

# COUNTY OF SAN MATEO

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## Inter-Departmental Correspondence

Date: February 21, 2001

Board Meeting Date: March 6, 2001

**TO:** Honorable Board of Supervisors

**FROM:** Neil R. Cullen, Director of Public Works

**SUBJECT:** **Dissolution of East Palo Alto County Waterworks District (EPACWD) in East Palo Alto**

### RECOMMENDATION

Adopt a Resolution setting a time and place for a public hearing to consider the proposed dissolution of the East Palo Alto County Waterworks District (EPACWD).

### Previous Board Action

1. Authorized the filing of an application with the Local Agency Formation Commission (LAFCO) to dissolve the East Palo Alto County Waterworks District.
2. Directed staff to suspend filing the application with LAFCO in order to give the City of East Palo Alto time to develop and implement a plan to take over the operations of the District as a City function.
3. Authorized staff to negotiate a Service Agreement with Cal-Am for the EPACWD while the City of East Palo Alto processed its application to LAFCO to assume responsibility for the District.

### Key Facts

1. The City of East Palo Alto submitted a proposal to LAFCO for the dissolution of EPACWD and transfer of the District's assets and responsibilities to the cities of East Palo Alto and Menlo Park.
2. LAFCO approved the proposal contingent upon five conditions being met and authorized the Board of Supervisors to conduct subsequent proceedings in compliance with the LAFCO Resolution No. 925 and Section 57000 et. sec. of the Government Code.
3. The earliest date that the hearing can be conducted is your regular meeting of April 3, 2001, due to recent changes in the Government Code that requires publication of the notice of the hearing at least 21 days prior to the date of the hearing.

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4. The Cities of East Palo Alto and Menlo Park anticipate meeting all the conditions of the dissolution of the District set by LAFCO by the hearing date.

### **Discussion**

LAFCO conducted a public hearing on the dissolution of the EPACWD and transfer of the District's assets and responsibilities to the cities of East Palo Alto and Menlo Park on January 17, 2001, and adopted Resolution No. 925 approving the proposal contingent upon the following five conditions:

1. That all assets and obligations of the District shall be transferred to the Cities of East Palo Alto and Menlo Park pursuant to Section 47450 et. seq. of the Government Code with the exception that 90% of the fund balance shall be distributed to the City of East Palo Alto and 10% of the fund balance shall be distributed to the City of Menlo Park. [Government Code Sections 56844 (h), (i) and (j)].
2. Execution of the Dissolution, Assignment and Assumption Agreement and Operation Agreement between the Cities of East Palo Alto and Menlo Park.
3. Dedication of the water system serving the Menlo Business Park to the City of Menlo Park.
4. Required approval from the San Francisco Public Utilities Commission for the dissolution of EPACWD and transfer the water allocation to successor agencies.
5. Required permits from California Department of Health Services.

LAFCO Resolution No. 925 also authorizes your Board to conduct subsequent proceedings on the proposed dissolution in compliance with Section 57000 et. seq. of the Government Code. The subsequent proceedings consist of a public hearing to consider protests followed by action to:

- Terminate proceedings if a majority protest exists. A majority protest is written protests of 50 percent (50%) or more of the registered voters in the territory.
- Order the dissolution subject to confirmation by registered voters within the affected territory if written protests are at least 25 percent (25%) , but less than 50 percent (50%) of registered voters; or
- Order the dissolution without an election if written protests are less than 25 percent (25%) of registered voters.

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Staff recommends that you set April 3, 2001, at 9:30 a.m., during your regularly scheduled meeting in your chambers as the time and place for the public hearing on the proposed dissolution of the EPACWD. If the conditions outlined in the LAFCO Resolution No. 925 have not been met by the hearing date, we will ask that the hearing be continued to a date certain.

**Fiscal Impact**

There is no fiscal impact to the General Fund.

A form of resolution has been approved by County Counsel.



Neil R. Cullen  
Director of Public Works

NRC:WDC:DMW:sdd

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**File No.: F-151 (21)**

cc: Ms. Monica Hudson, City Manager, East Palo Alto  
Mr. David Boesch, City Manager, Menlo Park  
Chris Alario, Cal American Water Company  
Martha M. Poyatos, LAFCO  
Milt Mares, Deputy County Counsel

Resolution No. \_\_\_\_\_

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

\* \* \* \* \*

**Resolution of Intention to Dissolve the East Palo Alto County Waterworks District (EPACWD)  
and Transfer the Ownership of the District's Assets to  
the Cities of East Palo Alto and Menlo Park**

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

**WHEREAS**, the City of East Palo Alto has filed an application with the Local Agency Formation Commission (LAFCO) to dissolve the EPACWD and transfer the ownership to the Cities of East Palo Alto and Menlo Park; and

**WHEREAS**, LAFCO called for and held a public hearing on January 17, 2001, and heard and received all oral and written protests, objections and evidence made, presented, or filed, and all persons present were given an opportunity to hear and be heard with respect to the proposal; and

**WHEREAS**, LAFCO approved the City's proposal contingent upon five conditions and designated the Board of Supervisors of the County of San Mateo as the conducting authority authorized to conduct subsequent proceedings in compliance with LAFCO Resolution No. 925 and Government Code Section 57000 et. seq.; and

**WHEREAS**, the Director of Public of Works has recommended that this Board hold a public hearing on the proposed dissolution of the EPACWD pursuant to LAFCO Resolution 925 and Government Code Section 57000 et. seq., and this Board has considered the recommendation of the Director of Public Works.

**NOW THEREFORE** it is hereby ordered and determined that

1. Tuesday, the 3<sup>rd</sup> day of April 2001, at the hour of 9:30 a.m., at the Chambers of the Board of Supervisors of the County of San Mateo, in the Hall of Justice and Records, 400 County Center, Redwood City, California, are hereby fixed as the date, time and place when and where all persons having any objection to the dissolution of the East Palo Alto County Waterworks District may be heard.

2. The Clerk of the Board of Supervisors of said County shall cause to be published a copy of this resolution in the **Independent Newspaper Group**, a newspaper of general circulation, circulated in said District, deemed by this Board to be most likely to give notice of hearing to all the inhabitants of said District.

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