

PRELIMINARY OFFICIAL STATEMENT DATED AS OF _____, 2015NEW ISSUE-FULL BOOK-ENTRY ONLY

RATINGS: (See "RATINGS" herein)

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the San Mateo County Flood Control District, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2015 Bonds and received by the owners thereof is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Series 2015 Bonds is not a specific preference item for purposes of the federal individual and corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings in calculating federal corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2015 Bonds. See "TAX MATTERS" herein.

\$ _____ *

**SAN MATEO COUNTY FLOOD CONTROL DISTRICT
2015 REVENUE REFUNDING BONDS
(COLMA CREEK FLOOD CONTROL ZONE)**

Dated: Date of Delivery**Due: August 1, as shown on inside cover**

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of this issue. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision. Capitalized terms used on this cover page not otherwise defined shall have the meanings set forth herein.

The Series 2015 Bonds are being delivered (i) to refund its outstanding obligations under that certain Installment Payment Agreement, dated as of November 1, 1997, by and between the San Mateo County Flood Control District (the "District") and the San Mateo County Joint Powers Financing Authority (the "Authority") and that certain Installment Payment Agreement, dated as of October 1, 2004, by and between the District and the Authority, and (ii) to pay the costs incurred in connection with the execution and delivery of the Series 2015 Bonds, as more fully described herein.

Interest on the Series 2015 Bonds is payable semiannually on February 1 and August 1 of each year, commencing August 1, 2015. The Series 2015 Bonds will be prepared as fully registered Bonds and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Series 2015 Bonds. Ownership interests in the Series 2015 Bonds will be in denominations of \$5,000 and integral multiples thereof. Beneficial owners of the Series 2015 Bonds will not receive physical certificates representing the Series 2015 Bonds purchased, but will receive a credit on the books of the nominees of such purchasers. Principal of and interest due on the Series 2015 Bonds will be paid by U.S. Bank National Association, as Trustee, to DTC, which is obligated in turn to remit such principal of and interest due with respect to the Series 2015 Bonds to the DTC Participants for subsequent disbursement to the beneficial owners of the Series 2015 Bonds as described herein.

The Series 2015 Bonds are subject to redemption prior to maturity as described herein.

The Series 2015 Bonds are special, limited obligations of the District, payable from Revenues, which consist of revenues, income and investment earnings received by the District and allocable to the Colma Creek Flood Control Zone, including the District's share of *ad valorem* property taxes levied by the County of San Mateo (the "County") upon real property within the Colma Creek Flood Control Zone, except for any revenue restricted to a specific purpose and not legally available to pay debt service. The District may hereafter incur other obligations payable from Revenues on parity with the Series 2015 Bonds, subject to the terms and conditions of the Indenture, dated as of [July 1, 2015], by and between the District and the Trustee.

The Series 2015 Bonds are payable solely from Revenues and certain amounts held in the funds and accounts established by the Indenture as described herein and does not constitute a debt of the District, the County, the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

MATURITY SCHEDULE
(see inside front cover)

The Series 2015 Bonds are offered when, as and if delivered and received by the Underwriter, subject to approval of the validity by Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel, and subject to certain other conditions. Certain legal matters will be passed upon for the District by County Counsel of the County of San Mateo, as Counsel to the District, and by Sidley Austin LLP, as Disclosure Counsel to the District. Certain legal matters will be passed upon for the Underwriter by Jones Hall, A Professional Law Corporation, San Francisco, California. It is expected that the Series 2015 Bonds will be available for delivery through the DTC book-entry system on or about _____, 2015.

Stifel

_____, 2015

* Preliminary, subject to change.

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MATURITY SCHEDULE

\$ _____ * Serial Bonds

(Base CUSIP[†] Number: _____)

<u>Payment Date</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>	<u>CUSIP[†]</u> <u>Number</u>
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\$ _____ % Term Bonds due August 1, 20__ – Price _____ %; CUSIP[†] Number _____

* Preliminary, subject to change.

[†] Copyright 2015, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by the CUSIP Service Bureau, managed on behalf of the American Bankers Association by Standard & Poor's. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services Bureau. CUSIP numbers have been assigned by an independent company not affiliated with the District and are included solely for the convenience of the registered owners of the applicable Bonds. Neither the District nor the Underwriters are responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2015 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance and other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2015 Bonds.

SAN MATEO COUNTY FLOOD CONTROL DISTRICT

Governing Board (Board of Supervisors of the County of San Mateo)

Dave Pine, Supervisor
Carole Groom, Supervisor
Don Horsley, Supervisor
Warren Slocum, Supervisor
Adrienne Tissier, Supervisor

County Officials

John L. Maltbie, County Manager
John C. Beiers, County Counsel

District Staff

James Porter, Director of Public Works and Parks for the County of San Mateo

SPECIAL SERVICES

Orrick, Herrington & Sutcliffe LLP
San Francisco, California

Bond Counsel

Sidley Austin LLP
Disclosure Counsel

California Financial Services
Santa Rosa, California

Financial Advisor

U.S. Bank National Association
St. Paul, Minnesota

Trustee

No dealer, broker, salesperson or other person has been authorized by the District, the County or the Underwriter to give any information or to make any representations other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2015 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Series 2015 Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact.

The information and expressions of opinions herein are subject to change without notice, and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District or the County since the date hereof. This Official Statement, including any supplement or amendment hereto, is intended to be deposited with one or more repositories.

The information in this Official Statement has been provided by the District and sources the District considers reliable. The Underwriter makes no representation as to the accuracy or sufficiency of the information contained in this Official Statement.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with and as part of its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The information in APPENDIX C – “BOOK-ENTRY SYSTEM” attached hereto has been furnished by The Depository Trust Company and no representation has been made by the District or the Underwriter as to the accuracy or completeness of such information.

The information set forth herein other than that provided by the District, although obtained from sources which are believed by the District to be reliable, is not guaranteed by the District as to accuracy or completeness. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date thereof. This Official Statement is submitted with respect to the sale of the Series 2015 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the District. All summaries of documents and laws are made subject to the provisions thereof and do not purport to be complete statements of any or all such documents.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2015 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

CAUTIONARY STATEMENTS REGARDING
FORWARD-LOOKING STATEMENTS IN
THIS OFFICIAL STATEMENT

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget” or other similar words. Such forward-looking statements include but are not limited to certain statements contained in the information under the caption “THE DISTRICT AND THE COLMA CREEK FLOOD CONTROL ZONE” in this Official Statement. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The District does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

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[MAP OF THE COLMA CREEK FLOOD CONTROL ZONE]

OFFICIAL STATEMENT

\$ _____ *

SAN MATEO COUNTY FLOOD CONTROL DISTRICT 2015 REVENUE REFUNDING BONDS (COLMA CREEK FLOOD CONTROL ZONE)

INTRODUCTION

This Introduction is qualified in its entirety by reference to the more detailed information included and referred to elsewhere in this Official Statement. The offering of the Series 2015 Bonds to potential investors is made only by means of the entire Official Statement. Terms used in this Introduction and not otherwise defined shall have the respective meanings assigned to them elsewhere in this Official Statement. See “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Definitions” herein.

Purpose

The purpose of this Official Statement, including the cover page and Appendices hereto, is to provide certain information concerning the sale and delivery of the San Mateo County Flood Control District 2015 Revenue Refunding Bonds (Colma Creek Flood Control Zone) in the aggregate principal amount of \$ _____* (the “Series 2015 Bonds”). The Series 2015 Bonds are being issued by the San Mateo County Flood Control District (the “District”) (i) to refund its outstanding obligations under that certain Installment Payment Agreement, dated as of November 1, 1997, by and between the District and the San Mateo County Joint Powers Financing Authority (the “Authority”) and that certain Installment Payment Agreement, dated as of October 1, 2004, by and between the District and the Authority, and (ii) to pay the costs incurred in connection with the execution and delivery of the Series 2015 Bonds. See “SOURCES AND USES OF FUNDS” herein.

The District

The District was established in 1959 pursuant to the San Mateo County Flood Control District Act, California Statutes 1959, Chapter 2108, as amended (the “Act”). The District boundaries are coterminous with the geographic boundaries of the County. The Colma Creek Flood Control Zone and its subzones of benefit form a part of the District and were established within the District in 1964 to levy taxes to finance the costs of flood control and storm water improvements within the Colma Creek Flood Control Zone. The Colma Creek Flood Control Zone encompasses the Colma Creek Watershed (as further described herein). See “THE DISTRICT AND THE COLMA CREEK FLOOD CONTROL ZONE” herein.

The Series 2015 Bonds

The Series 2015 Bonds are being executed and delivered pursuant to an Indenture, executed and entered into as of [July 1, 2015] (the “Indenture”), by and between the District and U.S. Bank National Association, as trustee (the “Trustee”), and pursuant to and in accordance with the Government Code of the State of California (the “State”), other applicable laws of the State and resolutions of the District adopted prior to the delivery of the Series 2015 Bonds.

* Preliminary, subject to change.

Security and Sources of Payment for the Series 2015 Bonds

The Series 2015 Bonds are special limited obligation of the District payable solely from the Revenues, which consist of revenues, income and investment earnings received by the District and allocable to the Colma Creek Flood Control Zone, including the District's share of *ad valorem* property taxes levied by the County of San Mateo (the "County") upon real property within the Colma Creek Flood Control Zone, except for any revenue restricted to a specific purpose and not legally available to pay debt service on the Series 2015 Bonds or any Parity Obligations (defined below). See "THE DISTRICT AND THE COLMA CREEK FLOOD CONTROL ZONE—Property Tax Limitation and Allocation" and "—History of Revenues" herein. See also "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS" herein. The amount of property tax revenues allocated to the Colma Creek Flood Control Zone, which is the only legally mandated source of revenue to the District, is primarily a function of the assessed value of properties in the tax rate areas composing the Colma Creek Flood Control Zone and the allocation formula applied to the property tax revenues of the County, subject to possible modifications for change in jurisdiction or incorporations and for certain incremental revenues allocated for the payment of bonds and other obligations of redevelopment agencies in the area of the Colma Creek Flood Control Zone prior to the dissolution of such redevelopment agencies. See "RISK FACTORS" and "THE DISTRICT AND THE COLMA CREEK FLOOD CONTROL ZONE—History of Revenues—Redevelopment Agency Allocation" herein.

Pursuant to the Indenture, the District may hereafter issue additional bonds or execute installment purchase contracts the payments under and pursuant to which are payable from Revenues on parity with the payment by the District of the Series 2015 Bonds, subject to the terms and conditions of the Indenture (the "Parity Obligations"). See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS—Additional Bonds and Installment Purchase Contracts" herein. As of the date of delivery, the District will have no other obligations outstanding on parity with the Series 2015 Bonds.

The Series 2015 Bonds are payable solely from Revenues and certain amounts held in the funds and accounts established by the Indenture as described herein and do not constitute a debt of the District, the County, the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

Reserve Account

A reserve account (the "2015 Reserve Account") has been established within the Reserve Fund pursuant to the Indenture in an amount equal to the 2015 Reserve Fund Requirement. Amounts on deposit in the 2015 Reserve Account will be used and withdrawn by the Trustee solely for the purpose of replenishing the Interest Fund or the Principal Fund, in that order, only in the event of any deficiency at any time in either of such accounts, but solely for the purpose of paying the principal of and interest on the Series 2015 Bonds. On the date of delivery of the Series 2015 Bonds, the District will deliver or cause to be delivered to the Trustee a surety bond (the "Surety Bond") for the credit of the 2015 Reserve Account. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS—Reserve Account" herein.

Continuing Disclosure

The District will covenant pursuant to a continuing disclosure agreement (the "Continuing Disclosure Agreement") to provide an annual report (the "Annual Report") by not later than March 30 of each calendar year, commencing with the report for Fiscal Year 2014-15 to be filed on or before March 30, 2016, and to provide notices of the occurrence of certain enumerated events (the "Listed Events") not later than ten business days after the occurrence of the event. The Annual Report and the

notices of Listed Events will be filed by the County with the Municipal Securities Rulemaking Board (the “MSRB”) or any other entity designated or authorized by the Securities and Exchange Commission (the “SEC”) to receive such reports. Until otherwise designated by the MSRB or the SEC, filings with the MSRB will be made through the Electronic Municipal Market Access website of the MSRB, currently located at <http://emma.msrb.org>. These covenants will be made in order to assist the Underwriter in complying with the Rule. See APPENDIX E – “PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT” herein.

Summaries and References

Brief descriptions of the Series 2015 Bonds, the District and the Colma Creek Flood Control Zone are included in this Official Statement, together with summaries of certain provisions of the Indenture. Such descriptions and summaries do not purport to be comprehensive or definitive. All references herein to the Series 2015 Bonds and the Indenture are qualified in their entirety by reference to the actual documents, or with respect to the Series 2015 Bonds, the form thereof included in the Indenture, copies of all of which are available for inspection at the offices of the Trustee in St. Paul, Minnesota.

PLAN OF REFINANCING

The District has previously executed and delivered its 1997 Certificates of Participation (Colma Creek Flood Control District) (the “1997 Certificates”) for the purpose of financing certain improvements to its flood control system. The 1997 Certificates evidence and represent proportionate interests of the owners thereof in certain installment payments (the “1997 Installment Payments”) required to be made by the District under the terms of an Installment Payment Agreement dated as of November 1, 1997, by and between the District and the Authority. The District has also previously executed and delivered its 2004 Certificates of Participation (Colma Creek Flood Control District) (the “2004 Certificates”) for the purpose of financing certain improvements to its flood control system. The 2004 Certificates evidence and represent proportionate interests of the owners thereof in certain installment payments (the “2004 Installment Payments”) required to be made by the District under the terms of an Installment Payment Agreement dated as of October 1, 2004, by and between the District and the Authority.

The Series 2015 Bonds are being issued (i) to refund the District’s outstanding obligations under the 1997 Installment Payment Agreement and the 2004 Installment Payment Agreement, and (ii) to pay the costs incurred in connection with the execution and delivery of the Series 2015 Bonds. As of the date of delivery, the District will have no other obligations outstanding on parity with the Series 2015 Bonds.

SOURCES AND USES OF FUNDS

The following table sets forth the sources and uses of funds related to the issuance of the Series 2015 Bonds:

	<u>Series 2015 Bonds</u>
<u>Estimated Sources of Funds</u>	
Proceeds of Series 2015 Bonds	\$
Total Sources	<u>\$</u>
<u>Estimated Uses of Funds</u>	
Prepayment of 1997 Installment Payments	\$
Prepayment of 2004 Installment Payments	
Cost of Issuance ⁽¹⁾	
Total Uses	<u>\$</u>

⁽¹⁾ Includes Underwriters’ discount, legal fees, financial advisory fees, fees of the Trustee and the Escrow Agent, rating agencies fees, printing costs and certain miscellaneous expenses.

THE SERIES 2015 BONDS

General Provisions

The Series 2015 Bonds are being executed and delivered as fully registered bonds, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the Series 2015 Bonds. Ownership interests in the Series 2015

Bonds may be purchased in book-entry form only. Individual purchasers will not receive securities certificates representing their interests in the Series 2015 Bonds purchased. Payments of principal of and interest on the Series 2015 Bonds will be paid by the Trustee to DTC which is obligated in turn to remit such principal and interest to its DTC Participants for subsequent disbursement to the beneficial owners of the Series 2015 Bonds. See “APPENDIX B – BOOK-ENTRY ONLY SYSTEM” herein.

Ownership interests in the Series 2015 Bonds will be in denominations of \$5,000 or any integral multiple thereof. Interest on the Series 2015 Bonds is payable on February 1 and August 1 of each year (each, an “Interest Payment Date”), commencing August 1, 201[5], and will be computed on the basis of a 360-day year of twelve 30-day months. Principal with respect to the Series 2015 Bonds will be payable on August 1 (the “Principal Payment Date”) each year the Series 2015 Bonds are outstanding, and in the principal amounts, and the interest thereon will be computed at the rates, all as set forth on the cover page of this Official Statement. See also “APPENDIX F—DEBT SERVICE SCHEDULE” herein.

Redemption

Optional Redemption. The Series 2015 Bonds maturing on or after [August] 1, 20__, are subject to optional redemption by the District prior to their stated maturity date at the option of the District, from any source of available funds as a whole or in part on any date on or after _____, at a redemption price equal to the principal amount of such Series 2015 Bonds called for redemption, together with accrued interest thereon to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The Series 2015 Bonds maturing on August __, 20__ are subject to mandatory sinking fund redemption prior to maturity, in part on August 1 of each year on and after August __, 20__ by lot, from and in the amount of the Mandatory Sinking Fund Payments set forth below at a redemption price equal to the sum of the principal amount thereof plus accrued interest thereon to the redemption date without premium.

Date (August 1)	Mandatory Sinking Fund Payment
_____	_____
	\$

Partial Redemption

If less than all of the Series 2015 Bonds are to be redeemed at any one time, the District will select the maturities of the Series 2015 Bonds and the principal amount of each such maturity to be redeemed in its sole discretion. If less than all Bonds maturing by their terms on any one date are to be redeemed at any one time, the Trustee will select the Series 2015 Bonds of such maturity to be redeemed in any manner that it deems appropriate and fair and will promptly notify the District in writing of the numbers of such Bonds so selected for redemption. For purposes of such selection, Bonds will be deemed to be composed of \$5,000 multiples and any such multiple may be separately redeemed.

Notice of Redemption

Notice of redemption will be mailed by first-class mail by the Trustee, not less than twenty (20) nor more than sixty (60) days prior to the redemption date to (i) the respective Owners of the Series 2015 Bonds designated for redemption at their addresses appearing on the registration books of the Trustee, (ii) the Securities Depositories and (iii) the Municipal Securities Rulemaking Board. Notice of redemption to the Securities Depositories and the Municipal Securities Rulemaking Board will be given by registered mail or overnight delivery or facsimile transmission.

Any notice of optional redemption of the Series 2015 Bonds may be conditional and if any condition stated in the notice of redemption has not been satisfied on or prior to the redemption date, said notice will be of no force and effect and the District is not required to redeem such Series 2015 Bonds and the redemption will be cancelled and the Trustee will within a reasonable time thereafter give notice, to the persons and in the manner in which the notice of redemption was given, that such condition or conditions were not met and that the redemption was cancelled.

Effect of Redemption

If notice of redemption has been duly given and money for the payment of the redemption price of the Series 2015 Bonds called for redemption is held by the Trustee, then on the redemption date designated in such notice Bonds so called for redemption become due and payable, and from and after the date so designated interest on such Bonds ceases to accrue, and the Owners of such Bonds will have no rights in respect thereof except to receive payment of the redemption price thereof.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS

Pledge of Revenues

All Revenues are irrevocably pledged to the payment of the Series 2015 Bonds and all other Parity Obligations hereafter incurred in accordance with the terms of the Indenture; provided, that out of the Revenues there may be apportioned such sums for such purposes as are expressly described by the Indenture. Such pledge constitutes a first and exclusive lien on the Revenues for the payment of the Series 2015 Bonds and all other Parity Obligations in accordance with the terms of the Indenture.

“Revenues” means the revenues, income and investment earnings received by the District and allocable to the Colma Creek Flood Control Zone, including the District’s share of taxes levied by the County upon property located within the Colma Creek Flood Control Zone, except for any revenue restricted to a specific purpose and not legally available to pay debt service on the Series 2015 Bonds or any Parity Obligations. See “THE DISTRICT AND THE COLMA CREEK FLOOD CONTROL ZONE—History of Revenues” herein. See also “RISK FACTORS” herein.

The Series 2015 Bonds are special limited obligations of the District payable solely from the Revenues and certain amounts held in the funds and accounts established by the Indenture as described herein and does not constitute a debt of the District, the County, the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

Allocation of Revenues

In order to carry out and effectuate the pledge and lien contained in the Indenture, the District agrees and covenants that all Revenues will be received by the District and will be deposited when and as received in the San Mateo County Flood Control District Revenue Fund (Colma Creek Zone) (the “Revenue Fund”), which fund the District agrees and covenants to maintain so long as any Bonds remain Outstanding. The District may use Revenues held in the Revenue Fund for any purpose permitted by law, subject to the terms of the Indenture.

The District will transfer the following amounts the Revenue Fund into the following respective funds at the times and in the manner and priority provided in the Indenture and described in this Official Statement, each of which funds the Trustee agrees to establish and maintain so long as any Bonds are

Outstanding. The money in each of such funds will be disbursed only for the purposes and uses authorized in the Indenture.

(a) Interest Fund. On or before the 25th day of the month next preceding each Interest Payment Date (commencing on [July 25th, 2015]), the District will deposit in the Interest Fund an amount equal to the interest becoming due and payable to but not including such Interest Payment Date. All money in the Interest Fund will be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Series 2015 Bonds and any Parity Obligations to but not including their respective Interest Payment Dates.

(b) Principal Fund. On or before the 25th day of the month next preceding each Principal Payment Date (commencing on [July 25th, 2015]), the District will deposit in the Principal Fund an amount equal to the principal of the Series 2015 Bonds and any Parity Obligations becoming due and payable on such date. All moneys in the Principal Fund will be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Series 2015 Bonds and any Parity Obligations on their respective Bond Payment Dates or redemption dates.

(c) Redemption Fund. At the time that any payment is due to the Trustee for the purpose of optional or mandatory redemption, the District will deposit in the Redemption Fund an amount equal to the principal amount of, and interest on the Series 2015 Bonds or Parity Obligations being redeemed[, plus the redemption premium, if any]. All money in the Redemption Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of, interest on, and redemption premium, if any due on the Series 2015 Bonds or Parity Obligations on their respective redemption dates.

(d) Excess Funds. Unless the District otherwise directs in writing, any amounts remaining in the Interest, Principal, and Redemption Funds on the business day following August 1 of each year will be returned to the District for deposit in the Revenue Fund.

Reserve Account

General. A reserve account (the “2015 Reserve Account”) has been established within the Reserve Fund pursuant to the Indenture, calculated upon the initial execution and delivery of the Series 2015 Bonds in an amount equal to one half (1/2) of the maximum annual interest and principal payments on the Series 2015 Bonds payable in the current or any future one-year period ending on August 1 under the Indenture, all as computed by the District under the Internal Revenue Code and specified in writing to the Trustee (the “2015 Reserve Fund Requirement”). All amounts in the 2015 Reserve Account will be used and withdrawn by the Trustee solely for the purpose of replenishing the Interest Fund or the Principal Fund, in that order, only in the event of any deficiency at any time in either of such accounts, but solely for the purpose of paying the principal of and interest on the Series 2015 Bonds.

The 2015 Reserve Account only secures, and amounts therein may only be used for payment on, the Series 2015 Bonds. The District may create additional reserve accounts in the Reserve Fund to secure additional series of Bonds pursuant to the terms set forth in a supplemental indenture.

2015 Reserve Account Surety Bond. On the date of delivery of the Series 2015 Bonds, the District will deliver or cause to be delivered to the Trustee the surety bond provided by _____ (the “Surety Bond”) for credit to the 2015 Reserve Account in the Reserve Fund, which fund and account the District establishes under the Indenture, the 2015 Reserve Account to be held by the Trustee under the Indenture until the Series 2015 Bonds are paid or provision for their payment has been made. Regardless of any change in rating of the municipal bond insurer providing the Surety Bond after the deposit of the

Surety Bond in the 2015 Reserve Account, the District shall be under no obligation to replace the Surety Bond or to deposit cash into the 2015 Reserve Account.

Outstanding Parity Obligations

As of [June 30, 2015], the District had outstanding (i) 1997 Certificates in the principal amount of \$11,405,000, evidencing and representing proportionate undivided interests in the 1997 Installment Payments to be made by the District pursuant to the 1997 Installment Payment Agreement and (ii) 2004 Certificates in the principal amount of \$10,030,000, evidencing and representing proportionate undivided interests in the 2004 Installment Payments to be made by the District pursuant to the 2004 Installment Payment Agreement. The 1997 Certificates and the 2004 Certificates are being refunded through the issuance of the Series 2015 Bonds. The District may hereafter incur other Parity Obligations, subject to the terms and conditions of the Indenture described below. See “—Additional Bonds and Installment Purchase Contracts” below.

Additional Bonds and Installment Purchase Contracts

The District may at any time issue additional bonds or execute any installment payment contract the installment payments under and pursuant to which, as the case may be, are payable from the Revenues on parity with the payment by the District of the Series 2015 Bonds; provided, the Revenues for any period of twelve (12) consecutive calendar months next preceding the date of the adoption by the Board of the District of the resolution authorizing the execution of such Installment Purchase Contract, as evidenced by both a calculation prepared by the District and either a Certification of the District or a special report prepared by an Independent Certified Public Accountant on such calculation on file with the District, will produce a sum equal to at least one hundred twenty per cent (120%) of the maximum annual debt service on the Series 2015 Bonds and all Parity Obligations outstanding after the issuance of such bonds or the execution of such contract.

There are no limitations on the ability of the District to (i) to issue any parity bonds at any time to refund any outstanding parity bonds or any outstanding parity installment payment contract (provided that such refunding produces at least \$1 of net present value savings); or (ii) execute any installment purchase contract or issue any bonds which are payable from Revenues on a subordinate basis to the payment by the District of the Series 2015 Bonds.

THE DISTRICT AND THE COLMA CREEK FLOOD CONTROL ZONE

General

The District was formed in 1959 pursuant to the Act to provide for the control of flood and storm waters, and to provide for the protection of watercourses, watersheds, harbors and highways. The geographic boundaries of the District are coterminous with the geographic boundaries of the County. The Board of Supervisors of the County acts as the Board of the District. The Board of Supervisors of the County has designated the County Public Works Department to act as staff for the engineering, installation and maintenance of District projects.

The District is divided into four zones, one of which is the Colma Creek Flood Control Zone. The Colma Creek Flood Control Zone encompasses the Colma Creek Watershed as described under “—Location and Description of the Colma Creek Flood Control Zone” below. The Colma Creek Flood Control Zone and its subzones of benefit were established within the District in 1964 to levy taxes to finance the cost of flood control and storm water improvements within the Colma Creek Flood Control Zone.

See “APPENDIX A – ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE COUNTY OF SAN MATEO AND SELECTED CITIES WITHIN THE DISTRICT” herein for information regarding the area of the District and the Colma Creek Flood Control Zone.

Management and Employees

The operations of the District are administered and managed by employees of the Public Works Department of the County.

James Porter is the Director of Public Works and Parks for the County of San Mateo. The Department of Public Works and Parks has a staff of over 300 and performs a wide array of design, construction, construction administration, operations, and maintenance services involving the County’s transportation systems, buildings, general aviation airports, flood control and stormwater management, sewer collection, water distribution, lighting districts, solid waste and recycling program management, energy conservation programs, parks, and environmental stewardship. Mr. Porter has over 28 years of professional engineering experience, 15 of which have been at the Department Director level. He has a Bachelor of Science in Civil Engineering from the University of Washington, a Master of Public Administration from San Francisco State University, and is a registered Civil Engineer and Traffic Engineer in California.

The District has no employees. Employees of the County perform services for the District and the County allocates to the District the costs of such employees in proportion to the amount of time incurred by County employees in performing services for the District.

Location and Description of the Colma Creek Flood Control Zone

The Colma Creek Flood Control Zone encompasses the Colma Creek Watershed. Colma Creek and its tributaries drains a watershed which lies in the most northerly portion of San Mateo County. The area of the watershed is about 15 square miles, 3 miles wide and 5 miles long, and encompasses certain unincorporated land within the County, all of the Town of Colma, a significant portion of the City of South San Francisco and minor portions of the cities of Daly City, Pacifica and San Bruno. The western boundary generally follows the Skyline Boulevard ridge; San Bruno Mountain forms the northerly boundary of the watershed and San Francisco Bay forms the easterly boundary. Ridge boundaries vary in elevation from 600 feet on the southwesterly ridge to about 1,000 feet on San Bruno Mountain to the north. Most of the valley floor between these two ridges is below 100 feet of elevation.

The headwaters of Colma Creek begins on San Bruno Mountain and flow northwesterly along Guadalupe Canyon to Daly City, then southeasterly through Daly City and Colma to South San Francisco where it turns in a northeasterly direction to the Bay. The lower basin is developed with urban, residential and industrial areas.

The flood control system of the District located within the Colma Creek Flood Control Zone encompasses over six miles of pipes, channels, diversions and bridges. The approximate replacement value of the system as of June 30, 2014 was approximately \$65 million.

Several flood control improvement projects were completed during the 1970s and 1980s. Subsequent to those projects, the District was expanded such that additional improvements could be financed and constructed. On March 11, 1997, the Board of Supervisors received a report from the County Department of Public Works recommending that a financial team be assembled to examine various mechanisms to finance the installation of flood control improvements in accordance with the Improvement Plan, including the issuance of securities to fund the installation of all District-controlled

projects. Several projects included in the Improvement Plan have been constructed through the use of zone taxes, certificates of participation financing, and other funding sources. The County Department of Public Works worked with the California Department of Transportation to obtain funding for flood control improvements within the State right of way on El Camino Real and with the San Francisco Bay Area Rapid Transit District (“BART”) for flood control improvements in conjunction with the South San Francisco BART station. The County Department of Public Works is continuing to facilitate construction of the remaining projects listed in the Improvement Plan.

Property Tax Limitation and Allocation

Pursuant to the requirements of Article XIII A of the State Constitution, the County levies a 1% property tax on behalf of all taxing agencies in the County, including the District. The District’s share of such *ad valorem* property taxes attributable to the Colma Creek Flood Control Zone, which is the only legally mandated source of revenue to the District, is the primary source of Revenues of the Colma Creek Flood Control Zone of the District. The taxes are apportioned on the basis of a formula established by State law enacted in 1979. Under this formula, the County and all other taxing entities receive a base year allocation plus an allocation on the basis of “situs” growth in assessed value (e.g., new construction, change of ownership and inflation) prorated among the jurisdictions which serve the tax rate areas within which the growth occurs. Tax rate areas are specifically defined geographic areas which were developed to permit the levying of taxes for less than county-wide or less than city-wide special districts. Local agencies share the growth of “base” revenues from the tax rate area. Each year’s growth allocation becomes part of each agency’s allocation in the following year. Historically, the availability of revenues from growth in tax bases to such entities was affected by the establishment of redevelopment agencies which, under certain circumstances, were be entitled to revenues resulting from the increase in certain property values. See “—Assessed Valuation” below. In June 2011, the State passed legislation dissolving redevelopment agencies, which became effective as of February 1, 2012, although incremental revenues payable on redevelopment agency bonds and obligations continues to be applied for the payment of redevelopment agency bonds and obligations. The District estimates that for Fiscal Year 2014-15 total incremental tax revenues allocated to previously incurred redevelopment agency bonds and other obligations within the boundaries of the Colma Creek Flood Control Zone will be \$726,285. The District does not expect these incremental tax revenues to increase significantly over time. See also “THE DISTRICT AND THE COLMA CREEK FLOOD CONTROL ZONE—History of Revenues—Redevelopment Agency Allocation” and “CONSTITUTIONAL AND STATUTORY TAX LIMITATIONS ON TAXES AND APPROPRIATIONS” herein.

The Colma Creek Flood Control Zone’s share of the County-wide 1% *ad valorem* property taxes is the aggregate of the District’s apportionment of the taxes produced by the 1% tax rate in 105 tax rate areas in the County. Since Fiscal Year 1994-95, the County has retained a property tax administrative fee for the collection of such property taxes, which in Fiscal Year 2013-14 was \$3.7 million on a County-wide basis. For a discussion of the property tax collection procedures of the County, see “APPENDIX A – ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE COUNTY OF SAN MATEO AND SELECTED CITIES WITHIN THE DISTRICT—Property Taxes, Payment Dates and Liens” herein.

Although Proposition 46, approved by the voters of the State in June 1986, permits local governments, including the District, to issue bonded indebtedness payable from *ad valorem* taxes in excess of one percent of full cash value with the approval of two-thirds of the votes cast by voters voting on the proposition, the voters of the District have not been presented with a tax override proposal with respect to the Series 2015 Bonds. Owners of the Series 2015 Bonds have no right to compel the District to levy or cause to be levied (and the District has no legal authority to levy) any tax for the payment of the principal of, prepayment premium, if any, or interest on the Series 2015 Bonds beyond the District’s share

of the 1% tax on assessed valuation levied by the County as described above and to certain other legally available Revenues of the District for such payment.

Assessed Valuations

Table 1 shows a detailed summary of the Colma Creek Flood Control Zone's assessed valuation since Fiscal Year 2005-06. Property in the Colma Creek Flood Control Zone is assessed by the San Mateo County Assessor except for public utility property which is assessed by the State Board of Equalization.

Table 1
Colma Creek Flood Control Zone
San Mateo County Flood Control District
Assessed Valuation

Fiscal Year	Colma Creek Flood Control Zone Secured Valuation	Colma Creek Flood Control Zone Unsecured Valuation	Secured & Unsecured Homeowner's Exemption	Total Colma Creek Flood Control Zone Gross Assessed Valuation	Percentage Change
2005-06	\$10,391,242,875	\$535,726,855	\$131,845,000	\$11,058,814,730	6.88%
2006-07	11,509,768,739	619,412,577	130,648,000	12,259,829,316	10.86
2007-08	12,395,278,999	593,129,693	128,314,200	13,116,722,892	6.99
2008-09	13,410,438,325	616,795,648	127,226,090	14,154,460,063	7.91
2009-10	13,001,593,643	638,369,188	128,691,600	13,768,654,431	(2.73)
2010-11	12,903,055,961	618,053,791	130,406,400	13,651,516,152	(0.85)
2011-12	13,100,603,913	617,339,890	130,078,200	13,848,022,003	1.44
2012-13	13,243,393,514	594,709,241	128,171,400	13,966,274,155	0.85
2013-14	13,909,305,708	575,939,489	126,291,200	14,611,536,397	4.62
2014-15	14,732,700,041	607,801,082	124,602,800	15,465,103,923	5.84

Source: San Mateo County Controller.

As described above, in accordance with Chapter 6 of Part 0.5 of Division 1 of the State Revenue and Taxation Code, the property taxes derived from the increase in assessed valuation in each tax rate area is apportioned to the taxing entities within the tax rate area in the same proportion as in the prior year, subject to infrequent modifications for change in jurisdiction or new incorporations and for certain allocations for the payment of bonds and obligations incurred by redevelopment agencies. Thus, the increase in the District's allocation of taxes generally varies directly with the increase in the assessed valuation within the District; however, the District's share of any growth in assessed valuation is limited by certain agreements with redevelopment agencies, which will continue until the payment of the outstanding tax increment obligations. See "THE DISTRICT AND THE COLMA CREEK FLOOD CONTROL ZONE—Redevelopment Agency Allocations" below.

Assessed valuations are reported at 100% of the full value of the property, as defined in Article XIII A of the State Constitution. As described under "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS—Article XIII A of the State Constitution," the full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction or reduced in the event of declining property value caused by substantial damage, destruction or other factors. See "APPENDIX A – ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE COUNTY OF SAN MATEO AND SELECTED CITIES WITHIN THE DISTRICT—Assessed

Valuations” for additional information regarding assessed valuations in the County. See also “RISK FACTORS” herein.

Assessed Valuation by Land Use

Table 2 describes a distribution of taxable real property located in the District by principal purpose for which the land is used, and the assessed valuation and number of parcels for each use.

Table 2
Colma Creek Flood Control Zone
San Mateo County Flood Control District
2014-15 Assessed Valuation and Parcels by Land Use

	2014-15 Assessed Valuation ⁽¹⁾	% of Total	No. of Parcels	% of Total
Non-Residential:				
Agricultural/Rural	\$ 3,179,273	0.02%	13	0.04%
Commercial/Office	2,270,021,627	15.29	690	2.29
Industrial	1,741,622,709	11.73	628	2.07
Recreational	12,492,063	0.08	10	0.03
Government/Social/Institutional	118,167,522	0.80	81	0.27
Miscellaneous Non-Residential	27,753,032	0.19	74	0.25
Subtotal Non-Residential	\$4,173,236,226	28.11%	1,493	4.95%
Residential:				
Single Family Residence	\$ 8,392,382,673	56.53	22,784	75.60
Condominium	1,267,662,920	8.54	4,283	14.21
Mobile Home	8,862,849	0.06	251	0.83
Mobile Home Park	36,674,302	0.25	5	0.02
2-4 Residential Units	285,857,021	1.93	661	2.19
5+ Residential Units/Apartments	602,482,008	4.06	335	1.11
Subtotal Residential	\$10,593,921,773	71.36%	28,319	93.97%
Vacant Parcels	\$ 77,707,021	0.52%	324	1.08%
Total	\$14,844,865,020	100.00%	30,136	100.00%

⁽¹⁾ Local Secured Assessed Valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Principal Taxpayers

Table 3 shows the twenty largest principal taxpayers of secured property taxes in the Colma Creek Flood Control Zone for Fiscal Year 2014-15 and the assessed valuation of the property of each such taxpayer. These twenty largest secured taxpayers represented approximately 10.97% of the total assessed valuation of property within the Colma Creek Flood Control Zone for 2014-15.

Table 3
Colma Creek Flood Control Zone
San Mateo County Flood Control District
Twenty Largest Secured Taxpayers
(2014-15)

	Entity	Nature of Business	2014-15 Secured Assessed Value	% of Secured Assessed Value
1.	Britannia Pointe Grand LP	Life Science Labs/Offices	\$ 287,378,265	1.94%
2.	Daly City Serramonte Center LLC	Shopping Center	182,874,698	1.23%
3.	Gateway Center LLC	Office Building	138,608,086	0.93%
4.	SFF Logistics Inc	Warehouse	118,000,000	0.79%
5.	Tanforan Park Shopping Center LLC	Shopping Center	99,980,880	0.67%
6.	280 Metro LP	Shopping Center	91,413,134	0.62%
7.	Britannia Biotech Gateway LP	Life Science Labs/Offices	78,970,098	0.53%
8.	AMB Fund III Spruce LLC	Warehouse	65,070,000	0.44%
9.	ASN Solaire	Apartment Complex	57,238,862	0.39%
10.	BP Gateway Center LLC	Life Science Labs/Offices	57,227,772	0.39%
11.	Britannia Gateway II LP	Life Science Labs/Offices	56,789,895	0.38%
12.	ARE-SAN Francisco No 33 LLC	Life Science Labs/Offices	52,177,930	0.35%
13.	BRE Piper MF Skyline Heights	Apartment Complex	46,938,055	0.32%
14.	ASN Solaire LLC	Apartment Complex	49,899,519	0.34%
15.	Seton Medical Center	Medical Center	42,397,801	0.29%
16.	San Bruno Towne Center PTP	Shopping Center	42,828,910	0.29%
17.	BME 750 800 850 Gateway LP	Life Science Labs/Offices	42,455,396	0.29%
18.	Serramonte Corporate Center LLC	Medical Offices	40,007,330	0.27%
19.	Costco Wholesale Corp	Wholesale Outlets	39,713,567	0.27%
20.	Cole HD Colma Ca LP	Wholesale Outlets	38,616,287	0.26%
Total Top Twenty Taxpayers Assessed Value			<u>\$ 1,628,586,485</u>	<u>10.97%</u>
Total Colma Creek Flood Control Zone Secured Assessed Value			<u><u>\$14,844,865,020</u></u>	

Source: San Mateo County Tax Collector.

History of Revenues

Tax Receipts. Table 4 shows the total tax receipts allocated by the County to the District and attributable to the Colma Creek Flood Control Zone during the last ten Fiscal Years. Such tax receipts constitute virtually all of the Revenues pledged to the payment of the Series 2015 Bonds.

Table 4
Colma Creek Flood Control Zone
San Mateo County Flood Control District
History of Tax Receipts

Fiscal Year	Current Secured Taxes	Current Unsecured Taxes	Other ⁽¹⁾	Total Tax Receipts
2004-05	\$1,698,349	\$111,037	\$ 108,094	\$1,917,480
2005-06	1,796,722	37,867	243,250	2,077,839
2006-07	2,006,122	57,075	281,609	2,344,806
2007-08	2,117,535	(6,908)	373,676	2,484,303
2008-09	2,228,064	86,898	267,627	2,582,589
2009-10	2,176,237	78,741	344,820	2,599,798
2010-11	2,177,773	61,093	268,545	2,507,411
2011-12	2,158,915	68,740	343,152	2,570,807
2012-13	2,191,496	80,927	1,255,937 ⁽²⁾	3,528,360
2013-14	2,295,542	87,310	826,479 ⁽²⁾	3,209,331

⁽¹⁾ Includes prior years' taxes, homeowners property relief receipts, supplemental assessments, and ERAF Rebates.

⁽²⁾ Includes former RDA pass-through and residual amounts received in Fiscal Years 2012-13 and 2013-14.

Source: San Mateo County Public Works.

Redevelopment Agency Allocations. The California Community Redevelopment Law authorized redevelopment agencies to issue bonds payable from the allocation of tax revenues resulting from increases in assessed valuation of properties within designated project areas. In effect, in such project areas, local taxing authorities, such as the County, realized property tax revenues only on the frozen base year assessed valuations, and not on any subsequent increases in value.

On December 30, 2011, the California Supreme Court issued its decision in the case of *California Redevelopment Association v. Matosantos*, finding ABx1 26, a trailer bill to the State budget for fiscal year 2011-12, to be constitutional. As a result, all redevelopment agencies in California were dissolved as of February 1, 2012, and all net tax increment revenues, after payment of pass-through payments, redevelopment bonds debt service costs, administrative costs, and other recognized obligations allowed by the State are distributed to cities, counties, special districts and K-14 school districts. The California Supreme Court also found that ABx1 27, a companion bill to ABx1 26, violated the California Constitution, as amended by Proposition 22 (Proposition 22 prohibits the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies and eliminates the State's authority to shift property taxes temporarily during a severe financial hardship of the State). See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS—Proposition 22" herein. ABx1 27 would have permitted redevelopment agencies to continue operations provided their establishing cities or counties agreed to make specified payments to K-14 school districts and county offices of education, totaling \$1.7 billion Statewide. Trailing legislation to the State budget for fiscal year 2012-13 (the "2012-13 State Budget") further amended and supplemented ABx1 26.

The cities with redevelopment agencies within the County are the successor agencies for their respective redevelopment agencies, and the Board of Supervisors of the County has appointed members to provide oversight for the “winding down” of those agencies’ financial affairs. After the wind-down is complete and all redevelopment obligations are paid, it is expected that the total tax allocations will be distributed to local taxing agencies, including the County. This will increase property tax revenues over time. In Fiscal Year 2014-15, redevelopment agency residuals are expected to be approximately \$515,510, and to increase approximately \$100,000 over the next ten years.

Teeter Plan. The Board of Supervisors of the County, in 1993, approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “Teeter Plan”), as provided for in Section 4701 *et seq.* of the California Revenue and Taxation Code. Under the Teeter Plan, the County apportions to local political subdivisions, including the District for which the County acts as the tax-levying or tax-collecting agency, 100% of their allocable portion of secured property taxes on an accrual basis when due (irrespective of actual collections). The County retains the penalties and interest associated with the collection of any delinquent taxes.

The Teeter Plan is to remain in effect unless the Board of Supervisors of the County orders its discontinuance or unless, prior to the commencement of any Fiscal Year of the County (which commences July 1), such Board of Supervisors receives a petition for its discontinuance joined in by resolutions adopted by at least two-thirds of the participating revenue districts in the County, in which event the Board of Supervisors is to order discontinuance of the Teeter Plan effective at the commencement of the subsequent Fiscal Year. If the Teeter Plan is discontinued subsequent to its implementation, secured property taxes actually collected would be allocated to political subdivisions (including the District) for which the County acts as the tax-levying or tax-collecting agency as collected. See “APPENDIX A – ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE COUNTY OF SAN MATEO AND SELECTED CITIES WITHIN THE DISTRICT—Assessed Valuations” herein for a history of tax rate delinquencies in the County.

Interest Income. Revenues pledged by the District to the payment of the Series 2015 Bonds include interest earnings on certain fund balances of the District attributable to the Colma Creek Flood Control Zone as well as earnings on amounts held in certain funds and amounts under the Indenture.

Fund Balance. The Colma Creek Flood Control Zone’s fund balance was \$13,000,258 as of [June 30], 2015, which amounts are available to fund maintenance and operation costs of the District attributable to the Colma Creek Flood Control Zone, to finance the costs of construction of improvements undertaken by the District for the benefit of the Colma Creek Flood Control Zone and/or pay debt service on the Series 2015 Bonds or any Parity Obligations. The Colma Creek Flood Control Zone had maintenance and operation costs of \$_____ in Fiscal Year 2013-14. The following table shows the Colma Creek Flood Control Zone’s fund balance for the last ten years:

Table 5
Colma Creek Flood Control Zone
San Mateo County Flood Control District
Fund Balance

Year (as of July 1)	Fund Balance
2006	\$ 7,166,306
2007	8,508,413
2008	9,320,443
2009	9,624,635
2010	10,381,899
2011	11,031,662
2012	9,637,950
2013	11,664,830
2014	13,000,258
2015	13,780,471 ⁽¹⁾

⁽¹⁾ Estimated.

Source: San Mateo County Controller.

Projected Revenues

Table 6 below shows projected Revenues for the Colma Creek Flood Control Zone for the first five Fiscal Years in which the Series 2015 Bonds will be outstanding. Although the District believes such assumptions to be reasonable, forward-looking statements such as these projections are subject to risks and uncertainties and thus, there is no assurance that such assumptions and the projections based thereon will in fact be realized.

Table 6
Colma Creek Flood Control Zone
San Mateo County Flood Control District
Projected Revenues
2014-15 through 2018-19

Fiscal Year	Projected Tax Receipts ⁽¹⁾	Interest Earnings ⁽²⁾	Total Projected Revenues	Debt Service	Debt Service Coverage Ratio
2014-15	\$3,430,513	\$92,000	\$3,522,513	\$1,520,376	2.32:1
2015-16	3,411,244	92,000	3,503,244	1,519,900	2.30:1
2016-17	3,488,315	92,000	3,580,315	1,517,050	2.36:1
2017-18	3,567,680	92,000	3,659,680	1,517,650	2.41:1
2018-19	3,649,407	92,000	3,741,407	1,522,250	2.46:1

⁽¹⁾ Secured tax receipts are assumed to grow at 5% in Fiscal Year 2015-16 and 3% per year thereafter; unsecured tax receipts are assumed to grow at 1% per year; Education Revenue Augmentation Fund rebates are assumed to remain at 100% of the Fiscal Year 2014-15 base with no growth; zero growth is assumed for RDA residuals and pass-thru payments; no assumptions are made for supplementals and prior year redemptions.

⁽²⁾ Assumes 0.75% annual investment earnings on cash balances.

Source: The District.

Outstanding Obligations

As of [June 30, 2015], the District had outstanding 1997 Certificates in the principal amount of \$11,405,000 evidencing interests in the 1997 Installment Payments and 2004 Certificates in the principal amount of \$10,030,000 evidencing interests in the 2004 Installment Payments which are payable from the Revenues. The 1997 Certificates and 2004 Certificates will be refunded by the Series 2015 Bonds.

RISK FACTORS

The following section describes certain risk factors affecting the payment of and security for the Series 2015 Bonds. The following discussion of risks is not meant to be an exhaustive list of the risks associated with the purchase of the Series 2015 Bonds and does not necessarily reflect the relative importance of the various factors. Potential investors are advised to consider the following factors, along with all other information in this Official Statement, in evaluating the Series 2015 Bonds. There can be no assurance that other risk factors will not become material in the future.

Factors Affecting *Ad Valorem* Property Taxes

General. As described herein, the obligation of the District to pay the Series 2015 Bonds is limited solely to the Revenues and certain amounts held in the funds and accounts established by the Indenture. Revenues consist primarily of the District's allocable share of the 1% *ad valorem* property tax levied by the County on behalf of all taxing agencies in the County, including the District, pursuant to the requirements of Article XIII A of the State Constitution which are attributable to the Colma Creek Flood Control Zone. The District's share of such *ad valorem* tax levied is primarily a function of the assessed value of properties in the tax rate areas composing the Colma Creek Flood Control Zone and the allocation formula applied to property tax revenues (see "—District Allocation of Property Taxes" below), subject to possible modifications or change in jurisdiction or incorporation and for certain incremental revenues allocated for the payment of bonds and other obligations of redevelopment agencies in the area of the Colma Creek Flood Control Zone prior to the dissolution of such redevelopment agencies. The reduction of assessed values of taxable property in the District caused by economic factors beyond the District's control, or the complete or partial destruction of such property, or a change in the property tax rates or in the property tax allocation formula established by State law could cause a reduction in Revenues attributable to the Colma Creek Flood Control Zone. Such reduction of Revenues could have an adverse effect on the District's ability to timely pay principal of and interest on the Series 2015 Bonds.

Risk of Sea Level Changes and Flooding

In May 2009, the California Climate Change Center released a final paper, for informational purposes only, which was funded by the California Energy Commission, the California Environmental Protection Agency, the Metropolitan Transportation Commission, the California Department of Transportation and the California Ocean Protection Council. The title of the paper is "The Impacts of Sea-Level Rise on the California Coast." The paper posits that increases in sea level will be a significant consequence of climate change over the next century. The paper evaluated the population, infrastructure, and property at risk from projected sea-level rise if no actions are taken to protect the coast. The paper concluded that significant property in the State is at risk of flooding from 100-year flood events as a result of a 1.4 meter sea level rise. The paper further estimates that the replacement value of this property totals nearly \$100 billion (in 2000 dollars). Approximately one-quarter of the value of this at-risk property is concentrated in the County, indicating that the County is particularly vulnerable to impacts associated with sea-level rise due to extensive development on its coastline. A wide range of critical infrastructure, such as roads, airports, hospitals, schools, emergency facilities, wastewater treatment plants, power

plants, and wetlands is also vulnerable. Continued development in vulnerable areas will put additional assets at risk and raise protection costs.

The District is unable to predict whether sea-level rise or other impacts of climate change or flooding from a major storm will occur, when they may occur, and if any such events occur, whether they will have a material adverse effect on the Revenues.

No Right of Acceleration; Limitations on Remedies

There is no right of acceleration under the Indenture in an Event of Default. In addition to the limitations on remedies contained in the Indenture, the rights and remedies provided in the Indenture may be limited by and are subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion and to limitation on legal remedies against public agencies in the State of California.

Bankruptcy

In addition to the limitation on remedies contained in the Indenture, the rights and remedies provided in the Indenture may be limited by and are subject to the provisions of federal bankruptcy laws and to other laws or equitable principles that may affect the enforcement of creditors' rights. The District is a governmental unit and therefore cannot be the subject of an involuntary case under the United States Bankruptcy Code (the "Bankruptcy Code"). However, the District is a municipality and therefore may seek voluntary protection from its creditors pursuant to Chapter 9 of the Bankruptcy Code for purposes of adjusting its debts. If the District were to become a debtor under the Bankruptcy Code, the District would be entitled to all of the protective provisions of the Bankruptcy Code as applicable in a Chapter 9 case. Among the adverse effects of such a bankruptcy might be: (i) the application of the automatic stay provisions of the Bankruptcy Code, which, until relief is granted, would prevent collection of payments from the District or the commencement of any judicial or other action for the purpose of recovering or collecting a claim against the District and could prevent the Trustee from making payments from funds in its possession; (ii) the avoidance of preferential transfers occurring during the relevant period prior to the filing of a bankruptcy petition; (iii) the existence of unsecured or secured debt which may have a priority of payment superior to that of Owners of the Series 2015 Bonds; and (iv) the possibility of the adoption of a plan (an "Adjustment Plan") for the adjustment of the District's various obligations over the objections of the Trustee or all of the Owners of the Series 2015 Bonds and without their consent, which Adjustment Plan may restructure, delay, compromise or reduce the amount of any claim of the Owners if the Bankruptcy Court finds that such Adjustment Plan is "fair and equitable" and in the best interests of creditors.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS

Property Tax Rate Limitations – Article XIII A

Article XIII A of the State Constitution limits the amount of any *ad valorem* tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978 and on bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness. Article XIII A defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under "full cash value," or thereafter, the appraised value of real property when purchased, newly constructed, or a change in

ownership have occurred after the 1975 assessment.” The full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIII A has subsequently been amended to permit reduction of the “full cash value” base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the “full cash value” base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

Legislation Implementing Article XIII A

Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the County and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1989.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2% annual adjustment are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

All taxable property is shown at full market value on the tax rolls, with tax rates expressed as \$1 per \$100 of taxable value. All taxable property value included in this Official Statement is shown at 100% of market value (unless noted differently) and all tax rates reflect the \$1 per \$100 of taxable value.

Appropriations Limitations – Article XIII B

An initiative to amend the State Constitution entitled “Limitation of Government Appropriations” was approved on September 6, 1979 thereby adding Article XIII B to the State Constitution (“Article XIII B”). In June 1990, Article XIII B was amended by State voters through their approval of Proposition 111. Under Article XIII B, the State and each local governmental entity has an annual “appropriations limit” and is not permitted to spend certain moneys that are called “appropriations subject to limitation” (consisting of tax revenues, State subventions and certain other funds) in an amount higher than the appropriations limit. Article XIII B does not affect the appropriations of moneys that are excluded from the definition of “appropriations subject to limitation,” including appropriations of any special district which existed on January 1, 1978, and which did not as of the 1977-78 Fiscal Year levy an *ad valorem* tax on property in excess of 12.5 cents per \$100 of assessed value. Since the District did not levy a tax in excess of 12.5 cents, in the opinion of County Counsel and counsel for the District, the District’s appropriations are not subject to the limitations of Article XIII B.

Statutory Revenue Limitations – Proposition 62

Proposition 62 is a Statewide statutory initiative adopted by the voters at the November 4, 1986 general election. It added Sections 53720 to 53730 to the Government Code of the State to require that all new local taxes be approved by the voters. The statute provides that all local taxes are either general taxes or special taxes. General taxes are imposed for general governmental purposes. Special taxes are imposed for specific purposes only. General taxes may not be imposed by local government unless approved by a two-thirds vote of the entire legislative body and a majority of the voters voting on the proposed general tax. Special taxes may not be imposed by local government unless approved by a majority of the entire legislative body and by two-thirds of the voters voting on the special tax. Soon after Proposition 62 was adopted by the voters, legal challenges to taxes adopted contrary to its provisions

were filed. In 1991, in the most significant case, *City of Woodlake v. Logan*, the California Court of Appeal held that the statutory voter approval requirement for general taxes was unconstitutional. The California Supreme Court refused to review *Woodlake*.

On September 28, 1995, the California Supreme Court, on a 5-2 vote, in a decision entitled *Santa Clara County Local Transportation Authority v. Guardino* (Case No. S036269), “disapproved” *Woodlake* and held that the voter approval requirements of Proposition 62 are valid. On December 14, 1995, the Supreme Court made minor nonsubstantive changes to its written opinion and denied the petition for rehearing. The decision provides that the voter approval requirements of Proposition 62 for both general and special taxes are valid. The *Guardino* case fails to say (i) whether the decision is retroactively applicable to general taxes adopted prior to the decision; (ii) whether taxpayers have any remedies for refund of taxes paid under a tax ordinance that was not voter approved; (iii) what statute of limitations applies to taxes adopted without voter approval prior to *Guardino*; (iv) whether Proposition 62 applies only to new taxes or to tax increases as well.

Several questions raised by the *Guardino* decision remain unresolved. Proposition 62 provides that if a jurisdiction imposes a tax in violation of Proposition 62, the portion of the 1% general *ad valorem* tax levy allocated to that jurisdiction is reduced by \$1 for every \$1 in revenue attributable to the improperly imposed tax for each year that such tax is collected. The practical applicability of this provision has not been fully determined. Potential future litigation and legislation may resolve some or all of the issues raised by the *Guardino* decision.

Proposition 1A and Proposition 22

Proposition 1A (SCA 4), proposed by the Legislature in connection with the State budget for fiscal year 2004-05 and approved by the voters in November 2004, provides that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. By adding Section 25.5 to Article XIII of the State Constitution, Proposition 1A generally prohibits the State from shifting to schools or community colleges any share of property tax revenues allocated to local governments for any fiscal year, as set forth under the laws in effect as of November 3, 2004. Any change in the allocation of property tax revenues among local governments within a county must be approved by two-thirds of both houses of the State Legislature.

By amending Section 6 of Article XIII B, Proposition 1A has required the State, since July 1, 2005, to suspend State mandates affecting cities, counties and special districts, schools or community colleges, excepting mandates relating to employee rights, in any year that the State does not fully reimburse local governments for their costs of compliance with such mandates.

On November 2, 2010, voters in the State approved Proposition 22. Proposition 22, known as the “Local Taxpayer, Public Safety, and Transportation Protection Act of 2010,” supersedes Proposition 1A and eliminates or reduces the State’s authority to (i) temporarily shift property taxes from cities, counties and special districts to schools, (ii) use vehicle license fee revenues to reimburse local governments for state-mandated costs (the State will have to use other revenues to reimburse local governments), (iii) redirect property tax increment from redevelopment agencies to any other local government, (iv) use State fuel tax revenues to pay debt service on State transportation bonds, or (v) borrow or change the distribution of State fuel tax revenues.

Future Initiatives

Article XIII A, Article XIII B and the other Propositions referenced above were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time, other State or local initiative measures could be adopted, which may place further limitations on the ability of the State, the County or local districts to increase revenues or to increase appropriations which may affect the County's revenues or its ability to expend its revenues.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2015 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Series 2015 Bonds is not a specific preference item for purposes of the federal individual and corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings in calculating federal corporate alternative minimum taxable income. A complete copy of the proposed opinion of Bond Counsel is set forth in Appendix C hereto.

To the extent the issue price of any maturity of the Series 2015 Bonds is less than the amount to be paid at maturity of such Series 2015 Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2015 Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each beneficial owner thereof, is treated as interest on the Series 2015 Bonds which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Series 2015 Bonds is the first price at which a substantial amount of such maturity of the Series 2015 Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Series 2015 Bonds accrues daily over the term to maturity of such Series 2015 Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Series 2015 Bonds to determine taxable gain or loss upon disposition (including sale, prepayment, or payment on maturity) of such Series 2015 Bonds. Beneficial owners of the Series 2015 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2015 Bonds with original issue discount, including the treatment of beneficial owners who do not purchase such Series 2015 Bonds in the original offering to the public at the first price at which a substantial amount of such Series 2015 Bonds is sold to the public.

Series 2015 Bonds purchased, whether at original execution and delivery or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of Series 2015 Bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a beneficial owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such beneficial owner. Beneficial owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on by obligations such as the Series 2015 Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series 2015 Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series 2015 Bonds being included in gross income for federal income tax purposes, possibly from the date of original execution and delivery of the Series 2015 Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of execution and delivery of the Series 2015 Bonds may adversely affect the value of, or the tax status of interest on, the Series 2015 Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Certain requirements and procedures (in the case of all of the Series 2015 Bonds) contained or referred to in the Indenture, the Tax Certificate and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Series 2015 Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Series 2015 Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of special counsel other than Orrick, Herrington & Sutcliffe LLP.

Although Bond Counsel is of the opinion that interest on the Series 2015 Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Series 2015 Bonds may otherwise affect a beneficial owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the beneficial owner or the beneficial owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2015 Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. For example, the Obama Administration's budget proposals in recent years have proposed legislation that would limit the exclusion from gross income of interest on the Series 2015 Bonds to some extent for high-income individuals. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Series 2015 Bonds. Prospective purchasers of the Series 2015 Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Series 2015 Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Series 2015 Bonds ends with the execution and delivery of the Series 2015 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the beneficial owners regarding the tax-exempt status of interest on the Series 2015 Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the District and their appointed counsel, including the beneficial owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2015 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2015 Bonds, and may cause the District or the beneficial owners to incur significant expense.

CONTINUING DISCLOSURE

The District will covenant pursuant to a Continuing Disclosure Agreement to provide each Annual Report by not later than March 30 of each calendar year, commencing with the report for Fiscal Year 2014-15 to be filed on or before March 30, 2016, and to provide notices of the Listed Events not later than ten business days after the occurrence of the event. The Annual Report and the notices of Listed Events will be filed by the County with the MSRB or any other entity designated or authorized by the SEC to receive such reports. Until otherwise designated by the MSRB or the SEC, filings with the MSRB will be made through the Electronic Municipal Market Access website of the MSRB, currently located at <http://emma.msrb.org>. These covenants will be made in order to assist the Underwriter in complying with the Rule. See APPENDIX E – “PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT” herein.

LEGAL MATTERS

At the time of initial delivery of the Series 2015 Bonds, Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel, will deliver its final approving opinion in the form set forth in Appendix C hereto. A copy of such approving opinion will be filed with DTC. Certain legal matters will be passed upon for the District by County Counsel for the County of San Mateo, as Counsel to the District, and by Sidley Austin LLP, as Disclosure Counsel to the District. Certain legal matters will be passed upon for the Underwriter by Jones Hall, A Professional Law Corporation, San Francisco, California. Bond Counsel assumes no responsibility for the fairness, accuracy or completeness of the Official Statement. Payment of the fees of Bond Counsel is contingent upon sale and delivery of the Series 2015 Bonds.

LITIGATION

No litigation is pending or threatened concerning the validity of the Series 2015 Bonds or the Indenture and an opinion to that effect of County Counsel, as Counsel to the District, will be furnished at the time of the original delivery of the Series 2015 Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the District's ability to pay debt service on the Series 2015 Bonds.

RATINGS

Moody's Investors Service and Standard & Poor's Rating Service have assigned the Series 2015 Bonds the ratings of “___” and “___”, respectively. Such ratings express only the views of the rating agencies and are not a recommendation to buy, sell or hold the Series 2015 Bonds. There is no assurance

that any rating will not continue for any given period of time or that they will not be revised, either downward or upward, or withdrawn entirely by the rating agencies, or either of them, if in their, or its, judgment, circumstances so warrant. Any such down revision or withdrawal may have an adverse effect on the market price of the Series 2015 Bonds.

UNDERWRITING

The Series 2015 Bonds are being purchased for reoffering by Stifel, Nicolaus & Company, Incorporated (the “Underwriter”). The Underwriter has agreed to purchase the Series 2015 Bonds at a price of \$_____ (representing the aggregate principal amount of the Series 2015 Bonds less an Underwriter’s discount of \$_____ and [plus/less] a net original issue [premium/discount] of \$_____). The Underwriter will purchase all of the Series 2015 Bonds if any are purchased. The obligation of the Underwriter to make such purchase is subject to certain terms and conditions set forth in the Purchase Contract relating to the Series 2015 Bonds.

The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than the offering prices of such issue stated on the cover page hereof. The offering prices of Bonds may be changed from time to time by the Underwriter.

EXECUTION AND DELIVERY

The preparation and distribution of this Official Statement have been authorized by the District.

SAN MATEO COUNTY FLOOD CONTROL
DISTRICT

By: _____
Title: County Manager

APPENDIX A

ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE COUNTY OF SAN MATEO AND SELECTED CITIES WITHIN THE DISTRICT

The information included in this Appendix A is provided for general background information about the County of San Mateo, which is co-terminus with the area of the District, and certain significant portions of the County included within the Flood Control Zone. The security for the Series 2015 Bonds consists primarily of the Revenues as defined in the Indenture; no other taxes, fees and/or other revenues of the County of San Mateo are pledged or available therefor.

General

The County was established on April 19, 1856. Located on the San Francisco Peninsula, coastal mountains run north and south through the County, dividing the lightly-populated western part from the heavily-populated eastern corridor between San Francisco to the north and Santa Clara County to the south. The County covers 447 square miles and contains 20 incorporated cities and the San Francisco International Airport. In terms of population, it is the 14th largest county in the State, with 718,451 persons according to the 2010 U.S. Census and 748,438 persons according to the California Department of Finance preliminary population estimates as of July 1, 2014. The county seat is located in Redwood City.

The Flood Control Zone is located in the northern portion of the County and is composed of certain unincorporated land within the County, all of the Town of Colma, a significant portion of the City of South San Francisco and minor portions of the Cities of San Bruno, Pacifica and Daly City.

Population

The population of both South San Francisco and Colma have increased slightly since 2000, with population estimates as of January 2015 of 66,193 and 1,480, respectively. The County has experienced moderate but consistent population growth since 1970. The U.S. Census Bureau reports that between 1990 and 2010 the County grew by approximately 68,838 residents, or approximately 10.6%. Table A-1 shows population data for the Town of Colma, the City of South San Francisco, the County, its six largest cities, and the State, as reported for the three most recent United States Census periods and the most recent State Department of Finance estimates.

**TABLE A-1
HISTORICAL POPULATION**

	1990	2000	2010	2011⁽¹⁾	2012⁽¹⁾	2013⁽¹⁾	2014⁽¹⁾	2015⁽¹⁾
Colma	1,103	1,187	1,792	1,458	1,447	1,465	1,471	1,480
South San Francisco	54,312	60,552	63,632	63,827	64,308	65,479	65,749	66,193
San Mateo County	649,623	707,163	718,451	722,372	727,793	736,647	745,635	753,123
Six Largest Cities:								
Daly City	92,311	103,625	101,123	101,442	102,286	103,458	105,141	105,810
San Mateo	85,486	92,482	97,207	97,557	98,052	99,167	100,170	101,429
Redwood City	66,072	75,402	76,815	77,299	78,049	79,159	80,818	81,838
South San Francisco	54,312	60,552	63,632	63,827	64,145	65,198	65,749	66,193
San Bruno	38,961	40,165	41,114	41,663	42,345	42,874	43,247	44,409
Pacifica	37,670	38,390	37,234	37,367	37,562	37,988	38,315	38,551
State of California	29,760,021	33,871,653	37,253,956	37,427,946	37,688,804	37,984,138	38,357,121	38,714,725

⁽¹⁾ As of January 1.

Source: 1980, 1990, 2000 and 2010 U.S. Census; State Department of Finance estimates as of January 1 for years 2011 through 2014; Historical Population Estimates for Cities, Counties and the State, 2011-2014, with 2010 Benchmark, California Department of Finance, May 2014.

Employment

Table A-2 shows employment by industry group in the County from 2009 through 2013.

TABLE A-2
COUNTY OF SAN MATEO
ANNUAL AVERAGE EMPLOYMENT BY INDUSTRY GROUP⁽¹⁾
2009 through 2013⁽²⁾
(In Thousands)

Industry Group	2009	2010	2011	2012	2013
Total Farm	1.7	1.7	1.6	1.6	1.6
Total Nonfarm	321.3	315.3	323.9	337.5	352.5
Manufacturing	26.7	26.3	25.5	24.4	25.7
Durable Goods	13.1	12.7	12.2	11.8	12.1
Nondurable Goods	13.6	13.6	13.3	12.6	13.6
Trade, Transportation & Public Utilities	69.9	68.4	68.5	70.2	72.4
Wholesale Trade	11.3	11.2	11.1	11.5	11.2
Retail Trade	33.3	32.8	33.2	33.2	34.1
Transportation, Warehousing & Utilities	25.3	24.4	24.1	25.5	27.1
Information	18.1	17.5	17.9	20.9	23.6
Financial Activities	19.1	18.6	19.4	20.0	20.2
Services					
Professional and Business	60.9	60.0	64.0	69.5	71.0
Educational and Health	36.7	35.3	36.4	37.4	39.7
Leisure and Hospitality	33.5	33.8	35.4	36.8	39.5
Other Services	11.5	11.2	12.2	12.9	13.3
Government ⁽³⁾	31.3	31.3	30.6	30.3	30.4
Federal	3.5	4.0	3.8	3.7	3.6
State & Local	27.9	27.3	26.8	27.2	26.8
Total All Industries ⁽⁴⁾	323.0	317.0	325.5	339.1	354.1

⁽¹⁾ Employment is by place of work and does not include persons who are involved in labor management trade disputes, self employed, or unpaid family workers.

⁽²⁾ All information updated per March 2014 Benchmark. Data for 2014 is not yet available.

⁽³⁾ Includes all civilian government employees regardless of activity in which engaged.

⁽⁴⁾ Totals may not add due to rounding.

Source: State of California Employment Development Department, Labor Market Information Division.

Table A-3 shows the ten largest employers in the County as of April 17, 2015.

TABLE A-3
COUNTY OF SAN MATEO
Ten Largest Employers
(Permanent Employment)
as of April 17, 2015

Employer	Nature of Business	Number of Employees in the County
Genentech, Inc.	Biotechnology	9,800
Oracle Corporation	Hardware and Software	6,750
County of San Mateo	County Government	5,472
Facebook	Social Networking Website	3,957
Visa Inc.	Payments Technology	3,900
Gilead Sciences, Inc.	Biopharmaceuticals	3,115
Mills-Peninsula Health Services	Health Care	2,500
San Mateo County Community College District	Education	2,285
Electronic Arts	Video Game Developer and Publisher	1,550
Seton Medical Center	Acute Care Hospital and Skilled Nursing Facility	1,503
Walmart Global eCommerce	Retail e-commerce	1,440

Source: 2015 San Francisco Business Times Book of Lists.

The unemployment rate in the County has consistently been among the lowest in the State and nation. During the last five years, the unemployment rate in the County was consistently lower than the Statewide rate, as illustrated in Table A-4.

TABLE A-4
COUNTY OF SAN MATEO
Unemployment Rates⁽¹⁾

<u>Year</u>	<u>San Mateo County</u>	<u>California</u>	<u>United States</u>
2011	7.5%	11.7%	8.9%
2012	6.4	10.4	8.1
2013	5.2	8.9	7.4
2014	4.2	7.5	6.2
2015 ⁽²⁾	3.4	6.5	5.5

⁽¹⁾ Unemployment rates reflect percentages as of December for each respective year except as noted.

⁽²⁾ Figures are as of March 2015.

Source: United States Department of Labor, Bureau of Labor Statistics.

Per Capita Income

Per capita income figures for the County, the State and the United States are presented in Table A-5 for 2009 through 2013. In 2013, the latest year for which annual data is available, the County's per capita income was 65% higher than that of the State and 78% higher than that of the United States. Median household income in the County from 2009-2013 was \$88,200, compared with \$61,094 for the State of California as a whole.

TABLE A-5
COUNTY OF SAN MATEO
PER CAPITA PERSONAL INCOME
2009 through 2013⁽¹⁾

<u>Year</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2009	\$64,994	\$41,587	\$39,357
2010	65,953	42,282	40,163
2011	71,051	44,749	42,298
2012	79,420	47,505	43,735
2013	79,893	48,434	44,765

⁽¹⁾ Data is not yet available for 2014.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, CA1-3 Personal Income Summary (per capita personal income).

Commercial Activity

Table A-6 shows the County's taxable transactions from 2009 through 2013.

TABLE A-6
COUNTY OF SAN MATEO
TAXABLE TRANSACTIONS BY TYPE OF BUSINESS
2009 through 2013⁽¹⁾
(\$ in Thousands)

Type of Business	2009	2010	2011	2012	2013
Motor Vehicle and Parts Dealers	\$ 1,063,294	\$ 1,117,487	\$ 1,241,177	\$ 1,464,005	\$ 1,682,692
Furniture and Home Furnishings Stores	300,412	317,652	342,833	362,570	362,764
Electronics and Appliance Stores	330,175	346,647	365,610	388,186	415,878
Building Materials and Garden Equipment and Supplies	713,094	699,781	716,722	758,787	843,865
Food and Beverage Stores	501,724	508,941	532,524	563,507	584,609
Health and Personal Care Stores	235,628	237,703	250,853	261,067	271,039
Gasoline Stations	804,551	935,284	1,154,740	1,262,692	1,250,794
Clothing and Clothing Accessories Stores	568,905	595,402	633,937	683,382	727,281
Sporting Goods, Hobby, Book and Music Stores	256,251	267,291	281,291	291,677	312,953
General Merchandise Stores	950,724	1,026,497	1,088,960	1,130,266	1,131,430
Miscellaneous Store Retailers	453,346	458,350	472,251	493,970	533,740
Nonstore Retailers	51,388	55,945	64,097	114,986	206,203
Food Services and Drinking Places	1,226,275	1,279,295	1,391,048	1,502,049	1,612,392
All Other Outlets	3,871,255	4,120,063	4,484,599	4,629,834	4,675,976
Total All Outlets ⁽²⁾	<u>\$11,327,022</u>	<u>\$11,966,338</u>	<u>\$13,020,643</u>	<u>\$13,906,978</u>	<u>\$14,611,618</u>

⁽¹⁾ Annual data is not yet available for 2014.

⁽²⁾ Totals may not add due to rounding

Source: Taxable Sales In California (Sales and Use Tax) Reports, California State Board of Equalization.

Table A-7 shows the annual volume of taxable sales within South San Francisco and Colma since 2010.

TABLE A-7
CITY OF SOUTH SAN FRANCISCO AND TOWN OF COLMA
TAXABLE TRANSACTIONS
For Years 2010 Through 2013⁽¹⁾
(Taxable Transactions Valuations in Thousands)

Year	City of South San Francisco		Town of Colma	
	Taxable Transactions	Permits	Taxable Transactions	Permits
2010	\$ 995,433	1581	\$616,231	156
2011	1,058,639	1564	662,071	163
2012	1,157,005	1576	751,921	161
2013	1,206,734	1577	834,543	164

⁽¹⁾ 2014 information not yet available.

Source: State Board of Equalization.

Transportation

San Francisco International Airport. San Francisco International Airport (the “Airport”) is located in an unincorporated area of the County. According to the preliminary results of Airport Council International’s 2013 survey of U.S. airports, it is the seventh busiest airport in the nation in terms of passenger volume and the nineteenth busiest in cargo volume. Nearly fifty major passenger and commuter airlines fly from the Airport, and approximately thirty of them serve international destinations. The Airport Commission of the City and County of San Francisco reports that air traffic at the Airport in fiscal year ended June 30, 2014 included approximately 46.1 million passengers, a 3.3% increase from the previous fiscal year.

The Airport handled 370,525 metric tons of cargo in fiscal year ended June 30, 2014, a 0.1% increase over the previous fiscal year.

Although the Airport is owned and operated by the City and County of San Francisco, it plays a very significant part in the economy of the County. Air transportation is the County’s largest single industry. According to the 2013 Economic Impact Study of the Airport prepared by the Economic Development Research Group, Inc., approximately 20,050 people are employed directly or indirectly by the airlines, cargo carriers, restaurants, aviation suppliers and other Airport-related businesses.

Table A-8 presents certain data regarding the Airport for its five most recent fiscal years.

TABLE A-8
SAN FRANCISCO INTERNATIONAL AIRPORT
PASSENGER, CARGO AND MAIL DATA
Fiscal Years Ended June 30, 2010 through 2014

Fiscal Year Ended June 30	Passengers Enplanements and Deplanements	Freight and Express Air Cargo and U.S. and Foreign Mail (Metric Tons)
2010	38,203,961	431,990
2011	39,726,471	398,383
2012	42,863,656	385,113
2013	44,608,177	370,195
2014	46,057,988	370,525

Source: Airport Commission of the City and County of San Francisco, Continuing Disclosure Annual Report, dated January 20, 2015.

Port of Redwood City. The Port of Redwood City (the “Port”) is also located in the County. The Port has a deep-water channel and handles bulk cargo including lumber and scrap metal. In its fiscal year ended June 30, 2014, the Port handled 547,998 metric tons of cargo according to the Port Commission’s most recent annual tonnage report.

San Francisco Bay Area Rapid Transit (“BART”). The County is connected to downtown San Francisco and the East Bay by the BART District. In its fiscal year ended June 30, 2014, there were 33,264 station exits on an average weekday at the County’s six stations (Daly City, Colma, South San Francisco, San Bruno, Millbrae and the Airport). This represents a 1.1% increase from the prior fiscal year.

Caltrain. Caltrain, the three-county commuter railway system that runs between San Francisco and Gilroy, added its lines of express service from San Francisco to San Jose in 2004. Caltrain, known as the “Baby Bullet,” reported an average weekday ridership count of 58,245 passengers in its 2015 annual

passenger count, a 10.7% increase from the prior year count. Average weekday ridership has increased by more than 243% since 2004.

Education

The County Office of Education is an educational service agency serving approximately 24 school districts in San Mateo County. Collectively, the school districts represent a system compiled of approximately 103 elementary schools, 27 middle schools, 31 high schools, one K-12 school and one community college district.

Post-secondary public education is available at Notre Dame de Namur University, Menlo College and three community college campuses operated by the San Mateo County Community College District: the College of San Mateo in San Mateo, Canada College in Redwood City and Skyline College in San Bruno. Within less than an hour's drive of the County are San Francisco State University; University of San Francisco; California State University, Hayward; Mills College, Oakland; Stanford University; University of California at Berkeley; University of California at Santa Cruz; San Jose State University; and Santa Clara University.

Construction Activity

The total valuation of building permits issued in the County amounted to approximately \$1.8 billion in 2014 for both residential and commercial construction. Table A-9 provides a building permit valuation summary for the County for 2010 through 2014.

TABLE A-9
COUNTY OF SAN MATEO
NEW BUILDING PERMIT VALUATION
2010 through 2014
(\$ in Thousands)

Type of Permit	2010	2011	2012	2013	2014
Residential:					
New Single-Dwelling	\$189,297	\$194,950	\$248,414	\$286,238	\$289,903
New Multi-Dwelling	21,309	107,040	162,233	124,289	168,859
Additions/Alterations	262,592	250,364	188,187	269,246	348,231
Total Residential ⁽¹⁾	\$473,198	\$552,354	\$598,834	\$679,773	\$806,993
Non Residential:					
New Commercial	\$61,315	\$6,734	\$29,783	\$66,843	\$432,585
New Industrial	—	3,359	2,022	15,724	9,600
Other	41,272	55,495	40,316	120,295	84,241
Additions/Alterations	289,031	249,545	159,618	241,362	490,365
Total Non Residential ⁽¹⁾	\$391,618	\$315,133	\$231,739	\$444,224	\$1,016,791
Total Valuation ⁽¹⁾	\$864,816	\$867,487	\$830,573	\$1,123,997	\$1,823,784

⁽¹⁾ Totals may not add up due to independent rounding.

Source: California Homebuilding Foundation | Construction Industry Research Board.

Table A-10 shows building permit activity and valuations for South San Francisco since 2010.

TABLE A-10
CITY OF SOUTH SAN FRANCISCO
BUILDING PERMIT ACTIVITY AND VALUATIONS
Calendar Years Ending 2010 – 2014
(Valuations in thousands)

Type of Permit	2010	2011	2012	2013	2014
Residential:					
New Single-Dwelling	\$ 4,259	\$ 363	\$ 1,504	\$ 599	\$ 500
New Multi-Dwelling	-	31,519	-	200	650
Additions/Alterations	8,996	9,717	14,084	8,343	7,485
Total Residential ⁽¹⁾	\$13,255	\$41,599	\$15,588	\$9,142	\$8,635
Non Residential:					
New Commercial	\$36,500	\$ 1,400	\$25,930	\$41,266	\$117,643
New Industrial	-	-	585	5	-
Other	2,657	2,924	1,125	1,951	5,187
Additions/Alterations	102,433	59,070	67,303	34,091	98,864
Total Non Residential ⁽¹⁾	\$141,590	\$ 63,394	\$94,944	\$77,313	\$221,693
Total Valuation ⁽¹⁾	\$154,845	\$104,993	\$110,532	\$86,455	\$230,328

⁽¹⁾ Totals may not add up due to independent rounding.

Source: California Homebuilding Foundation | Construction Industry Research Board.

Property Taxes – Tax Rate, Valuation and Levy

Taxes are levied for each Fiscal Year on taxable real and personal property situated in the County as of the preceding January 1st. For assessment and collection purposes, all property (both real and personal) is classified as either “secured” or “unsecured” and is listed accordingly on separate parts of the assessment roll. The “secured roll” is that part of the roll containing (i) State Board of Equalization assessed (public utilities) property and (ii) property the taxes on which are secured by a lien on the underlying real property which is sufficient, in the opinion of the County Assessor, to secure payment of the taxes. The “unsecured roll” is that part of the assessment roll containing property, such as business property on leased or rented premises, which is not secured by the underlying real property.

The primary changes in the “secured” and “unsecured” rolls are caused by (1) revaluation of all State Board of Equalization assessed properties, (2) revaluation of all business personal property, (3) revaluation of real property if an assessable change of ownership or completed new construction occurs and (4) an inflation factor applied to all real property not otherwise effected in (3) above, not to exceed 2%. See “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS” in the forepart of the Official Statement. The appropriate tax rate is applied to the changed assessment by the County Controller’s Office resulting in an estimated tax levy for all property on both the “secured” and “unsecured” rolls. Assessments are reported at 100% of the full value of the property, as defined in Article XIII A of the State Constitution.

In addition, legislation established the “supplemental” roll in 1983 which directs the County Assessor to revalue real property to market value on the date such property changes ownership or upon completion of new construction to or upon such property (hereinafter, a “Supplemental Event”). Prior to the “supplemental” roll legislation, new values due to changes in ownership and new construction were added to the assessment roll on January 1st following the change of ownership or completion of new construction. As a result, the change in property tax liability was not reflected until the Fiscal Year following the January 1st lien date.

As a result of the “supplemental” roll legislation, the current year property tax rate is applied to the revaluation and the taxes are adjusted by a proration factor to reflect the portion of the remaining tax year after the Supplemental Event.

Pursuant to the requirements of Article XIII A of the State Constitution, the County levies a 1% property tax on behalf of all taxing agencies in the County. The taxes are apportioned on the basis of a formula established by State law enacted in 1979. Under this formula, the County and all other taxing entities receive a base year allocation plus an allocation on the basis of “situs” growth in assessed value (new construction, change of ownership and inflation) prorated among the jurisdictions which serve the tax rate areas within which the growth occurs. Tax rate areas are specifically defined geographic areas which were developed to permit the levying of taxes for less than County-wide or less than city-wide special districts.

Payment Dates and Liens

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each Fiscal Year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a ten percent penalty attaches to any delinquent payment. In addition, property on the secured roll with respect to which taxes are delinquent is declared to be in default on or about June 30 of the Fiscal Year. Such property may thereafter be prepaid by payment of the delinquent taxes and the delinquency penalty, plus a prepayment penalty of one and one-half percent per month to the time of prepayment. If taxes are unpaid for a period of five years or more, the property is subject to sale by the County Treasurer-Tax Collector.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent, if unpaid on August 31. A ten percent penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of one and one-half percent per month begins to accrue on November 1. The County has four ways of collecting unsecured personal property taxes: (1) filing a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk-Recorder specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for recording in the County Recorder’s office, in order to obtain a lien on certain property of the taxpayer; and (4) seizing and selling of personal property, improvements or possessory interests belonging or assessed to the assessee.

State law allows exemptions from *ad valorem* property taxation of \$7,000 of full value of owner occupied dwellings. However, the State reimburses all local taxing authorities for the loss of revenues imputed on these exemptions. The State Constitution and various statutes provide exemptions from *ad valorem* property taxation for certain classes of property such as churches, colleges, tax-exempt nonprofit hospitals and tax-exempt charitable institutions.

Property on the supplemental roll is eligible for billing 30 days after the reassessment and notification to the new assessee. The resultant charge (or refund) is a one-time levy on the increase (or decrease) in value for the period between the date of the change in ownership or completion of construction and the date of the next regular tax roll upon which the assessment is entered. Supplemental roll billings are made on a monthly basis and are due on the date mailed. If mailed between the months of July through October, the first installment becomes delinquent on December 10th and the second on April 10th. If mailed within the months of November through June, the first installment becomes delinquent on the last day of the month following the month of billing. The second installment becomes delinquent on the last day of the fourth month following the date the first installment is delinquent. These assessments are subject to the same penalties and default procedures as the secured and unsecured roll.

Historically, the County has borne the full cost of property assessment and revenue collection and distribution. State legislation enacted in 1990 allowed counties to charge cities, schools, special districts and redevelopment agencies for their share of property tax administrative costs. Subsequent legislation permanently exempted school districts from paying property tax administrative fees. The County presently collects the fees from cities, special districts and redevelopment agencies. In Fiscal Year 2013-14, the County collected approximately \$3.5 million in property tax administrative fees on a County-wide basis.

Assessed Valuations

The assessed valuation of property in the County is established by the County Assessor, except for public utility property which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the full value of the property, as defined in Article XIII A of the State Constitution.

Under the California Constitution, property owners may protest the assessed value of their property to the county assessment appeals board. The assessment appeals board has jurisdiction to raise or lower the property assessed valuation, thereby affecting the amount of property taxes payable by the property owner for the tax year in question as well as future tax years. Annually, the County evaluates the protests filed by property owners and maintains, based on the opinion of the County Counsel, adequate reserves to fund significant tax refunds in the event of a successful protest.

As described under “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS – Article XIII A of the State Constitution,” the full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction or reduced in the event of declining property value caused by substantial damage, destruction or other factors.

Pending Appeals. The County Assessor has reported 1191 outstanding appeals brought by County taxpayers with respect to the assessed values of property located within the County. These include residential, commercial, and unsecured (personal and fixtures) properties. The total assessed valuation of the property subject to these appeals filings is approximately \$35.6 billion.

Taxation of State-Assessed Utility Property. The State Constitution provides that most classes of property owned or used by regulated utilities be assessed by the State Board of Equalization (the “SBE”) and taxed locally. Property valued by the SBE as an operating unit in a primary function of the utility taxpayer is known as “unitary property,” a concept designed to permit assessment of the utility as a going concern rather than assessment of each individual element of real and personal property owned by the utility taxpayer. State-assessed unitary and “operating nonunitary” property (which excludes nonunitary property of regulated railways) is allocated to the counties based on the situs of the various components of the unitary property. Except for unitary property of regulated railways and certain other excepted property, all unitary and operating nonunitary property is taxed at special county-wide rates and distributed to taxing jurisdictions according to statutory formulae generally based on the distribution of taxes in the prior year. Currently, approximately 0.91% of the County’s total net assessed valuation constitutes unitary property subject to State assessment by the SBE, for which approximately \$14.5 million of property taxes were collected in fiscal year 2013–14, \$2.8 million of which was the County’s share.

Table A-11 sets forth information relating to the assessed valuation of property in the County subject to taxation for fiscal years 2010-11 through 2014-15.

TABLE A-11
COUNTY OF SAN MATEO
SECURED ROLL ASSESSED VALUATION
Fiscal Years 2009-10 through 2013-14
(\$ in Thousands)

Fiscal Year	Land	Improvements	Personal Property	Exemption	Net Total	% Change from Prior Fiscal Year
2010-11	\$64,133,596	\$70,834,406	\$2,151,169	\$3,956,686	\$133,162,485	-0.5%
2011-12	64,685,154	71,699,581	1,937,942	3,776,891	134,545,786	1.0
2012-13	66,691,823	74,236,516	1,888,200	3,954,805	138,861,734	3.2
2013-14	71,325,753	78,511,586	1,761,223	4,092,508	147,506,053	6.2
2014-15	75,915,478	82,655,243	1,806,011	4,288,346	156,088,386	5.8

Source: San Mateo County Controller.

The following three tables set forth certain information regarding County property tax collections for fiscal years 2004-05 through 2013-14. These property tax collections do not include property tax allocations to redevelopment agencies within the County. See “—Redevelopment Agencies” below.

TABLE A-12
COUNTY OF SAN MATEO
SUMMARY OF TAX LEVIES AND COLLECTIONS⁽¹⁾
SECURED PROPERTY TAX ROLL
Fiscal Years 2003-04 through 2012-13

Fiscal Year	General Fund Secured Levy at June 30	Amount of Current Levy Uncollected at June 30	Percent Current Levy Delinquent at June 30	Total Non-Current Levy Collections⁽²⁾
2004-05	\$128,953,560	\$2,144,543	1.64%	\$12,182,959
2005-06	140,328,127	1,866,364	1.33	13,500,067
2006-07	152,677,203	2,942,090	1.09	14,181,594
2007-08	164,670,885	5,453,900	3.31	21,149,692
2008-09	175,408,516	4,941,258	2.82	30,337,555
2009-10	177,454,751	3,886,259	2.19	36,181,418
2010-11	176,406,635	2,504,974	1.42	34,098,966
2011-12	176,571,467	1,977,600	1.12	23,983,232
2012-13	175,093,889	1,418,260	0.81	18,006,202
2013-14	184,064,188	1,196,417	0.65	15,686,002

⁽¹⁾ Portion of the 1% levy expected to be directly allocated to the County General Fund.

⁽²⁾ Includes outstanding current and prior years’ redemptions, penalties and interest due to the County. See “—The Teeter Plan” herein.

Source: San Mateo County Controller.

TABLE A-13
COUNTY OF SAN MATEO
SUMMARY OF TAX LEVIES AND COLLECTIONS⁽¹⁾
UNSECURED PROPERTY TAX ROLL
Fiscal Years 2004-05 through 2013-14

Fiscal Year	Unsecured Property Levy at June 30	Total Current and Non-Current Levy Collections⁽²⁾	Percentage of Total Collections to Original Levy
2004-05	\$10,592,031	\$10,286,247	97.1%
2005-06	9,887,966	8,971,357	90.7
2006-07	9,529,637	8,104,306	85.0
2007-08	9,758,096	8,489,663	87.0
2008-09	12,110,729	9,188,849	75.9
2009-10	11,102,420	9,950,214	89.6
2010-11	8,857,596	8,537,093	96.4
2011-12	9,050,050	7,320,649	80.9
2012-13	8,893,859	8,511,465	95.7
2013-14	9,156,888	8,846,850	92.7

⁽¹⁾ Portion of the 1% levy expected to be directly allocated to the County General Fund.

⁽²⁾ Includes outstanding current and prior years' redemptions, penalties and interest due to the County. See "—The Teeter Plan" herein.

Source: San Mateo County Controller.

TABLE A-14
COUNTY OF SAN MATEO
SUMMARY OF TAX LEVIES AND COLLECTIONS⁽¹⁾
SUPPLEMENTAL ROLL
Fiscal Years 2004-05 through 2013-14

Fiscal Year	Supplemental Roll Tax Change (Net)	Total Collections at June 30⁽²⁾	Percentage of Total Collections to Current Charge
2004-05	\$ 9,484,577	\$ 8,768,582	92.5%
2005-06	13,226,295	10,411,335	78.7
2006-07	13,933,373	8,955,450	64.3
2007-08	12,911,574	9,099,483	70.5
2008-09	9,244,822	8,038,564	87.0
2009-10	6,532,771	4,663,007	71.4
2010-11	5,154,158	3,705,805	71.9
2011-12	5,326,311	4,145,402	77.8
2012-13	6,713,008	5,370,134	80.0
2013-14	10,440,152	8,092,088	77.5

⁽¹⁾ Portion of the 1% levy expected to be directly allocated to the County General Fund.

⁽²⁾ Includes outstanding current and prior years' redemptions, penalties and interest due to the County. See "—The Teeter Plan" herein.

Source: San Mateo County Controller.

Direct and Overlapping Bonded Debt

Set forth below is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics Inc. and dated May 19, 2015. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representations in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a private agency are payable only from the general fund or other revenues of such public agency.

**COLMA CREEK FLOOD CONTROL DISTRICT
DIRECT AND OVERLAPPING DEBT STATEMENT**

SAN MATEO COUNTY FLOOD CONTROL DISTRICT COLMA CREEK FLOOD CONTROL ZONE

2014-15 Assessed Valuation: \$15,465,103,923

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 6/1/15</u>
San Mateo Community College District	9.330%	\$ 50,182,337
South San Francisco Unified School District	67.940	126,433,768
Jefferson Union High School District	21.591	33,349,814
San Mateo Union High School District	1.351	7,532,137
Brisbane School District	7.080	471,559
Jefferson School District	38.613	29,403,800
Pacific Union School District	2.218	319,289
San Bruno Park School District	12.488	<u>1,401,067</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		\$249,093,771
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
San Mateo County General Fund Obligations	9.330%	\$42,924,047
San Mateo County Board of Education Certificates of Participation	9.330	973,119
San Mateo County Flood Control District Colma Creek Flood Control Zone	100.	21,435,000 (1)
South San Francisco Unified School District General Fund Obligations	67.940	477,615
San Bruno Park School District General Fund Obligations	12.488	551,970
City of Colma General Fund Obligations	100.	11,295,000
City of Daly City Pension Obligations	42.840	11,461,842
City of Pacifica General Fund and Pension Obligation Bonds	2.173	675,477
City of San Bruno General Fund and Pension Obligation Bonds	17.115	<u>3,107,228</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$92,901,298
 <u>OVERLAPPING TAX INCREMENT DEBT:</u>		\$29,969,373
 COMBINED TOTAL DEBT		\$371,964,442 (2)

(1) Excludes issue to be sold.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2014-15 Assessed Valuation:

Total Direct and Overlapping Tax and Assessment Debt..... 1.61%
Combined Direct Debt (\$21,435,000) 0.14%
 Combined Total Debt 2.41%

Ratios to Redevelopment Incremental Assessed Valuation (\$2,087,235,986):

Total Overlapping Tax Increment Debt..... 1.44%

Source: California Municipal Statistics, Inc.

APPENDIX B

BOOK-ENTRY ONLY SYSTEM

General

The following information concerning The Depository Trust Company (“DTC”) and DTC’s book-entry system has been obtained from sources that the District and the Underwriter believe to be reliable, but neither the District nor the Underwriter takes responsibility for the accuracy thereof. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in this Official Statement and in Appendix C – “Summary of Certain Provisions of Indenture.”

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the securities (the “Series 2015 Bonds”). The Series 2015 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for the Series 2015 Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2015 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2015 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2015 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive

certificates representing their ownership interests in the Series 2015 Bonds, except in the event that use of the book-entry system for the Series 2015 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2015 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2015 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2015 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2015 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2015 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2015 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2015 Bond documents. For example, Beneficial Owners of the Series 2015 Bonds may wish to ascertain that the nominee holding the Series 2015 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2015 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2015 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co. a consenting or voting right to those Direct Participants to whose accounts the Series 2015 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium and redemption proceeds, distributions, and interest payments on the Series 2015 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Trustee, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participants and not of DTC or of its nominee, the Trustee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium and redemption proceeds, distributions, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Series 2015 Bonds purchased or tendered, through its Participant, to the Remarketing Agent, and shall effect delivery of such Series 2015

Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2015 Bonds, on DTC's records, to the Remarketing Agent. The requirement for physical delivery of Series 2015 Bonds in connection with a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2015 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Series 2015 Bonds to the Remarketing Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Series 2015 Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

The District cannot and do not give any assurances that DTC will distribute to Participants or that Participants or others will distribute to the Beneficial Owners payments of principal of and interest and premium, if any, on the Series 2015 Bonds paid or any redemption or other notices or that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. The District is not responsible or liable for the failure of DTC or any Participant or Indirect Participant to make any payments or give any notice to a Beneficial Owner with respect to the Series 2015 Bonds or any error or delay relating thereto.

Neither the District nor the Trustee will have any responsibility or obligation to Participants, to Indirect Participants or to any Beneficial Owner with respect to (i) the accuracy of any records maintained by DTC, any Participant, or any Indirect Participant; (ii) the payment by DTC or any Participant or Indirect Participant of any amount with respect to the principal of or premium, if any, or interest on the Series 2015 Bonds; (iii) any notice that is permitted or required to be given to Holders under the Bond Indenture; (iv) the selection by DTC, any Participant or any Indirect Participant of any person to receive payment in the event of a partial redemption of the Series 2015 Bonds; (v) any consent given or other action taken by DTC as Bondholder; or (vi) any other procedures or obligations of DTC, Participants or Indirect Participants under the book-entry system.

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (this “Disclosure Agreement”), dated as of _____, 2015, is entered into by and between the San Mateo County Flood Control District, California (herein, the “District”) and California Financial Services, as Dissemination Agent (the “Dissemination Agent”), in connection with the issuance of \$_____ 2015 Revenue Refunding Bonds (Colma Creek Flood Control Zone) (the “Bonds”). The Bonds are being issued pursuant to the San Mateo County Flood Control District Act, California Statutes 1959, Chapter 2108, as amended, and an Indenture, dated as of [July 1], 2015 (the “Indenture”), by and between the District and U.S. Bank National Association, as Trustee (the “Trustee”). The District and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of this Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the District pursuant to the Indenture for the benefit of the Owners (as hereinafter defined) and Beneficial Owners (as hereinafter defined) of the Bonds and in order to assist the Participating Underwriters (as hereinafter defined) in complying with the Rule (as hereinafter defined).

SECTION 2. Definitions. The definitions set forth in the Indenture shall apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section. The following capitalized terms shall have the following meanings:

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“CUSIP Numbers” shall mean the Committee on Uniform Security Identification Procedure’s unique identification number for each public issue of a security.

“Disclosure Report” shall mean any Disclosure Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Dissemination Agent” shall mean the Trustee or any other person authorized to act on his behalf, acting in the capacity of Dissemination Agent, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

“EMMA System” shall mean the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system.

“Fiscal Year” shall mean the one-year period ending on June 30 of each year.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“MSRB” means the Municipal Securities Rulemaking Board, or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule.

“Official Statement” shall mean the Official Statement issued by the District in connection with the sale of the Bonds.

“Owner” or “Bondowner” shall mean any person who shall be the registered owner of any one or more of the Bonds.

“Participating Underwriter” shall mean any of the underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12 adopted by the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. **Provision of Disclosure Reports.**

(a) The District shall, or shall cause the Dissemination Agent to, not later than March 30 of each year, commencing on March 30, 2016, with the report for the fiscal year ending June 30, 2015, provide to the MSRB through its EMMA System a Disclosure Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. If the Dissemination Agent is other than the District or the Trustee, not later than fifteen (15) days prior to said date, the District shall provide the Disclosure Report to the Dissemination Agent (if other than the District). The Disclosure Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided, that the audited financial statements of the District may be submitted separately from the balance of the Disclosure Report and later than the date required above for the filing of the Disclosure Report if they are not available by that date. If the District’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) Not later than fifteen (15) Business Days prior to the date set forth in paragraph (a) above for providing the Disclosure Report to the MSRB, the District shall provide the Disclosure Report to the Dissemination Agent (if other than the District). If by such date, the Dissemination Agent has not received a copy of the District’s Disclosure Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the first sentence of this subsection.

(c) If the Dissemination Agent is unable to verify that a Disclosure Report has been provided to the MSRB through its EMMA System by the date required in subsection (a), the Dissemination Agent shall send a notice to the MSRB through the EMMA System in substantially the form attached as Exhibit A.

(d) If the Dissemination Agent is other than the District, the Dissemination Agent shall file a report with the District certifying that the Disclosure Report has been provided to the MSRB through the EMMA System pursuant to this Disclosure Agreement.

SECTION 4. **Content of Disclosure Reports.** The District’s Disclosure Report shall contain or include by reference the following:

1. The audited financial statements of the District for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board.

2. To the extent not included in the audited financial statements of the District, the Annual Report shall also include tabular or numerical information for the prior Fiscal Year of the types contained in the Official Statement under the following captions and/or sub-captions:

- a. an update of Table 1 – Assessed Valuation for the most recent fiscal year;
- b. an update of Table 3 – Ten Largest Taxpayers for the most recent fiscal year; and
- c. an update of Table 4 – History of Tax Receipts for the most recent fiscal year.

The District has not undertaken in this Disclosure Agreement to provide all information an investor may want to have in making decisions to hold, sell or buy the Bonds but only to provide the specific information listed above.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to MSRB or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB through its EMMA System. The District shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the District shall give, or cause to be given notice of the occurrence of any of the following events (a “Listed Event”) with respect to the Bonds:

- 1. principal and interest payment delinquencies;
- 2. non-payment related defaults, if material;
- 3. unscheduled draws on debt service reserves reflecting financial difficulties;
- 4. unscheduled draws on credit enhancements reflecting financial difficulties;
- 5. substitution of credit or liquidity providers, or their failure to perform;
- 6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- 7. modifications to rights of Bondowners, if material;
- 8. bond calls, if material, and tender offers;
- 9. defeasances;
- 10. release, substitution or sale of property securing repayment of the Bonds, if material;
- 11. rating changes;
- 12. bankruptcy, insolvency, receivership, or similar event of the District. For purposes of this event the event is considered to occur when any of the following occur: the

appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person;

13. consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. appointment of a successor or additional trustee, or the change of name of a trustee, if material.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, but, in the case of a Listed Event described in Subsection 2, 7, 8 (but only with respect to bond calls), 10, 13 and 14 of Section 5(a), only in the event the District determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the District shall file or shall cause to be filed a notice of such occurrence with the MSRB through its EMMA System, in an electronic format as prescribed by the MSRB, in a timely manner but not in excess of 10 business days after the occurrence of such Listed Event.

(c) If the Dissemination Agent is other than the District, the Dissemination Agent shall, as soon as reasonably practicable after obtaining actual knowledge of the occurrence of any of the Listed Events contact the District and request that the District promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsections (a) and (b) and promptly direct the Dissemination Agent whether or not to report such event to the Bondowners. In the absence of such direction, the Dissemination Agent shall not report such event unless required to be reported by the Dissemination Agent to the Bondowners under the Indenture, as applicable. The Dissemination Agent may conclusively rely upon such direction (or lack thereof). For purposes of this Disclosure Agreement, actual knowledge of the occurrence of such Listed Events shall mean actual knowledge by the Dissemination Agent. The Dissemination Agent shall have no responsibility to determine the materiality of any of the Listed Events.

SECTION 6. **CUSIP Numbers.** Whenever providing information, including but not limited to Disclosure Reports, documents incorporated by reference in the Disclosure Reports, audited financial statements and notices of Listed Events, the District shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 7. **Termination of Reporting Obligation.** The District's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity date of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(b) hereof.

SECTION 8. **Dissemination Agent.** The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Agreement.

SECTION 9. **Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the District may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Bondowners in the same manner as provided in the Indenture, as applicable, for amendments to the Indenture, respectively, with the consent of Bondowners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondowners or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the District shall describe such amendment in the next Disclosure Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(b), and (ii) the Disclosure Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. **Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Disclosure Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the District chooses to include any information in any Disclosure Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the District shall have no obligation under this Disclosure Agreement to update such information or include it in any future Disclosure Report or notice of occurrence of a Listed Event.

SECTION 11. **Default.** In the event of a failure of the District or the Dissemination Agent to comply with any provision of this Disclosure Agreement, any Participating Underwriter, Owner or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District or the Dissemination Agent to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture or the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the District or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 12. **Duties, Immunities and Liabilities of Dissemination Agent.** A Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the District agrees to indemnify and save such Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 13. **Prior Undertakings.** The District hereby certifies that it is in compliance in all material respects with all prior undertakings made by it pursuant to the Rule.

SECTION 14. **Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the District, the Dissemination Agent, if any, the Participating Underwriters and Bondowners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 15. **Notices.** Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the District: San Mateo County Flood Control District
c/o County of San Mateo
County Government Center
400 County Center, 1st Floor
Redwood City, California 94063
Attention: _____

To the Dissemination Agent: California Financial Services
26691 Plaza Drive, Suite 130
Mission Viejo, California 92691
Attention: Tarana Alam

The District or the Dissemination Agent may, by written notice to the other parties acting hereunder, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

SECTION 16. **Governing Law.** The laws of the State of California shall govern this Disclosure Agreement, the interpretation thereof and any right or liability arising hereunder, without regard to principles of conflict of law.

SECTION 17. **Counterparts.** This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one in the same instrument.

IN WITNESS WHEREOF, this Disclosure Agreement is given this ____ day of _____,
2015 by the District.

SAN MATEO COUNTY FLOOD CONTROL
DISTRICT

By: _____
[Name]
[Title]

CALIFORNIA FINANCIAL SERVICES

By: _____
[Title]

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: San Mateo County Flood Control District

Name of Bond Issue: \$_____ San Mateo County Flood Control District 2015 Revenue
Refunding Bonds (Colma Creek Flood Control Zone) (the "Bonds")

Date of Issuance: _____, 2015

NOTICE IS HEREBY GIVEN that the San Mateo County Flood Control District (the "District") has not provided a Disclosure Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement relating to the Bonds. The District anticipates that the Disclosure Report will be filed by _____.

Dated: _____, 20__

SAN MATEO COUNTY FLOOD CONTROL
DISTRICT

By: [form only; no signature required]

APPENDIX F

**SAN MATEO COUNTY FLOOD CONTROL DISTRICT
DEBT SERVICE SCHEDULE**

Bond Year Ending August 1	Series 2015 Bonds Debt Service		
	Principal	Interest	Total
2015			
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
Total			