

BEFORE THE BOARD OF SUPERVISORS  
OF THE COUNTY OF YUBA

IN RE:

RESOLUTION APPROVING AND ACCEPTING	)	
TRANSFER OF PROPERTY TAX REVENUES	)	
FROM THE YUBA WATER AGENCY AND	)	
AUTHORIZING COUNTY ADMINISTRATOR	)	
TO SIGN PROPERTY TAX REVENUE	)	
TRANSFER AGREEMENT	)	Resolution No. <u>2019-49</u>

WHEREAS, California Revenue and Taxation Code Section 99.02 provides that any local agency may, by adoption of a resolution of its governing board, determine to transfer any portion of its property tax revenues that is allocable to one or more tax rate areas within the local agency to one or more other local agencies having the same area tax rate or tax rate areas; and

WHEREAS, the County of Yuba (County) and the Yuba Water Agency (Agency) share tax rate areas and therefore Agency may transfer property tax revenue to the County under Revenue and Taxation Code Section 99.02; and

WHEREAS, because revenues from the sale of electric energy and water have strengthened the Agency's long-term financial position and lessened the importance of property tax revenue as a source of Agency funding, the Agency wishes to aid County's financial position by transferring the Agency's property tax revenues to the County for a term of ten (10) years, as provided under the Agency's Resolution No. 2019-02, and the proposed Agreement for Property Tax Revenues (Agreement), both attached to this Resolution as Exhibit A and B, respectively.

WHEREAS, on January 29, 2019, the Agency's Board of Directors adopted Resolution No. 2019-02, approving a transfer of property tax revenues to the County.

WHEREAS, as required by Revenue and Taxation Code Section 99.02, subdivision (b), the Agency's Secretary notified the County's Board of Supervisors about the proposed property tax revenue transfer; and

WHEREAS, prior to adoption or approval of this Resolution, the County's Board of Supervisors held a duly noticed public hearing to consider the effect of the proposed transfer on fees, charges, assessments, taxes, or other revenues.

NOW THEREFORE, BE IT RESOLVED, that the County's Board of Supervisors hereby resolves as follows:

Section 1. That the Board of Supervisors approves and accepts the transfer of property tax revenues from the Agency.

- a. The term of the property tax transfer is a period of ten (10) years.
- b. The Clerk of the Board of Supervisors is directed to notify the County Auditor of the Board's approval of the transfer under Revenue and Taxation Code Section 99.02, subdivision (c).
- c. The County's Auditor is directed to make the necessary adjustments specified in subdivision (a) of Revenue and Taxation Code Section 99.02.

Section 2. That the Board of Supervisors approves the Agreement in substantially the form as attached to this Resolution as Exhibit B. The County Administrator is authorized to finalize, complete, and sign Agreement with the Agency.

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Section 3. That the property tax transfer described above is effective beginning the fiscal year following the County Board of Supervisors approval of the transfer under Revenue and Taxation Code Section 99.02, subdivision (c), and County and Agency approval and execution of the Agreement.

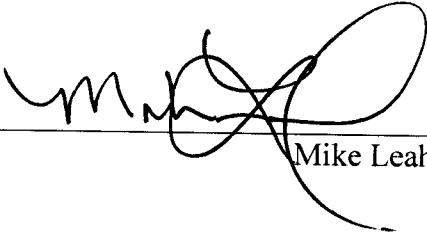
PASSED AND ADOPTED at a regular meeting of the Board of Supervisors of the County of Yuba, State of California, on the 23 day of April, 2019, by the following votes:

AYES: Supervisors Vasquez, Leahy, Lofton, Bradford, Fletcher

NOES: None

ABSENT: None

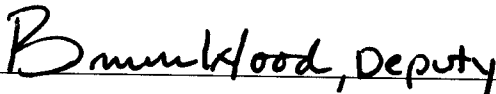
ABSTAIN: None

By:   
Mike Leahy, Chairman

ATTEST: RACHEL FERRIS  
CLERK OF THE BOARD OF SUPERVISORS

APPROVED AS TO FORM:  
COUNTY COUNSEL

By:   
Rachel Ferris

By:   
Brunk Hood, Deputy

# **EXHIBIT A**

**RESOLUTION NO. 2019-02**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE YUBA COUNTY WATER AGENCY  
APPROVING A TRANSFER OF PROPERTY TAX REVENUES  
TO THE COUNTY OF YUBA, AND RELATED AGREEMENT**

WHEREAS, California Revenue and Taxation Code section 99.02 provides that any local agency may, by the adoption of a resolution of its governing board, determine to transfer any portion of its property tax revenues that is allocable to one or more tax rate areas within the local agency to one or more other local agencies having the same tax rate area or tax rate areas;

WHEREAS, the Agency and the County of Yuba (County) share tax rate areas and therefore the Agency may transfer property tax revenue to the County under Revenue and Taxation Code section 99.02;

WHEREAS, prior to the adoption or approval of this Resolution, the Board of Directors held a duly noticed public hearing to consider the effect of the proposed transfer on fees, charges, assessments, taxes, or other revenues; and

WHEREAS, because revenues from the sale of electric energy and water have strengthened the Agency's long-term financial position and lessened the importance of property tax revenue as a source of Agency funding, the Board of Directors wishes to aid County's financial position by transferring the Agency's property tax revenues to the County for a term of 10 years, as provided under this Resolution and the proposed Agreement for Property Tax Revenues (Agreement), attached to this Resolution as Exhibit A;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Yuba County Water Agency as follows:

1. The Board finds and determines that:

a. The Board of Directors determines that revenues are available for the transfer of property tax revenue to the County.

b. The transfer will not result in any increase in the ratio between the amount of revenues of the Agency that are generated by regulatory licenses, use charges, user fees, or assessments and the amount of revenues of the Agency used to finance services provided by the Agency.

c. The transfer will not impair the Agency's ability to provide existing services.

d. The transfer will not result in a reduction of property tax revenues to school entities.

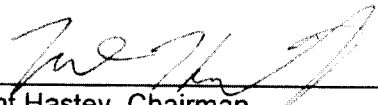
2. The Board of Directors determines to transfer of all its property tax revenues for all tax rate areas to the County for a term of 10 years. The Agency Secretary is directed to notify the County Board of Supervisors about the proposed property tax revenue transfer.

3. The Board of Directors approves the Agreement in substantially the form as attached to this Resolution as Exhibit A. The General Manager is authorized to finalize, complete, and sign the Agreement with the County.

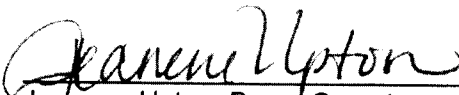
4. The property tax transfer described above is effective beginning the fiscal year following (a) County Board of Supervisors approval of the transfer under Revenue and Taxation Code section 99.02, subdivision (c), and (b) Agency and County approval and execution of the Agreement.

PASSED AND ADOPTED by the Board of Directors of the Yuba County Water Agency on this 29<sup>th</sup> day of January, 2019 by the following vote:

AYES:	Directors Bradford, Fletcher, Hastey, Leahy, Lofton, Mathews & Vasquez
NOES:	None
ABSTAIN:	None
ABSENT:	None

  
\_\_\_\_\_  
Brent Hastey, Chairman

Attest:

  
\_\_\_\_\_  
Jeanene Upton, Board Secretary

# **EXHIBIT B**

**PROPERTY TAX REVENUE TRANSFER AGREEMENT BETWEEN  
YUBA COUNTY WATER AGENCY AND COUNTY OF YUBA**

This Property Tax Revenue Transfer Agreement ("Agreement") is made this 23<sup>rd</sup> day of April 2019, by and between Yuba County Water Agency, a public agency ("Agency"), and County of Yuba, a public agency ("County"), who agree as follows:

**1. Recitals.** This Agreement is adopted with reference to the following background recitals:

1.1. California Revenue and Taxation Code section 99.02 provides that any local agency may, by the adoption of a resolution of its governing board, determine to transfer any portion of its property tax revenues that is allocable to one or more tax rate areas within the local agency to one or more other local agencies having the same tax rate area or tax rate areas.

1.2. Agency and County share tax rate areas and therefore Agency may transfer property tax revenue to County under Revenue and Taxation Code section 99.02.

1.3. Because revenues from the sale of electric energy and water have strengthened Agency's long-term financial position and lessened the importance of property tax revenue as a source of Agency funding, Agency wishes to aid County's financial position by transferring Agency's property tax revenue to County for a term of 10 years.

1.4. Agency and County have held public hearings, as required by Revenue and Taxation Code section 99.02, subdivision (e), to consider the effect of the proposed transfer on Agency and County fees, charges, assessments, taxes, or other revenues.

1.5. The Agency Board of Directors, by resolution, has found that each of the relevant conditions precedent to transferring property tax revenue described in Revenue and Taxation Code section 99.02, subdivision (f), exists, and has approved the transfer subject to the parties entering into this Agreement. The County Board of Supervisors, by resolution, has concurred with the proposed property tax transfer under section 99.02, subdivision (c), and has approved this Agreement.

1.6. Because the Revenue and Taxation Code does not address the term of a property tax revenue transfer under section 99.02, the purpose of this Agreement is for the parties to express and state their desire for the transfer's 10-year term.

**2. Transfer and Term.** As provided under Revenue and Taxation Code section 99.02, Agency agrees to transfer its property tax revenues to County, and County agrees to receive the transfer of property tax revenues from Agency. The property tax revenues include revenues from taxes on real property assessed by the County Assessor and property assessed by the State Board of Equalization. Agency and County agree that this transfer will begin following the end of the fiscal year in which the parties have entered into this Agreement, and will continue for a term of 10 years. Agency and County agree that the transfer of property tax revenue required by this Agreement will be made by the Yuba County Auditor-Controller.

**3. General Provisions.**

3.1. **Integration.** This Agreement constitutes the sole, final, complete, exclusive and integrated expression and statement of terms of this contract among the parties



concerning the subject matter addressed in this Agreement, and supersedes all prior negotiations, representations or agreements, either oral or written, that may be related to the subject matter of this Agreement, except those other documents that are expressly referenced in this Agreement.

3.2. Waiver. The waiver at any time by any party of its rights with respect to a default or other matter arising in connection with this Agreement shall not be deemed a waiver with respect to and subsequent default or matter.

3.3. Successors and Assignment. This Agreement shall bind and inure to the benefit of the respective successors and assigns of the parties. County may not assign its rights under this Agreement without the written consent of Agency.

3.4. Governing Law. Except as otherwise required by law, this Agreement shall be interpreted, governed by, and construed under the laws of the State of California.

3.5. Amendment. This Agreement may be modified or amended only by a subsequent written agreement approved by each party's governing board and signed by both parties.

3.6. Reformation. Agency and County understand and agree that this Agreement is based upon existing law, and that such law may be substantially amended in the future. In the event an amendment to state law renders this Agreement invalid or inoperable or that denies any party the full benefit of this Agreement, then Agency and County agree to renegotiate this Agreement in good faith.

3.7. Notices. Any notice, demand, invoice, or other communication required or permitted to be given under this Agreement shall be in writing and either served personally or sent by prepaid, first class U.S. mail addressed as follows:

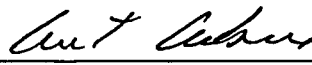
Agency:  
General Manager  
Yuba County Water Agency  
1220 F Street  
Marysville, CA 95901

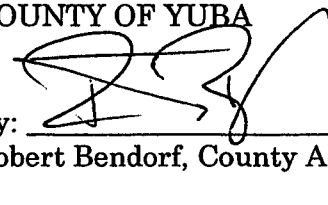
County:  
County Administrator  
County of Yuba  
915 8th Street, Suite 115  
Marysville, CA 95901

Any party may change its address by notifying the other party of the change in the manner provided above.

YUBA COUNTY WATER AGENCY

COUNTY OF YUBA

By:   
Curt Aikens, General Manager

By:   
Robert Bendorf, County Administrator

APPROVED AS TO FORM  
COUNTY COUNSEL

BY: 