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[www.sanbenitocountyca.gov](http://www.sanbenitocountyca.gov)

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Esperanza Colio Warren

COUNTY COUNSEL:  
Gregory Priamos

CLERK OF THE BOARD:  
Vanessa Delgado

**Agenda Item  
Special Meeting of the  
Board of Supervisors  
Thursday, November 6, 2025**

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**Item Number: 1.B**

**MEETING DATE:** 11/06/2025

**DEPARTMENT:** RESOURCE MANAGEMENT AGENCY

**AGENDA ITEM PREPARER:** Steve Loupe

**DEPT HEAD/DIRECTOR:** Steve Loupe

**SUBJECT:**

**RESOURCE MANAGEMENT AGENCY - S. LOUPE, PUBLIC WORKS ADMINISTRATOR**

1. Adopt Resolution to advise the County Auditor of the Board of Supervisors' concurrence with the Sunnyslope County Water District Action approving a zero-property tax exchange for Annexations to the Sunnyslope County Water District; and

2. Authorize the Chair to sign.

SBC FILE NUMBER: 105.3

RESOLUTION NO.: 2025-89

**AGENDA SECTION:**

REGULAR AGENDA

**BACKGROUND/SUMMARY:**

The County of San Benito does not operate a municipal water system that is available to the general public. There are two County CSA districts that provide those services solely to the residents of those CSAs. Those residents pay assessments that fund those water services. The CSA districts are revenue neutral and have no financial impact to the County's General Fund.

Sunnyslope County Water District is installing infrastructure to various parts of the County that would allow residents to connect to that water infrastructure. The purpose of this zero-property tax agreement is to allow those residents to annex into Sunnyslope County Water District and to connect to that infrastructure.

In the past the Board of Directors of the Sunnyslope County Water District (hereafter Board of Directors) adopted a resolution pursuant to Section 99.02(b) of the Revenue and Taxation Code, which approved a

zero-property tax exchange for the annexation of property from the unincorporated County of San Benito to the Sunnyslope County Water District (SCWD); and the Board of Directors' decision to approve a zero-property tax exchange was based in part on the fact that the purpose of the SCWD is to provide public water services as an Enterprise Fund, and that service will be primarily financed from service charges and not from property taxes. The SCWD Board of Directors concluded that such annexations do not justify a change in the distribution of property taxes.

This Resolution serves as the County's agreement pursuant to California Revenue and Taxation Code Sections 99, 99.01 and 99.02 to the annexation of property from the unincorporated County of San Benito to the SCWD, without an exchange of property tax base or increment so that 100% of the base property tax and increment currently assigned to the County of San Benito shall remain with the County. This Resolution only applies to annexations to the SCWD, with no other concurrent annexations to other local agencies. Such concurrent annexations will require separate action by the Board of Supervisors. Furthermore, this Resolution may be rescinded or amended by further action of the Board, with such change applying to any annexations not yet final at the time the Board takes such action and thereafter causes notice of such action to be forwarded to the County Auditor and the Local Agency Formation Commission (LAFCO).

The California Department of Water Resources has provided approximately \$16M of drought resiliency funds through two local grant applications. These funds have been allocated to the Best Roads Mutual Water Company (\$2.5M) and to the County of San Benito (\$13.5M) for the purpose of consolidating local failing water systems into the Sunnyslope Water District. Collectively, the potable water services provided by Best Roads Mutual Water Company (BRMWC), Venture Estates Mutual Water Company (VEMWC), Stonegate County CSA #31, and the Tres Pinos Water District (TPWD) will all be coming to LAFCO with intent to consolidate into the Sunnyslope County Water District.

Prior to accepting any applications for annexation, LAFCO requires Sunnyslope and the County to agree on a property tax sharing agreement. All of Sunnyslope's water services are recovered through water rates and therefore do not require sharing of property tax revenues. The purpose of this zero-property tax agreement is to allow Sunnyslope to move forward with applications to annex these water systems as they complete the water infrastructure needed to supply the existing customers with water provided by Sunnyslope. Since all funding is allocated through the State drought resiliency fund, only the existing service areas are allowed to be supplied and services for future projects are *not* included in these applications.

The intent of the project is to serve the current lots inside the boundaries of the existing water districts.

1. Best Road Mutual Water Company = 48 units
2. Venture Estates Mutual Water Company = Not included in the Annexation because they are already in the district but not yet served, 18 units
3. Stonegate, County CSA #31 = 74 units
4. Tres Pinos Water District = 148 units

NO Sewer Services are contemplated to be provided as part of this project.

The annexations will include 270 units; (Venture Estates was annexed into the district 20 years ago)

**Total water connections = 288**

**FISCAL IMPACT:**

There is no fiscal impact to the County.

**STAFF RECOMMENDATION:**

1. Adopt Resolution to advise the County Auditor of the Board of Supervisors' concurrence with the Sunnyslope County Water District Action approving a zero-property tax exchange for Annexations to the Sunnyslope County Water District; and
2. Authorize the Chair to sign.

**ATTACHMENTS:**

[Best Road Mutual Water Company](#)  
[Venture Estates Mutual Water Company](#)  
[Stonegate Water System](#)