TO:	BCPUD Board of Directors and Administrative Staff
FROM:	Georgia Woods
DATE:	September 25, 2026
SUBJECT:	Bolinas Highlands Permanent Road Division Special Tax Petition
RE:	BCPUD Little Mesa Properties and Questions for Review

Purpose

This memo is being provided to the Board on Friday, September 25 so Directors have several days to review the information available before the Special Meeting on Tuesday, September 29. BCPUD received the petition on September 12 and has been asked to return it before September 30. The immediate decision before the Board is whether BCPUD should sign the petition for the larger/front parcel, the smaller/back parcel, both parcels, or neither parcel. Based on staff's present understanding, signing the petition contributes BCPUD's parcel ownership toward the petition threshold required to move the proposed special tax to an election; it is not itself a vote in that election. The short schedule does not provide sufficient time to resolve all remaining factual and legal questions before the Board must decide whether to sign and return the petition.

Background: Bolinas Highlands Permanent Road Division

The Bolinas Highlands Permanent Road Division (PRD) is the existing County-administered mechanism used by Little Mesa property owners to collectively fund maintenance and improvements to the private roads within the Division. The PRD provides a means to allocate road costs among affected property owners, including public entities that own property within the PRD. The current petition concerns financing a substantial road-repair project through a proposed special tax. Staff is continuing to confirm the PRD's formation date and historical financing details and will update the Board if that information is received before the meeting.

Best Understanding of the Facts to Date

- BCPUD owns two small adjoining undeveloped parcels on the Little Mesa, APNs 193-092-08 and 193-092-09. The petition currently identifies them as two separate parcels subject to the proposed undeveloped-parcel tax.
- Our understanding to date is that both parcels were included because they are separately identified parcels with access from Crescente Avenue, a road within the Bolinas Highlands Permanent Road Division. Parcels omitted from the taxable exhibit generally appear able to access their properties from Brighton Avenue, Wharf Road, or other roads outside the PRD.
- The proposed tax is approximately $3,206 per undeveloped parcel per year for 10 years. If both BCPUD parcels remain separately taxable, the District would pay approximately $6,412 annually, or $64,120 over 10 years.

- The Highlands representatives have provided separate signature pages for the two BCPUD parcels. The Board can therefore consider signing the petition for one parcel without signing for the other, or signing for both.

Based on staff's current understanding, petition signatures are being gathered to demonstrate support among affected property owners for advancing the proposed special tax. The proponents are seeking signatures representing at least a 70% threshold. Each BCPUD parcel has a separate petition signature page, so signing both parcels would count both BCPUD parcels toward that threshold. Staff does not yet know whether BCPUD's signature on either parcel is necessary to reach the 70% threshold. The signed petition is expected to be presented to the Marin County Board of Supervisors on October 20, 2026. Our present understanding is that the Board of Supervisors would then determine whether to take the action necessary to place the proposed special tax on the March 2027 ballot. Staff further understands that the County is seeking a high level of demonstrated property-owner support in part because affected property owners may sign the petition to show support for advancing the proposal, while the election itself would be limited to registered voters residing within the PRD. BCPUD may therefore participate in the petition process as a property owner, but would not have a vote in the election solely by virtue of owning property within the PRD.

Important: What BCPUD is Being Asked to Sign. The signature page does more than request that the proposal advance to an election. It expressly states that the signer has read and understands the petition and is "fully aware of its legal effect, which includes our obligation to pay an annual special tax." It further states that, if the tax passes by two-thirds of the votes cast by registered voters in the Division, "the County may borrow against the projected tax proceeds for the improvement project assessment term in order to fund the roadway work in advance. Loan and financing costs shall be paid for by the Division." The signature page also states that the signer has "consulted with or [has] had the opportunity to consult with independent counsel" concerning the petition. The precise legal effect of these acknowledgments for BCPUD has not yet been reviewed by District Counsel.

The practical significance of signing may ultimately be limited if the special tax is approved and BCPUD would be legally required to pay the applicable tax regardless of whether it signed the petition. That question, however, has not yet been confirmed through legal review. The Board should therefore consider whether it wishes to make the petition's express acknowledgments before receiving counsel's advice, particularly because BCPUD is a public utility district, the parcels are currently undeveloped and not being used for residential purposes, and their most likely potential District use would be related to serving the same general community in which the parcels are located.

- Based on discussions to date, if the two BCPUD parcels are legally merged, the special-tax treatment would follow the parcel configuration recognized by the County Assessor. Once the Assessor formalizes a merger, our present understanding is that the District would thereafter be charged for one undeveloped parcel rather than two. County confirmation of the timing and mechanics remains pending.
- The Highlands representatives report that the PRD used County financing for road work in 1998 and repaid that financing over ten years. Staff has reviewed available BCPUD records to date and has not located evidence that BCPUD contributed to or was assessed for prior PRD financing. Staff has asked the County to determine whether its historical records show either BCPUD property being assessed toward the 1998 loan.
- The petition provides for an election by registered voters residing within the PRD. BCPUD would not receive a vote simply by owning property within the PRD, although its property could be subject to the tax.

Remaining Unresolved Questions

The following issues remain material, but staff does not expect all of them can be resolved before the September 29 meeting and September 30 requested return date:

- 1998 financing history. Did either BCPUD parcel participate in, or receive an exemption from, the assessment or special tax used to repay the 1998 Highlands road financing? If BCPUD did not contribute to the prior road improvements, what factual or legal circumstance explains the different treatment proposed now?
- Parcel merger. What is the County process and effective date for merging APNs 193-092-08 and 193-092-09, and exactly when would that revised parcel configuration control the annual special-tax levy?
- Property records. Staff is gathering deeds, title information, easements, and other historical records to better understand the properties, their access, and any prior obligations associated with them.
- Potential future sale. Staff has not yet evaluated whether signing the petition, the special tax, a parcel merger, or other PRD obligations would have implications the District should consider if it later decides to sell one or both properties.

District Counsel Review

Staff has asked District Counsel for an estimate of the cost of a focused legal review. If an estimate is available by the September 29 meeting, staff recommends that the Board consider authorizing that review. Because substantive legal review has not yet been completed, the discussion below reflects staff's best present understanding and should not be treated as a legal opinion.

the legal effect, if any, of BCPUD signing the petition, including the effect of expressly acknowledging an obligation to pay the annual special tax and whether signing creates, concedes, or waives any position beyond whatever obligation BCPUD may have if the special tax is ultimately approved and levied;

- whether BCPUD, as a public utility district that owns property within and serves the same general PRD area, has any statutory, constitutional, or other basis for exclusion from the special tax;
- if BCPUD funds are used to pay the tax, whether there is any legal requirement or restriction concerning which District revenues or customer group may bear that cost; and
- any legal considerations relevant to merging or potentially selling one or both parcels.

Timing and Board Consideration

Staff is providing this memo on September 25 to give the Board as much review time as possible before the September 29 Special Meeting. Even with that advance distribution, the period between receipt of the petition on September 12 and the requested September 30 return date has not allowed enough time to complete the historical research, obtain County answers, secure legal review if warranted, and return those results to the Board before it must act.

The Board will therefore be considering the petition based on the best information presently available, while expressly recognizing the absence of completed legal review. Separate signature pages allow the Board to act separately on the two BCPUD parcels. Staff will supplement or revise this memo if material answers, including counsel's cost estimate, are received before the meeting.

Board Action to Consider

At the September 29 Special Meeting, the Board should consider taking the following actions:

- Potential sale: Consider directing staff to investigate the feasibility, process, and implications of selling one or both BCPUD Little Mesa parcels.
- Parcel merger: Consider directing staff to proceed with the process to merge APNs 193-092-08 and 193-092-09, subject to confirmation of the County process and implications.
- Petition signatures: Determine whether to sign the petition for the larger/front parcel, the smaller/back parcel, both parcels, or neither parcel. Based on staff's present understanding, each signed parcel would

count separately toward the proponents' 70% petition threshold; it is not yet clear whether either BCPUD signature is needed to reach that threshold. The signed petition is expected to be presented to the Marin County Board of Supervisors on October 20, 2026, after which the Board of Supervisors would determine whether to take the action necessary to place the measure on the March 2027 ballot. If the measure proceeds to an election, only registered voters residing within the PRD would vote; BCPUD would not receive a vote based solely on parcel ownership. In deciding whether to sign, the Board should also consider the signature page's express acknowledgment that the petition's legal effect "includes our obligation to pay an annual special tax," together with the absence of completed legal review concerning the effect of that acknowledgment for BCPUD.

- Legal review: If a cost estimate is available, consider directing staff to obtain a narrowly focused legal review of the petition, BCPUD's potential obligations, and the implications of signing.

Preliminary Legal Framework

This is a staff working memorandum, not a legal opinion. The petition identifies the proposed levy as a special tax under the Permanent Road Division Law and requests an election under Streets and Highways Code section 1173. Section 1168.5 provides a procedure under which a landowner may seek withdrawal of property that will not benefit from a proposed Division project, subject to the statutory requirements. Application of these provisions to BCPUD should be confirmed by District Counsel if legal review is authorized.