW will meet at least 1 time per year with representatives of the Community Advisory Committee formed as a part of the creation of the CMD to conduct a review of past and planned activities.
- d) Enhanced Funds are to be allocated only for Enhanced Storm Drainage and Improvement Work on public property or easements, except as noted in 2.d.1- and 2.d.4 below.
 - 1) Projects that necessitate expenditure of Enhanced Funds on private property as an integral and indispensable part of the public portion of the project may be undertaken using Enhanced Funds for the construction of project facilities and appropriate restoration of private property disturbed through the process of construction.

- 2) Any portions of projects constructed on private property will only be undertaken if the owner(s) of said properties(s) have granted to the County an easement or license as is required for the projects.
- 3) No Enhanced Funds shall be expended as compensation for obtaining said easements except in cases where said easements provide unlimited and unrestricted access to the County for purposes of constructing, maintaining and or upgrading public drainage facilities within the easement.
- 4) The costs associated with perfecting the necessary easements shall be covered entirely by Enhanced Funds.
- e) Enhanced Funds may be used to improve existing public or private roadways if necessary to bring these roadways up to a level that can be accepted for maintenance by the County as needed in order to implement projects to materially improve the storm drainage facilities in the CMD.
- f) Storm Drainage projects will be prioritized in the sequence as follows in sections 2.f.1– 2.f.4. In all cases prioritization of projects is ultimately left to the judgment of technically appropriate members of the DPW staff.

- 1) Projects to mitigate risks of possible flooding of occupied structures or other infrastructure.
- 2) Projects that will reduce the risks of flooding that could lead to landslide threats to roadways, other structures, or other infrastructure.
- 3) Projects to mitigate risks of possible flooding of garages and other outbuildings.
- 4) Projects that mitigate risks to landscaping and property appearance.
- 5) An initial review of projects and prioritization has been created and reviewed by the Board of Directors of the District and is attached hereto as Exhibit H. This review is a recommendation only and is meant to serve as a starting point for recommendations by the PW.

3) Use of Enhanced Funds for roadway improvements. Some of the public roadways in the CMD are substantially below current county standards. Community safety may be improved if some private roadways in the CMD are considered for upgrade and dedication for county maintenance purposes.

- a) As Enhanced Funds become available the DPW should consider possible improvements on both public and privately maintained roadways within public rights of ways and prioritize projects in conjunction with prioritized storm

drainage projects.

b) Any improvements to privately maintained roadways within public rights of ways should only be undertaken with the required consent of property owners of the existing rights of way.

c) Any portions of projects constructed on private property will only be undertaken if the owner(s) of said properties(s) have granted to the County an easement for the construction, maintenance and public use of the roadway.

d) No Enhanced Funds shall be expended as compensation for obtaining said easements except in case where said easements provide unlimited and unrestricted access to the County for purposes of constructing, maintaining and or upgrading public drainage facilities within the easement . The costs associated with perfecting the necessary easements shall be covered entirely by Enhanced Funds.

e) Improvement funding may be augmented through co-funding through the creation of benefit assessment districts for individual roadways with Enhanced Funds covering the community benefit portion and benefit assessment Enhanced Funds covering the private benefit portion.

f) Enhanced Funds may also be applied to scheduling repaving of some roadways deteriorated through multiple construction projects at a point in time sooner than would occur under the standard County formulas for determining repaving schedules.

g) Emergency repairs: In the event of significant landslides affecting roadways or catastrophic events such as fire, earthquake, or extreme rain events that cause damage to infrastructure within the CMD, available Enhanced Funds may be loaned for emergency damage repairs.

h) Any such loans will only be made upon approval of the San Mateo County Board of Supervisors.

i) Loans will be made on a maximum terms of 3 years.

j) Loans will be made at an interest rate based on the average daily LIBOR index (or an equivalent index if LIBOR ceases to exist) plus 1.0%.

k) Loan duration can be extended on an annual basis for an additional 3 years maximum.

EXHIBIT C

RECOMMENDATIONS FOR THE ESTABLISHMENT OF THE LOS TRANCOS COMMUNITY ADVISORY COMMITTEE

The Los Trancos County Water District's Board of Directors proposes the following:

1. It will be named, "Los Trancos Community Advisory Committee".
2. The CAC's mission is to be the conduit between the Los Trancos Community Maintenance District ("LTCMD") and the residents of the unincorporated area of the Los Trancos County Maintenance District. It will provide input to the LTCMD on enhanced fire protection and enhanced storm drainage improvements, emerging changes and needs, provide local communications and review of the CMD's annual accounting.
3. To the extent possible, the CAC will be balanced between residents from Los Trancos Woods and Vista Verde.
4. The CAC would be composed of no fewer than 5 members and no more than 9 members so to ensure a broad, local participation and representation.
5. The CAC will elect its own Chair and Vice Chair while creating its own bylaws within the first year of operation. Those bylaws will be reviewed and approved by County Counsel.
6. The LTCMD will appoint a representative to be the LTCMD's contact with the CAC.
7. The CAC will have one contact person who will communicate with the LTCMD representative and represent the CAC with the County.
8. Annual accounting will be provided to the CAC from the LTCMD.
9. CAC Meeting schedule will be determined by the members but will meet a minimum of 2 meetings per year.

EXHIBIT D

**126 Lake Road Open Space Easement and Transfer to the
Woodside Fire Protection District or County of San Mateo**

**This Document is Recorded
For the Benefit of the
Los Trancos County Water District
And is Exempt from Fee
Per Government Code
Sections 6103 and 27383**

**When Recorded, Mail to:
Los Trancos County Water District
126 Lake Road
Portola Valley, CA 94028
Attention: Board Secretary**

**DEED OF CONSERVATION EASEMENT
126 Lake Road**

This Deed of Conservation Easement ("Agreement") is made and entered into this ___ day of _____, 2015, by and between Los Trancos County Water District, a water district of the County of San Mateo, State of California ("Grantor") and _____, ("Grantee"), a California non-profit corporation that has as its primary purpose the preservation, protection, or enhancement of land in its natural, scenic or open-space condition.

RECITALS

A. Grantor is the sole owner in fee simple of certain real property located in unincorporated San Mateo County, State of California commonly known as 126 Lake Road ("Property"), and which is more particularly described in Exhibit A, attached hereto and incorporated herein by this reference.

B. The Property encourages native species and habitat, possesses natural, scenic, open space, and passive recreational values (collectively "Conservation Values") of great importance to Grantor and the surrounding community. The Property includes a small storage structure commonly referred to as "The Red Shed."

C. The specific Conservation Values of the Property are documented in an inventory of relevant features of the Property, attached hereto as Exhibit B and incorporated herein by this reference and the parties agree Exhibit B provides an accurate representation of the Property at the time of this grant and which is intended to serve as an objective information baseline for monitoring compliance with the terms of this grant.

D. Grantor intends that the Conservation Values of the Property be preserved and maintained by the continuation of land use patterns existing at the time of this grant that do not significantly impair or interfere with those values.

E. Grantor further intends, as owner of the Property, to convey to Grantee the right to preserve and protect the Conservation Values of the Property in perpetuity.

F. Grantee is a non-profit organization authorized to acquire and hold a conservation easement whose primary purpose the preservation, protection, or enhancement of land in its natural, scenic or open-space condition.

G. Grantee agrees by accepting this grant to honor the intentions of Grantor as stated herein and to preserve and protect in perpetuity the Conservation Values of the Property for the benefit of this generation and the generations to come.

NOW, THEREFORE, in consideration of the above and the mutual covenants, terms, conditions and restrictions set forth herein and pursuant to the laws of the State of California, Grantor hereby voluntarily grants and conveys to Grantee a conservation easement in perpetuity over the Property of the nature and character and to the extent hereinafter set forth ("Easement").

1. Purpose. The purpose of this Easement is to assure that the Property will be retained forever in its natural, scenic and open space condition and to prevent any use of the Property that will significantly impair or interfere with the Conservation Values of the Property. Grantor intends that this Easement will confine the use of the Property to such activities such as passive recreation that are consistent with the purpose of this Easement. Passive recreation generally includes outdoor nature observation that requires a minimum of facilities and that has minimal impact on the Property. Notwithstanding the foregoing, The Red Shed may be used for storage and the Woodside Fire Department may use the Property for temporary staging or emergency purposes. Furthermore a trail for recreational use may be built/installed on the Property.

2. Prohibited Uses. Any activity on or use of the Property inconsistent with the purpose of this Easement is prohibited. Without limiting the generality of the foregoing, the following activities are expressly prohibited: any development beyond, including expansion of, those buildings existing at the time of this grant, which includes The Red Shed.

3. Statutory Authorization. This Agreement is made and entered into pursuant to Chapter 4 (commencing with Section 815) of Division 2 of Part 2 of the Civil Code. This Agreement is subject to all of the provisions of said Chapter 4 including any amendments thereto, which may hereafter be enacted.

4. Rights of Grantee. To accomplish the purpose of this Easement, the following rights are conveyed to the Grantee by this Easement:

4.1 To preserve and protect the Conservation Values of the Property.

4.2 To enter upon the Property at reasonable times in order to monitor Grantor's compliance with and otherwise enforce the terms of this Easement.

4.3 To prevent any activity on or use of the Property that is inconsistent with the purpose of this Easement and to require the restoration of such areas or features of the Property that may be damaged by any inconsistent activity or use pursuant to Paragraph 6.

5. Reserved Rights. Grantor reserves to itself, and its representatives, heirs, successors and assigns all rights accruing from their ownership of the Property, including the right to engage in or permit or invite others to engage in all uses of the Property that are not expressly prohibited herein and are not inconsistent with the purpose of this Easement. It is the intent of Grantor that the Property be available to the general public to provide an opportunity to enjoy open space in accordance with the Conservation Values.

6. Grantee's Remedies. If Grantee determines that Grantor is in violation of the terms of this Easement or that a violation is threatened, Grantee shall give written notice to Grantor of such violation and demand corrective action sufficient to cure the violation and, where the violation involves injury to the Property resulting from any use or activity inconsistent with the purpose of this Easement, to restore the portion of the Property so injured. If Grantor fails to cure the violation within thirty (30) days after receipt of notice thereof from Grantee, or under circumstances where the violation cannot reasonably be cured within a thirty (30) day period, fail to begin curing such violation within the thirty (30) day period, or fail to continue to diligently cure such violation until finally cured, Grantee may bring an action in law or in equity in a court of competent jurisdiction to enforce the terms of this Easement, to enjoin the violation, *ex parte* as necessary, by temporary or permanent injunction, to recover any damages to which it may be entitled for violation of the terms of this Easement or injury to any Conservation Values protected by this Easement, including damages for the loss of scenic, aesthetic or environmental values, and to require the restoration of the Property to the condition that existed prior to any such injury. Without limiting Grantor's liability therefor, Grantee, in its sole discretion, may apply any damages recovered to the cost of undertaking any corrective action on the Property. If Grantee, in its sole discretion, determines that circumstances require immediate action to prevent or mitigate significant damage to the Conservation Values of the Property, Grantee may pursue its remedies under this paragraph without prior notice to Grantor or without waiting for the period provided for cure to expire. Grantee's rights under this paragraph apply equally in the event of either actual or threatened violations of the terms of this Easement, and Grantor agrees that Grantee's remedies at law for any violation of the terms of this Easement are inadequate and that Grantee shall be entitled to the injunctive relief described in this paragraph, both prohibitive and mandatory, in addition to such other relief to which Grantee may be entitled, including specific performance of the terms of this Easement, without the necessity of proving actual damages or the inadequacy of otherwise available legal remedies. Grantee's remedies described in this paragraph shall be

cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity.

6.1 Costs of Enforcement. Any costs incurred by Grantee in enforcing the terms of this Easement against Grantors, including, without limitation, costs of the suit and attorneys' fees, and any costs of restoration necessitated by Grantor's violation of the terms of this Easement shall be borne by Grantor. If Grantor prevails in any action to enforce the terms of this Easement, Grantor's costs of suit, including, without limitation, attorneys' fees, shall be borne by Grantee.

6.2 Grantee's Discretion. Enforcement of the terms of this Easement shall be at the discretion of Grantee, and any forbearance by Grantee to exercise its rights under this Easement in the event of any breach of any term of this Easement by Grantor shall not be deemed or construed to be a waiver by Grantee of such term or of any subsequent breach of the same or any other term of this Easement or of any of Grantee's rights under this Easement. No delay or omission by Grantee in the exercise of any right or remedy upon any breach by Grantor shall impair such right or remedy or be construed as a waiver.

6.3 Acts beyond Grantor's Control. Nothing contained in this Easement shall be construed to entitle Grantee to bring any action against Grantor for any injury to or change in the Property resulting from causes beyond Grantor's control, including without limitation, fire, flood, storm, drought or earth movement or from any prudent action taken by Grantor under emergency conditions to prevent, abate or mitigate significant injury to the Property resulting from such causes.

7. Grantee's Covenants. Grantee hereby warrants and covenants that:

7.1 Grantee is and will remain an organization qualified to hold a conservation easement. In the event that Grantee is no longer legally qualified to hold a conservation easement, Grantee shall promptly select another qualified organization and transfer all of its rights and obligations under this Agreement to that organization.

7.2 In the event that Grantee at any time in the future becomes a fee simple owner of the Property, Grantee for itself, its successors, and assigns, covenants and agrees to create a new conservation easement containing the same restrictions and provisions as are contained herein, and to convey such easement to a similar organization authorized to hold a conservation easement whose purposes are to promote preservation or conservation of natural, scenic and open space lands.

7.3 Grantee shall exercise reasonable judgment and care in performing the obligations and exercising the rights under the terms of this Agreement.

8. Costs and Liabilities. Grantor retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep and maintenance

of the Property, including the maintenance of adequate comprehensive general liability insurance coverage. Grantor shall keep the Property free of any liens arising out of any work performed for, materials furnished to, or obligations incurred by Grantor.

8.1 Taxes. Grantor shall pay before delinquency all taxes, assessments, fees and charges of whatever description levied on or assessed against the Property by competent authority (collectively "taxes"), including any taxes imposed upon or incurred as a result of this Easement, and shall furnish Grantee with satisfactory evidence of payment upon request.

8.2 Hold Harmless. Grantor shall hold harmless, indemnify and defend Grantee and its members, directors, officers, employees, agents and contractors and the heirs, personal representatives, successors and assigns of each of them (collectively "Indemnified Parties") from and against all liabilities, penalties, costs, losses, damages, expenses, causes of action, claims, demands, or judgments, including, without limitation, reasonable attorneys' fees, arising from or in any way connected with: (1) injury or death of any person or physical damage to any property, resulting from any act, omission, condition or other matter related to or occurring on or about the Property, regardless of cause, unless due solely to the negligence of the Indemnified Parties; (2) the obligations specified in this paragraph 8; and (3) the existence or administration of this Easement.

9. Extinguishment. If circumstance arise in the future such that render the purpose of this Easement impossible to accomplish, this Easement can only be terminated or extinguished, whether in whole or in part, by judicial proceeding in a court of competent jurisdiction, and the amount of the proceeds to which Grantee shall be entitled, after the satisfaction of prior claims, from any sale, exchange, or involuntary conversion of all or any portion of the Property subsequent to such termination or extinguishment shall be determined, unless otherwise provided by law at the time, in accordance with paragraph 9.1. Grantee shall use all such proceeds in a manner consistent with the conservation purposes of this grant.

9.1 Proceeds. This Easement constitutes a real property interest immediately vested in Grantee, which, for purposes of paragraph 8, the parties stipulate to have a fair market value determined by multiplying the fair market value of the Property unencumbered by the Easement by the ratio of the value of the Easement at this time of this grant to the value of the Property, without reduction for the value of the Easement, at the time of this grant. The values at the time of this grant shall be those values used to calculate the deduction for federal income tax purposes allowable by reason of this grant. For purposes of this paragraph, the ratio of the value of the Easement to the value of the Property unencumbered by the Easement shall remain constant.

9.2 Condemnation. If the Easement is taken, in whole or in part, by exercise of the power of eminent domain, Grantee shall be entitled to compensation in accordance with applicable law.

13.1 Strict Interpretation. This Agreement shall be interpreted broadly to effect its preservation and conservation purposes and the transfer of rights and the restrictions on use.

13.2 Integration. This Agreement contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior agreements between the parties hereto, respecting such matters.

13.3 Amendments. For purposes of furthering the preservation of the Property and of furthering the other purposes of this Agreement, and to meet changing conditions, Grantor and Grantees are free to amend the terms of this Agreement in writing; provided, however, that no such amendment shall limit the perpetual duration or interfere with the Conservation Values. Such amendment shall become effective upon recordation with San Mateo County Recorder's Office.

13.4 Severability. Invalidation of any one or more of the provisions of this Agreement by judgment or court order shall, in no way, affect any of the other provisions hereof, which shall remain in full force and effect.

13.5 Applicable Law. This Agreement is to be construed and enforced under the laws of the State of California.

13.6 Counterparts. This Agreement may be executed in multiple originals, each of which is deemed an original, and may be signed in counterparts.

IN WITNESS WHEREOF, Grantor has caused this Agreement to be executed and delivered and Grantee has caused this Agreement to be accepted as of the day and year first above written.

Los Trancos County Water District

By: _____
Board President

Date: _____

Grantee

By: _____
Its:

Date: _____

Exhibit A
Property Description

Exhibit B
Property Inventory

EXHIBIT E

**District Lake's Open Space Easement and Transfer to the
MROSD or County of San Mateo**

**This Document is Recorded
For the Benefit of the
Los Trancos County Water District
And is Exempt from Fee
Per Government Code
Sections 6103 and 27383**

**When Recorded, Mail to:
Los Trancos County Water District
126 Lake Road
Portola Valley, CA 94028
Attention: Board Secretary**

**DEED OF CONSERVATION EASEMENT
Lake Parcel**

This Deed of Conservation Easement ("Agreement") is made and entered into this ___ day of _____, 2015, by and between Los Trancos County Water District, a water district of the County of San Mateo, State of California ("Grantor") and _____, ("Grantee"), a California non-profit corporation that has as its primary purpose the preservation, protection, or enhancement of land in its natural, scenic or open-space condition.

RECITALS

A. Grantor is the sole owner in fee simple of certain real property located in unincorporated San Mateo County, State of California commonly known as the Lake Parcel located just west of Lake Road at Old Spanish Trail ("Property"), and which is more particularly described in Exhibit A, attached hereto and incorporated herein by this reference.

B. The Property encourages native species and habitat, possesses natural, scenic, open space and passive recreational values (collectively "Conservation Values") of great importance to Grantor and the surrounding community. The Property includes a viewing area that provides the public a passive recreational opportunity for viewing the lake and its surrounding natural environment.

C. The specific Conservation Values of the Property are documented in an inventory of relevant features of the Property, attached hereto as Exhibit B and incorporated herein by this reference and the parties agree Exhibit B provides an accurate representation of the Property at the time of this grant and which is intended to serve as an objective information baseline for monitoring compliance with the terms of this grant.

D. Grantor intends that the Conservation Values of the Property be preserved and maintained by the continuation of land use patterns existing at the time of this grant that do not significantly impair or interfere with those values.

E. Grantor further intends, as owner of the Property, to convey to Grantee the right to preserve and protect the Conservation Values of the Property in perpetuity.

F. Grantee is a non-profit organization authorized to acquire and hold a conservation easement whose primary purpose the preservation, protection, or enhancement of land in its natural, scenic or open-space condition.

G. Grantee agrees by accepting this grant to honor the intentions of Grantor as stated herein and to preserve and protect in perpetuity the Conservation Values of the Property for the benefit of this generation and the generations to come.

NOW, THEREFORE, in consideration of the above and the mutual covenants, terms, conditions and restrictions set forth herein and pursuant to the laws of the State of California, Grantor hereby voluntarily grants and conveys to Grantee a conservation easement in perpetuity over the Property of the nature and character and to the extent hereinafter set forth ("Easement").

1. Purpose. The purpose of this Easement is to assure that the Property will be retained forever in its natural, scenic and open space condition and to prevent any use of the Property that will significantly impair or interfere with the Conservation Values of the Property. Grantor intends that this Easement will confine the use of the Property to such activities such as passive recreation that are consistent with the purpose of this Easement. Passive recreation generally includes outdoor nature observation that requires a minimum of facilities and that has minimal impact on the Property.

2. Prohibited Uses. Any activity on or use of the Property inconsistent with the purpose of this Easement is prohibited. Without limiting the generality of the foregoing, the following activities are expressly prohibited: any development beyond that existing at the time of this grant, which includes the viewing area with its two benches.

3. Statutory Authorization. This Agreement is made and entered into pursuant to Chapter 4 (commencing with Section 815) of Division 2 of Part 2 of the Civil Code. This Agreement is subject to all of the provisions of said Chapter 4 including any amendments thereto, which may hereafter be enacted.

4. Rights of Grantee. To accomplish the purpose of this Easement, the following rights are conveyed to the Grantee by this Easement:

4.1 To preserve and protect the Conservation Values of the Property.

4.2 To enter upon the Property at reasonable times in order to monitor Grantor's compliance with and otherwise enforce the terms of this Easement.

4.3 To prevent any activity on or use of the Property that is inconsistent with the purpose of this Easement and to require the restoration of such areas or features of the Property that may be damaged by any inconsistent activity or use pursuant to Paragraph 6.

5. Reserved Rights. Grantor reserves to itself, and its representatives, heirs, successors and assigns all rights accruing from their ownership of the Property, including the right to engage in or permit or invite others to engage in all uses of the Property that are not expressly prohibited herein and are not inconsistent with the purpose of this Easement. It is the intent of Grantor that the Property be available to the general public to provide an opportunity to enjoy open space in accordance with the Conservation Values.

6. Grantee's Remedies. If Grantee determines that Grantor is in violation of the terms of this Easement or that a violation is threatened, Grantee shall give written notice to Grantor of such violation and demand corrective action sufficient to cure the violation and, where the violation involves injury to the Property resulting from any use or activity inconsistent with the purpose of this Easement, to restore the portion of the Property so injured. If Grantor fails to cure the violation within thirty (30) days after receipt of notice thereof from Grantee, or under circumstances where the violation cannot reasonably be cured within a thirty (30) day period, fail to begin curing such violation within the thirty (30) day period, or fail to continue to diligently cure such violation until finally cured, Grantee may bring an action in law or in equity in a court of competent jurisdiction to enforce the terms of this Easement, to enjoin the violation, *ex parte* as necessary, by temporary or permanent injunction, to recover any damages to which it may be entitled for violation of the terms of this Easement or injury to any Conservation Values protected by this Easement, including damages for the loss of scenic, aesthetic or environmental values, and to require the restoration of the Property to the condition that existed prior to any such injury. Without limiting Grantor's liability therefor, Grantee, in its sole discretion, may apply any damages recovered to the cost of undertaking any corrective action on the Property. If Grantee, in its sole discretion, determines that circumstances require immediate action to prevent or mitigate significant damage to the Conservation Values of the Property, Grantee may pursue its remedies under this paragraph without prior notice to Grantor or without waiting for the period provided for cure to expire. Grantee's rights under this paragraph apply equally in the event of either actual or threatened violations of the terms of this Easement, and Grantor agrees that Grantee's remedies at law for any violation of the terms of this Easement are inadequate and that Grantee shall be entitled to the injunctive relief described in this paragraph, both prohibitive and mandatory, in addition to such other relief to which Grantee may be entitled, including specific performance of the terms of this Easement, without the necessity of proving actual damages or the inadequacy of otherwise available legal remedies. Grantee's remedies described in this paragraph shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity.

6.1 Costs of Enforcement. Any costs incurred by Grantee in enforcing the terms of this Easement against Grantors, including, without limitation, costs of the suit and attorneys' fees, and any costs of restoration necessitated by Grantor's violation of the terms of this Easement shall be borne by Grantor. If Grantor prevails in any action to enforce the terms of this Easement, Grantor's costs of suit, including, without limitation, attorneys' fees, shall be borne by Grantee.

6.2 Grantee's Discretion. Enforcement of the terms of this Easement shall be at the discretion of Grantee, and any forbearance by Grantee to exercise its rights under this Easement in the event of any breach of any term of this Easement by Grantor shall not be deemed or construed to be a waiver by Grantee of such term or of any subsequent breach of the same or any other term of this Easement or of any of Grantee's rights under this Easement. No delay or omission by Grantee in the exercise of any right or remedy upon any breach by Grantor shall impair such right or remedy or be construed as a waiver.

6.3 Acts beyond Grantor's Control. Nothing contained in this Easement shall be construed to entitle Grantee to bring any action against Grantor for any injury to or change in the Property resulting from causes beyond Grantor's control, including without limitation, fire, flood, storm, drought or earth movement or from any prudent action taken by Grantor under emergency conditions to prevent, abate or mitigate significant injury to the Property resulting from such causes.

7. Grantee's Covenants. Grantee hereby warrants and covenants that:

7.1 Grantee is and will remain an organization qualified to hold a conservation easement. In the event that Grantee is no longer legally qualified to hold a conservation easement, Grantee shall promptly select another qualified organization and transfer all of its rights and obligations under this Agreement to that organization.

7.2 In the event that Grantee at any time in the future becomes a fee simple owner of the Property, Grantee for itself, its successors, and assigns, covenants and agrees to create a new conservation easement containing the same restrictions and provisions as are contained herein, and to convey such easement to a similar organization authorized to hold a conservation easement whose purposes are to promote preservation or conservation of natural, scenic and open space lands.

7.3 Grantee shall exercise reasonable judgment and care in performing the obligations and exercising the rights under the terms of this Agreement.

8. Costs and Liabilities. Grantor retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep and maintenance of the Property, including the maintenance of adequate comprehensive general liability insurance coverage. Grantor shall keep the Property free of any liens arising out of any work performed for, materials furnished to, or obligations incurred by Grantor.

8.1 Taxes. Grantor shall pay before delinquency all taxes, assessments, fees and charges of whatever description levied on or assessed against the Property by competent authority (collectively "taxes"); including any taxes imposed upon or incurred as a result of this Easement, and shall furnish Grantee with satisfactory evidence of payment upon request.

8.2 Hold Harmless. Grantor shall hold harmless, indemnify and defend Grantee and its members, directors, officers, employees, agents and contractors and the heirs, personal representatives, successors and assigns of each of them (collectively "Indemnified Parties") from and against all liabilities, penalties, costs, losses, damages, expenses, causes of action, claims, demands, or judgments, including, without limitation, reasonable attorneys' fees, arising from or in any way connected with: (1) injury or death of any person or physical damage to any property, resulting from any act, omission, condition or other matter related to or occurring on or about the Property, regardless of cause, unless due solely to the negligence of the Indemnified Parties; (2) the obligations specified in this paragraph 8; and (3) the existence or administration of this Easement.

9. Extinguishment. If circumstance arise in the future such that render the purpose of this Easement impossible to accomplish, this Easement can only be terminated or extinguished, whether in whole or in part, by judicial proceeding in a court of competent jurisdiction, and the amount of the proceeds to which Grantee shall be entitled, after the satisfaction of prior claims, from any sale, exchange, or involuntary conversion of all or any portion of the Property subsequent to such termination or extinguishment shall be determined, unless otherwise provided by law at the time, in accordance with paragraph 9.1. Grantee shall use all such proceeds in a manner consistent with the conservation purposes of this grant.

9.1 Proceeds. This Easement constitutes a real property interest immediately vested in Grantee, which, for purposes of paragraph 8, the parties stipulate to have a fair market value determined by multiplying the fair market value of the Property unencumbered by the Easement by the ratio of the value of the Easement at this time of this grant to the value of the Property, without reduction for the value of the Easement, at the time of this grant. The values at the time of this grant shall be those values used to calculate the deduction for federal income tax purposes allowable by reason of this grant. For purposes of this paragraph, the ratio of the value of the Easement to the value of the Property unencumbered by the Easement shall remain constant.

9.2 Condemnation. If the Easement is taken, in whole or in part, by exercise of the power of eminent domain, Grantee shall be entitled to compensation in accordance with applicable law.

10. Covenants Running with the Land; Successors in Interest. This Agreement shall run with the land and be binding upon Grantor and Grantee and their respective

13.2 Integration. This Agreement contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior agreements between the parties hereto, respecting such matters.

13.3 Amendments. For purposes of furthering the preservation of the Property and of furthering the other purposes of this Agreement, and to meet changing conditions, Grantor and Grantees are free to amend the terms of this Agreement in writing; provided, however, that no such amendment shall limit the perpetual duration or interfere with the Conservation Values. Such amendment shall become effective upon recordation with San Mateo County Recorder's Office.

13.4 Severability. Invalidation of any one or more of the provisions of this Agreement by judgment or court order shall, in no way, affect any of the other provisions hereof, which shall remain in full force and effect.

13.5 Applicable Law. This Agreement is to be construed and enforced under the laws of the State of California.

13.6 Counterparts. This Agreement may be executed in multiple originals, each of which is deemed an original, and may be signed in counterparts.

IN WITNESS WHEREOF, Grantor has caused this Agreement to be executed and delivered and Grantee has caused this Agreement to be accepted as of the day and year first above written.

Los Trancos County Water District

By: _____
Board President

Date: _____

Grantee

By: _____
Its:

Date: _____

Exhibit A
Property Description

Exhibit B
Property Inventory

Exhibit F

2015-2020 Los Trancos County Maintenance Budget

(See Budget on the next page)

Proposed LTCWD Successor Agency - Los Trancos County Maintenance District's 6 year Budget

Ver. 9, June 12, 2015

Revenues	FY 2015/16*	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2019/20
Projected LTCWD Ending Fund Balance (as of Sept 30, 2015)	\$ 122,881.00					
Los Trancos County Maintenance District Opening Fund Balance (as of 10/1/15)	\$ 122,881.00	\$ 230,324.00	\$ 271,753.58	\$ 284,538.93	\$ 258,601.41	\$ 241,917.64
Property Tax Revenues for '15-16** reflects 19% decrease in assessed valuation or Annual Tax Alloc:	\$ 268,270.00	\$ 284,366.20	\$ 301,428.17	\$ 319,513.86	\$ 338,684.69	\$ 359,005.78
LTCWD Ramona Road Parcel Sale		\$ 25,000.00				
Bond Funding (Storm Drainage Improvements)	\$ -	\$ -				
Total, Starting Fund Balance & Annual Revenues	\$ 391,151.00	\$ 539,690.20	\$ 573,181.75	\$ 604,052.80	\$ 597,286.10	\$ 600,923.41
Expenditures						
2015-2016 Gap Spending						
Election Costs	\$ 2,000.00					
Legal Transfer Costs to County & Woodside Fire Protection District for 2 LTCWD parcels	\$ 25,000.00					
Post Dissolution Fire Safety Residential Reimbursements for abatement services managed by WFPD	\$ 30,000.00					
Post Dissolution LTCWD Contractors Fees (Accounting, Finance Mgr, Legal, Rec Sectary)	\$ 25,000.00					
Total Est. Gap Spending	\$ 82,000.00					
County Administration/Overhead (10% of Total Annual Tax Revenues)	\$ 26,827.00	\$ 28,436.62	\$ 30,142.82	\$ 31,951.39	\$ 33,868.47	\$ 35,900.58
Fire Safety (MOU with WFPD; WFPD will bill as needed)						
Defensible Space Clearing of Fuel Load on Private property	\$ -	\$ 35,000.00	\$ 35,000.00	\$ 40,000.00	\$ 45,000.00	\$ 50,000.00
Escape Route Clearing of Roadside Fuel Load	\$ -	\$ 10,000.00	\$ 20,000.00	\$ 20,000.00	\$ 23,000.00	\$ 23,000.00
Annual Contribution for CERPP Coordinator & Local CERPP Training	\$ -	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00
Semi-annual weed abatement around former district lake and 126 Lake Rd parcel	\$ -	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00
Subtotal, WFPD Contract	\$ -	\$ 87,500.00	\$ 97,500.00	\$ 102,500.00	\$ 110,500.00	\$ 115,500.00
Storm Drain and Enhanced Road Maintenance	\$ 50,000.00	\$ 150,000.00	\$ 150,000.00	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00
Drainage Engineering & Construction (fund allocation into accumulated reserve acct.)						
Land Management						
MROSD Annual Assessment of Conservation Easements of 2 parcels (lake, 126 Lake Rd)	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
Possible Repairs to 2 parcels						
Subtotal, Land Management	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
Debt Service						
Blue Oaks Loan (when it comes due; \$617,000 no interest loan/\$9,000/yr/69 years)	\$ -		\$ 9,000.00	\$ 9,000.00	\$ 9,000.00	\$ 9,000.00
Subtotal, Expenditures	\$ 160,827.00	\$ 267,936.62	\$ 288,642.82	\$ 345,451.39	\$ 355,368.47	\$ 362,400.58
LT CMD Ending Fund Balance	\$ 230,324.00	\$ 271,753.58	\$ 284,538.93	\$ 258,601.41	\$ 241,917.64	\$ 238,522.83
LT CMD Reserve Fund for Enhanced Storm Drainage Improvements	\$ 50,000.00	\$ 200,000.00	\$ 350,000.00	\$ 550,000.00	\$ 750,000.00	\$ 950,000.00
[Amt allocated to WFPD for Lands maintenance and Enhanced Fire Protection ***]	\$ 88,529.10	\$ 93,840.85	\$ 99,471.30	\$ 105,439.57	\$ 111,765.95	\$ 118,471.91

* New CMD Budget begins October 1, 2015, 2nd Q of FY 2015-16

**Property Tax revenues are accumulated from base, incremental and supplemental annual taxes.

***33% of annual tax revenues to Enhanced Fire Safety work.

Resolution No. 206

Exhibit G

Los Trancos County Water District
County of San Mateo
State of California

**A Resolution of Application by the Los Trancos County Water District
Requesting the Local Agency Formation Commission to Take
Proceedings for the Dissolution of Los Trancos County Water District
Conditioned Upon the Creation of a County Maintenance District and
Certain Other Conditions**

RESOLVED, by the Board of Directors of Los Trancos County Water District, County of San Mateo, State of California, that:

WHEREAS, the Los Trancos County Water District (LTCWD) was formed in (1954) and divested its water system in 2005, and the Los Trancos County Water District Board 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 Los Trancos County Water District; and

WHEREAS, the LTCWD continues to receive property tax and has determined three community priorities that include the need for enhanced fire prevention, enhanced storm water drainage improvements and land stewardship; and

WHEREAS, the overlapping agencies that are empowered to address these priorities include the County of San Mateo, Woodside Fire Protection District and Midpeninsula Regional Open Space District; and

WHEREAS, the formation of a County Maintenance District as successor to LTCWD property tax revenue offers a long-term appropriate solution to implement and manage programs to respond to the need for enhanced fire prevention, enhanced storm water drainage improvements, land stewardship and emerging needs; and

WHEREAS, the Community would have representation as constituents of the county and by representation by a community advisory committee that would consist of residents from Los Trancos Woods and Vista Verde neighborhoods, 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 of the district proposed to be dissolved is inhabited, and a description of the boundaries of the territory is set forth in Exhibit A attached hereto and incorporated herein by this reference ; and

WHEREAS, the proposal is consistent with municipal service review determinations and the sphere of influence adopted by LAFCo; and

WHEREAS, LTCWD desires to provide that the proposed dissolution be subject to the following terms and conditions:

a) Formation of a County Maintenance District, to be named the Los Trancos Community Maintenance District, to be successor to the Los Trancos County Water District base property tax and increments, assets and liabilities for the purpose of enhanced fire safety, enhanced storm water drainage improvements and land stewardship as described in Exhibit A: Enhanced Fire Protection Service and Exhibit B: Enhanced Storm Drainage and Road Improvements as part of the Plan for Service;

b) Execution of an Open Space Easement in a form substantially similar to the one attached as Exhibit D and transfer of 126 Lake Road (APN#080060580) to Woodside Fire Protection District or the County of San Mateo;

c) Execution of Open Space Easement in a form substantially similar to the one attached as Exhibit E and transfer of the Lake (APN#080100060) to Midpeninsula Regional Open Space District or County of San Mateo;

d) Transfer of APN 080071010 (landlocked parcel) to the County of San Mateo to be sold for the sole benefit of the Los Trancos County Maintenance District;

e) Execution of an Agreement for enhanced fire safety and land maintenance as set forth in Exhibit A between the Woodside Fire Protection District and the County of San Mateo.

f) Adoption by the County of San Mateo of the Plan for Service and associated exhibits enumerating the services to be provided by the Los Trancos County Maintenance District including, but not limited to, enhanced storm water drainage improvements as set forth in Exhibit B.

g) The newly formed County Maintenance District will be the successor to LTCWD and succeed to all of the rights, property interests, duties and obligations of the existing LTCWD, including, but not limited to: enforcement, performance, or payment of any outstanding bonds, including revenue bonds, Blue Oaks Loan, or other contracts and obligations of the reorganized local agency; continuation or provision of any service provided, or previously authorized to be provided by an official act of LTCWD; taxes, assessments, charges or fees; and/or all property, real or personal (including, but not limited to land, easements, licenses, moneys, funds, or cash on hand or due, but uncollected, and any other obligations).

h) Submittal of a map and legal description (metes and bounds), meeting State Board of Equalization requirements reflecting the amended boundaries of the reorganized GCSD, and a separate map depicting zones in which services are provided, as well as State Board of Equalization filing fees.

i) The payment of the costs and expenses of the LTCWD accrued prior to dissolution and the set aside of any necessary funds to pay post dissolution costs and expenses of the LTCWD, and the authorization of the Board President to execute necessary documents, make administrative responses to other agencies and governmental bodies as required, and to correct any clerical errors that may be discovered.

j) Congruent with the formation of the County Maintenance District, the Board of Supervisors shall form a Community Advisory Committee composed of Vista Verde and Los Trancos Woods residents as described in Exhibit C.

WHEREAS, the reasons for the proposed dissolution are as follows: To provide for long-term and efficient enhanced fire safety, enhanced storm water drainage improvements and land stewardship by dissolution of LTCWD and formation of a County Maintenance District that could leverage County of San Mateo, Woodside Fire Protection District and other agency resources and succeed to all LTCWD revenues, assets and liabilities, and

WHEREAS, Los Trancos County Water District Board certifies that this proposal is exempt from the provisions of the California Environmental Quality Act under Section 15320 of the State CEQA Guidelines in which the organizational change does not change the geographic area in which previously existing powers are exercised.

NOW, THEREFORE, this Resolution of Application is hereby adopted and approved by the Board of Directors of the Los Trancos County Water District, and the Local Agency Formation Commission of San Mateo County is hereby requested to take proceedings for the dissolution of Los Trancos County Water District, according to the terms and conditions stated above and in the manner provided by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

PASSED AND ADOPTED this 7th day of May, 2015.

By: _____
William S. Coats, Board President

ATTEST:

Stanley Gage, Board Vice President

EXHIBIT H

STORM DRAINAGE MASTER PLAN'S FINAL REPORT

Initial Report on Project Priorities for Storm Drainage Management Within the Los Trancos County Water District^{1 2}

This report is intended to serve as a framework for the implementation of improvements to the storm drainage infrastructure in the Los Trancos County Water District and is specifically limited to the most southerly portions of the District known as Los Trancos Woods and Vista Verde. It is assumed that all improvements will be approved, designed, and implemented under the auspices of the San Mateo County Department of Public Works (DPW), after the appropriate environmental review has been conducted, and that this work will be financed by a portion of the property tax revenues that are currently apportioned to the Los Trancos County Water District.

Overview

The Storm Drainage Master Plan (SDMP) commissioned by the Los Trancos County Water District (District) and prepared by Schaaf & Wheeler provides an inventory and capacity analysis of the major elements of the storm drainage system in the study area. The plan also describes 33 improvements to the system that are recommended as necessary to mitigate known deficiencies that present a risk to both public and private property as well as to bring the capacity of the system up to a level necessary to safely handle rainfall drainage flows that would be generated by a 100-year storm. The total cost of implementation is estimated to be in excess of \$3.2 million. The revenues available for project implementation will probably be in the range of \$180,000 per year so it is anticipated that the DPW may accumulate funds over a period of years until there is a fund balance sufficient to undertake projects that are of an economically viable scope. Since implementation will be spread over many years and new or unexpected priorities may arise, this document will address only the highest priorities that could be addressed over the initial 5 – 7 years. Initial as well as future project priorities will ultimately be established by the DPW utilizing inputs from the DPW staff as well as inputs from a citizens advisory council (CAC).

Selection Criteria

A number of criteria were applied to drive the selection of projects for focus during the initial 5 – 7 years. No one criteria was specifically more or less important than others but taken as an overall environment within which each project would be implemented the ultimate driver for selection was to consider how the most serious structural property damage risk issues could be addressed in the shortest time period. The criteria applied included:

¹ As derived from the Storm Drainage Master Plan Final Draft prepared by Schaaf and Wheeler November 2013; additional data from customer inputs and onsite inspections from January 2014 through April 2014.

² The Chart Summary of Storm Drain Master Plan (SDMP) Project Data prepared by the Los Trancos County Water District ad hoc committee for the SDMP implementation has substantial additional data and should be considered an integral part of the this report. The Los Trancos County Water District ad hoc committee is not staffed by civil engineers. The recommendations in this summary have been reviewed by the authors of the report from Schaaf & Wheeler.

- Potential for Property Damage – primarily to occupied structures; to a lesser degree to other property aspects.
- Cost/Benefit – which projects will create the greatest improvement for the greatest number of properties?
- Modifications to Water Flow – in many of the projects, “upstream” modifications will increase the water flow onto both public and private “downstream” lands. Of particular note, 8 of the 33 projects will increase flows onto Blue Oaks property and 3 onto public open space in the Town of Portola Valley, which could then flow as well onto Blue Oaks lands. While the SDMP analysis shows that modifications are reasonable and the Blue Oaks storm drainage system can handle the projected increase in anticipated off-site flows, the Blue Oaks HOA has communicated a concern in regards to the potential negative impacts due to erosion or other causes.
- Work on Private Property – 20 of the 33 projects would involve work on private property. If these improvements were undertaken by other than the owners of these properties, as many as 59 easements for construction and maintenance become necessary.
- Homeowner Participation – When both flow modifications and needed work on private property are taken into account, implementation of any of the 33 projects will require either improvements to storm drainage infrastructure on private property or acknowledgement from some home owners that increased flows may have an impact on their property.
- Impact on the Community Infrastructure – many of the project recommendations involve substantial increase in the width and depth of gutters and the addition of new rolled curbs along many roadways. In some cases these new features could significantly affect roadway widths and accessibility to mailboxes or affect parking. Some may require markers or barriers to reduce the risk of inadvertently driving into gutters.
- A preference based on long term maintenance issues to opt, in general, for open channel solutions for runoff management as opposed to long buried pipeline solutions.

Recommendations

These recommendations suggest project work to be undertaken by both DPW and by private property owners. These are listed in separate categories in each geographic area addressed. Most of the recommended work is referenced by projects named in the SDMP. In some cases the SDMP described project description has been modified to either reduce or increase the scope. References to drainage basins are those defined by the SDMP.³

Area 1 – Defined as 1008 Los Trancos Road to 1215 Los Trancos Road (LTR), all of Foxwood Road and all of Los Trancos Circle (LTC). This area constitutes the area of highest density construction in the community and probably the area of greatest concern for potential damage to structures – particularly in the area of 1203 to 1215 LTR downhill easterly to about 1111 LTR and southeast to include all of Foxwood.

³ Three digit numbers refer to Pipe numbers and four digit numbers refer to culvert numbers described in the SDMP Appendix B.

- **Highest priority maintenance issue**—to be addressed as soon as possible
 - a. Pipe 281/280 may have become clogged with debris during the combination of storms on 12/05/2012 and 12/23/2012⁴. Anecdotal information describes satisfactory performance during the first storm, but serious overflow at inlet during the second storm. No problems were observed during 2013/2014 winter rainfall. Video logging undertaken early in 2013 by the Los Trancos County Water District was unsuccessful in moving more than about 15' into pipe 280 from inlet on the east side of LTR. This problem could have serious damage consequences if the upcoming rain season meets some of the heavy rain predictions.

- **Area 1 public drainage improvement projects in order of priority**⁵
 - a. Project 27 (modified description – necessary precursor to projects 25 & 28). This project would correct erosion across the property at 1148 LTR from the intersection of LTR and LTC to the property line with 1144 LTR. This would best be done with a bio swale type of solution or reinforced geo grid and primarily reduces the transport of soil and rocks which sometimes obstructs the privately constructed channel on 1144 LTR. The shallow rock and concrete channel across 1144 LTR has insufficient capacity to handle either current or increased flows associated with Projects 25 a 28 during significant storm events. If this part of the channel as well as appropriate energy dissipation and erosion prevention at the discharge end of the pipe continuation of this channel are not undertaken either publically or privately, written agreement with the property owner to accept the risk of the increased flows from projects 25 and 28 would be necessary.
 - b. Project 25 – Install rolled curbs as necessary to reduce runoff from roadway from spilling downhill on east side of LTR from 1165 to 1227.
 - c. Project 28 (modified description) - Install rolled curbs as necessary to reduce runoff from roadway from spilling downhill on east side of LTC from 143 to 123. Install a continuation of missing gutters near 128 and 132 on uphill side of LTC. Install culvert across the end of El Nido at LTC to reduce hillside saturation from discharges of pipe 230 at outfall 4136.
 - d. Project 03/31 (modified description)- Install rolled curbs and gutters as necessary to reduce runoff from roadway from spilling downhill on the south and east side of LTR from 1035 to 1091. Install culvert to move flow from gutter at 1051 LTR to pipe 239/240 at 1044 LTR. This recommendation does not include the other pipe portion of Project 31.

⁴ Local rainfall measurement would suggest that short term rainfall rates may have exceeded 1" for the storms on these 2 dates.

⁵ Projects 25, 28, and 03/31 as suggested in this report would add only a very minor flow increment to discharges onto Blue Oaks land over and above natural flows onto Blue Oaks. Implementation of these projects should include a provision to correct any existing erosion channels that have been caused by current discharges and perhaps detention basins to moderate peak flows if necessary. See attachment 2 for a chart showing natural vs. added flows onto Blue Oaks property.

- Area 1 private drainage projects in order of priority⁶
 - a. Project 29a – Pipe 280 has sufficient capacity to handle a 100 year storm flow but has been in need of maintenance work and perhaps some rehabilitation. The authors of the SDMP suggest that in addition to correcting some connection leakage issues that properly reinforcing the pipe to prevent movement due to high velocity flows and securely covering the openings in the top of this pipe to prevent escape of some flows might be necessary.
 - b. Flows through Basin E47⁷. – Rather than the pipe portion of Project 31, the rehabilitation of the existing channels beginning with gutters 1066 and 1069 respectively may be a more effective solution. It should be noted that even if Project 31 were constructed these channels at some levels of performance would still be needed for conducting flows in the area. Project 31 would only divert about 20% of the flow that eventually passes through Pipe 210 near the easterly boundary of Basin E47. The 2 separate channels start at different locations on Foxwood and both exit through the property at 152 Ramona. Both channels are in need of repair and seem to have been interdicted at some points by more recent hardscape construction. However, with relatively modest expense these channels could probably be restored to some (albeit not 100 year) level of functionality. The rolled curb portion of Project 31 (item d above) will prevent the flows off of LTR that cross the northerly portion of 1091 LTR and the southerly edge of 1087 LTR and through 140 Ramona.

Area 2 – Defined as Carmel Way and Chiquita Rd (both undedicated although DPW has been maintaining Carmel) and the northerly portion of Ramona Road from the intersection with Carmel to the intersection with LTR. Much of the most critical improvement work recommended in the SDMP for this area has already been undertaken at private expense through individual or the combined efforts of several property owners.

- Area 2 Public drainage improvement projects in order of Priority
 - a. Project 01 – Install a catch basin at the driveway at the north end of Carmel to conduct flows off the roadway turnaround area to reduce flow from continuing down driveway. This may or may not require an easement for work on private property depending on the width of the current roadway easement. Homeowner at 144 Carmel has already

⁶ Projects on private property if undertaken by the DPW or any other public entity introduce an additional complexity of having to perfect easements for construction and maintenance. In some cases just the cost of the easement work could exceed the cost of private work to correct current deficiencies. In addition, in many instances, owners of all of the properties over which easements would be necessary would need to be in agreement to make the project feasible. It may be more expeditious to undertake these efforts through private agreements

⁷ See attachment 1

constructed the pipe under the driveway as shown in this project. Project 02 should not be undertaken unless this portion of project 01 is done at the same time.

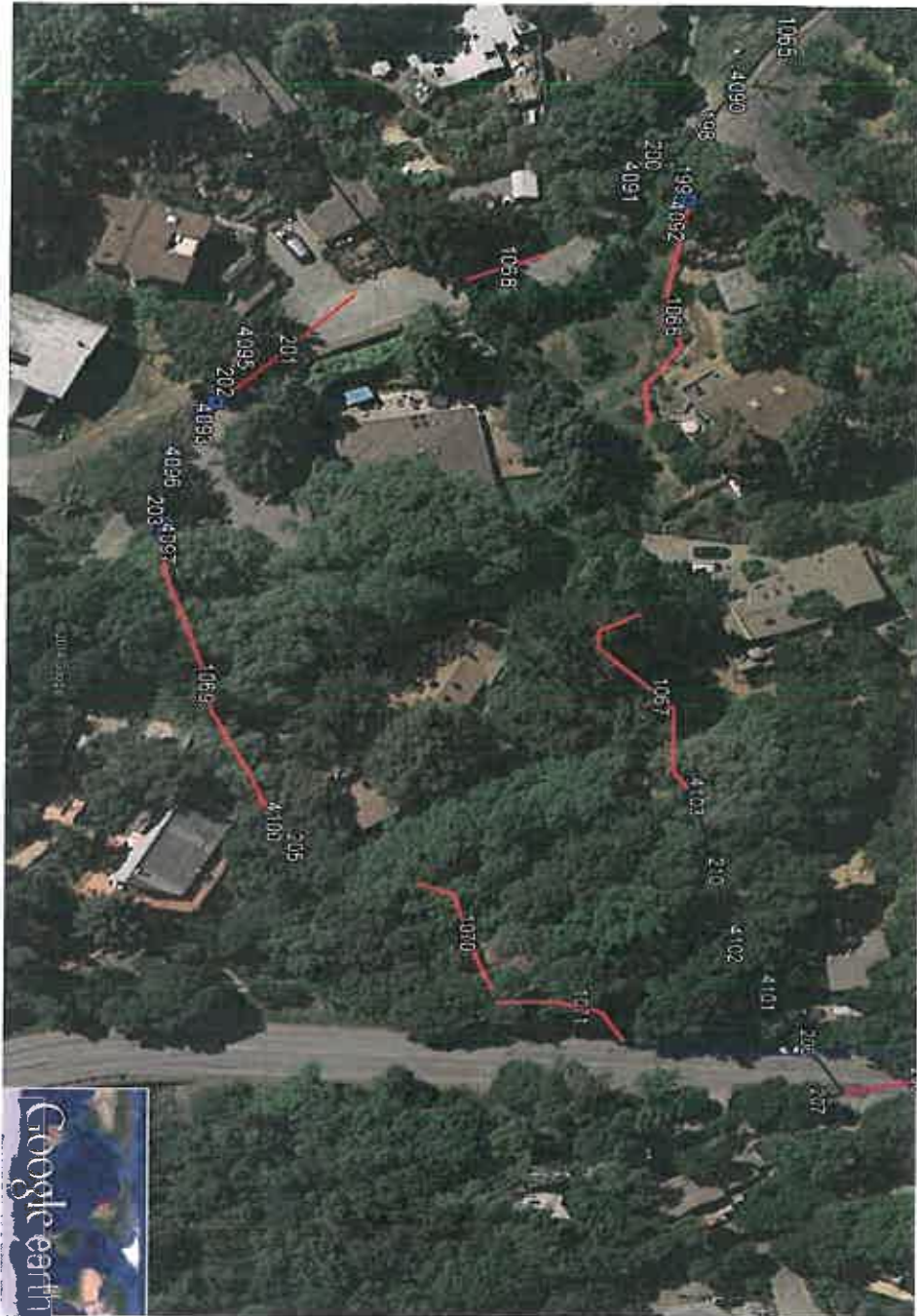
- b. Project 02 (Primarily the curb portion described in the SDMP) Install rolled curbs on the north and east sides for almost the entire length of Carmel to improve the retention of flows within roadway. Improve gutter as necessary for 10 year storm flows on the south side of Carmel in places that have not already been improved by local residents.
- c. Investigate if the project 02 curb will reduce the problems resulting from flows in the alleyway that begins at Carmel between 103 and 111 Carmel and ends at 147. This may require a private property solution or a public property solution.

The projects suggested for areas 1 and 2 would probably exhaust available funding for the first 5 – 7 years of any agreement with DPW for storm drainage improvements in the area. Further work should be recommended in conjunction with the CAC.

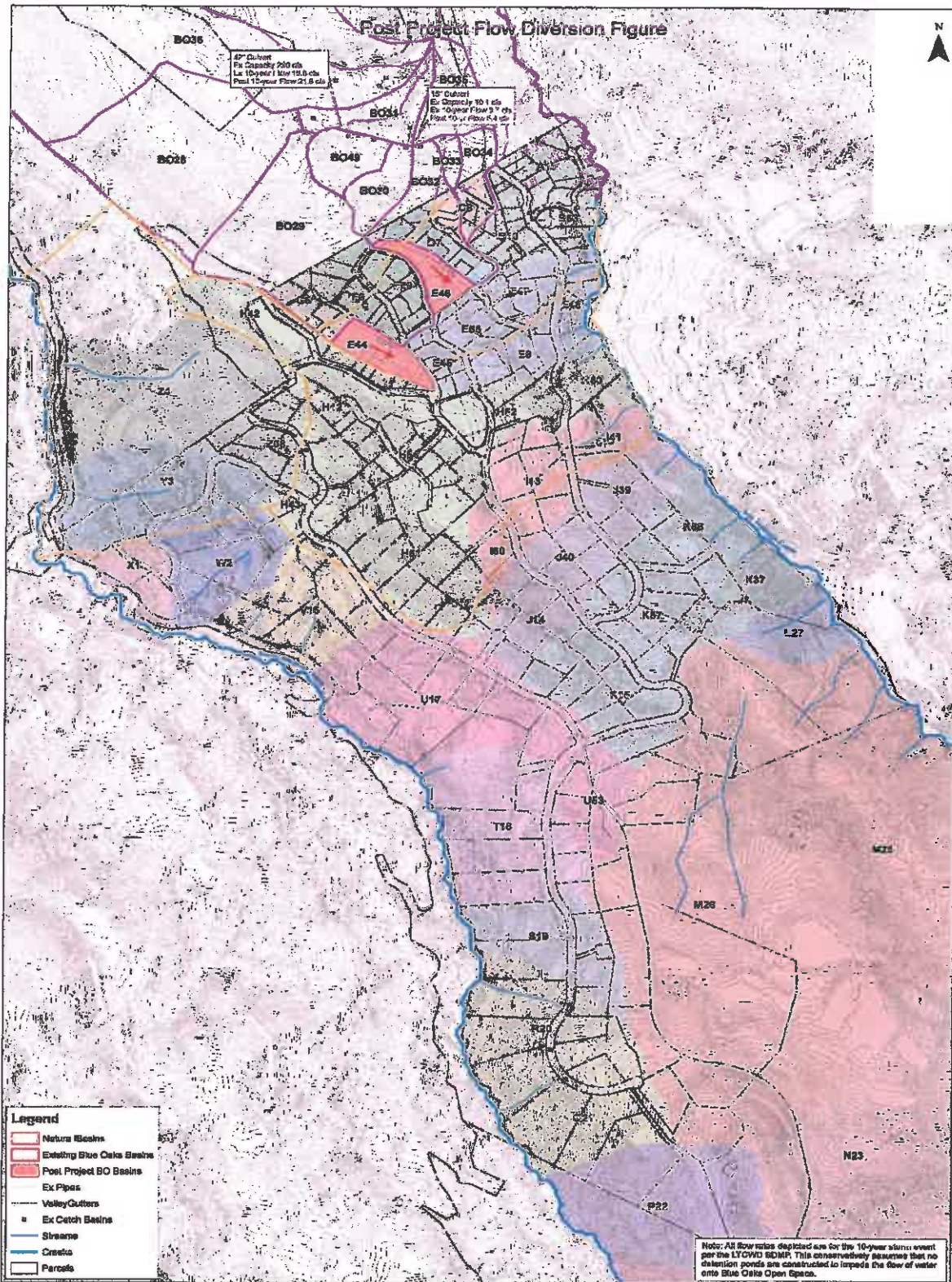
Another high priority maintenance task is to place a small barrier to reduce overflows where water flowing down the privately constructed channel on 1243 LTR makes a sharp turn from east to north high on the embankment over Ramona Road. The velocity of the flow at this point causes spilling and erosion down the embankment.

Areas for future focus might be Project 14b in combination with Projects 11b and 11c to reduce flow volumes down Spanish Creek under Ramona Road and through pipe 139. These projects have the ecological benefit of diverting water into existing detention structures and could possibly qualify for some support from the San Francisquito Creek Joint Powers Authority for reducing flows in that basin.

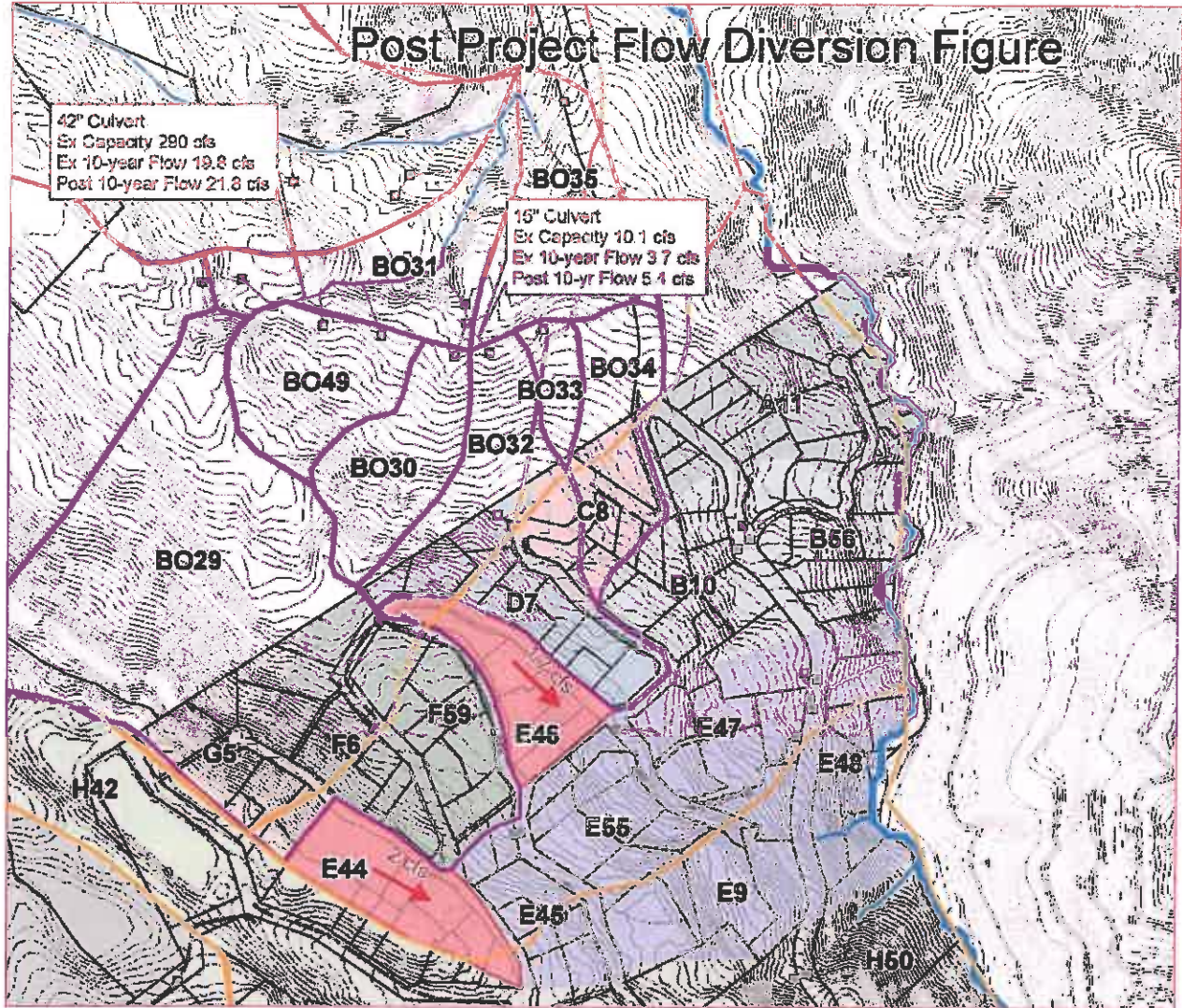
Also, serious consideration should be given to working with the owners of the properties at the southwest corner of the intersection of Vista Verde Way and Old Spanish Trail as well as 330 Old Spanish Trail regarding the discharge from pipe 115. This discharge flows across the highly broken and ridged upper tip of a landslide that extends as far as Corte Madera Creek. The flow down into the slip plane could cause further sliding.



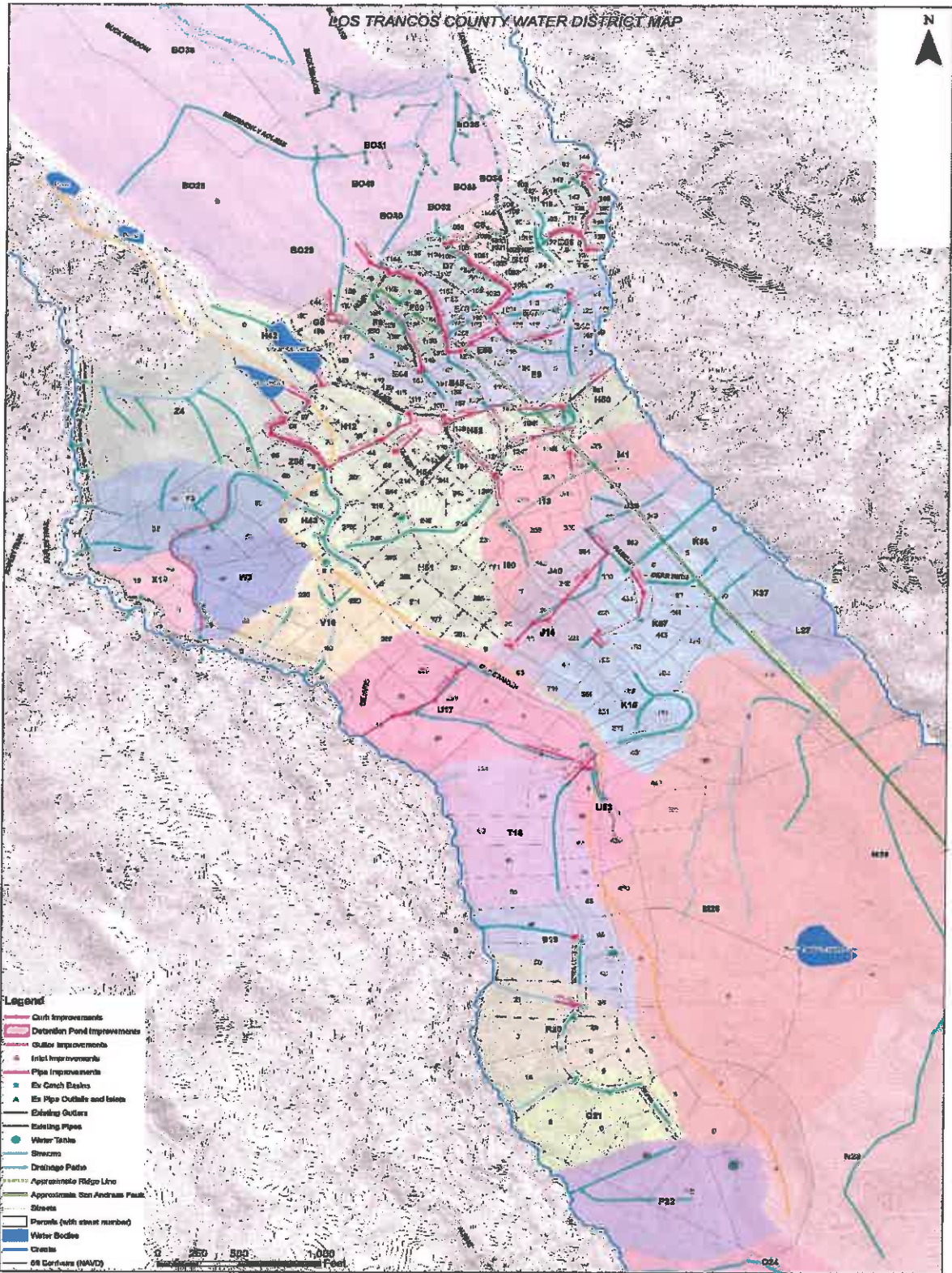
Attachment 1 - Alternative Flow Paths for Project 31.



Attachment 2a - Flows onto Blue Oaks Lands from SDMP Project Area



Attachment 2b – Expanded view of northerly portion of Attachment 2a



Attachment 3 - District Map showing all SDMP Projects