

RESOLUTION NO. 2009-14

**A RESOLUTION OF THE CITY OF LOS ALTOS
OF INTENTION TO MAKE ACQUISITIONS AND IMPROVEMENTS**

Blue Oak Lane Sewer Assessment District

RESOLVED, by the City Council (the "Council") of the City of Los Altos (the "City"), County of Santa Clara (the "County"), California, that

1. Intention. The public interest, convenience and necessity require, and the City intends to order the making of, the acquisitions and improvements (the "Improvements") described in Exhibit "A" attached hereto and made a part hereof in and for the City's proposed Blue Oak Lane Sewer Assessment District (the "Assessment District")

2. Law Applicable. Except for the public hearing and assessment ballot proceedings and the issuance of bonds, all of the proceedings shall be conducted under the Municipal Improvement Act of 1913, Division 12 of the Streets and Highways Code of California (the "Act").

3. Sewer System. This Council does hereby adopt and establish a new sewer system to serve twenty-one parcels along Blue Oak Lane. The new sewer system shall include a new sewer pump station that will pump sewage from Blue Oak Lane to the existing City of Los Altos sewer system located on Yerba Buena Avenue. One lateral for each of the parcels will be installed from the new sewer main located in Blue Oak Lane to the property line. The lateral will terminate at the property for future connection by each of the property owners.

4. Descriptions - General. The descriptions of the Improvements and the termini of the work contained in this Resolution are general in nature. All items of work do not necessarily extend for the full length of the description thereof. The plans and profiles of the work and maps and descriptions as contained in the Engineer's Report, hereinafter directed to be made and filed, shall be controlling as to the correct and detailed description thereof.

5. Special Benefit and Boundary Map. In the opinion of this Council, the Improvements are of more than general or ordinary public benefit, and are of special benefit to the lands within the Assessment District. The costs and expenses of the Improvements are made chargeable upon an Assessment District, the exterior boundaries of which are shown on a map thereof on file in the office of the City Clerk, to which reference is hereby made for further particulars. The map indicates by a boundary line the extent of the territory included in the proposed City and shall govern for all details as to the extent of the Assessment District.

6. Public Property Exempt. This Council declares that (a) all public streets, highways, lanes and alleys within the Assessment District shall be omitted from the assessment, and (b) all lands owned by any public entity, including the United States and the State of California, or any departments thereof, and in use in the performance of a public function, shall be omitted from the assessment, except and to the extent those properties are found to be specially benefited from the Improvements.

7. Engineer's Report. The Improvements are hereby referred to Larry Lind, P.E., Senior Engineer, City of Los Altos, California as the Engineer of Work under the Act for the Assessment District (the "Engineer of Work"), and the Engineer of Work is hereby directed to make and file with the City Clerk a report in writing, presenting the following:

- (a) Maps and descriptions of the lands and easements to be acquired, if any;

(b) Plans and specifications of the proposed Improvements if the Improvements are not already installed. The plans and specifications do not need to be detailed and are sufficient if they show or describe the general nature, location, and extent of the Improvements. The plans or specifications may be prepared as separate documents, or either or both may be incorporated in the Engineer's Report as a combined document.

(c) A general description of works or appliances already installed and any other property necessary or convenient for the operation of the Improvements, if the works, appliances, or property are to be acquired as part of the Improvements.

(d) An estimate of the cost of the Improvements and of the cost of lands, rights-of-way, easements, and incidental expenses in connection with the Improvements, including any cost of issuing, selling and delivering bonds.

(e) A diagram showing, as they existed at the time of the passage of this Resolution, all of the following:

- (i) The exterior boundaries of the Assessment District.
- (ii) The boundaries of any zones within the City.
- (iii) The lines and dimensions of each parcel of land within the City.

Each subdivision shall be given a separate number upon the diagram. The diagram may refer to the County's assessor's maps for a detailed description of the lines and dimensions of any parcels, in which case those maps shall govern for all details concerning the lines and dimensions of the parcels.

(f) A proposed assessment of the total amount of the cost and expenses of the proposed improvement upon the several subdivisions of land in the City in proportion to the estimated benefits to be received by each subdivision, respectively, from the improvement. The assessment shall refer to the subdivisions by their respective numbers as assigned pursuant to subdivision (e). When any portion or percentage of the costs and expenses of the Improvements is to be paid from sources other than assessments, the amount of such portion or percentage shall first be deducted from the total estimated cost and expenses of the Improvements, and the assessment shall include only the remainder of the estimated cost and expenses.

(g) A proposed maximum annual assessment upon each parcel in the Assessment District to pay costs incurred by the District and not otherwise reimbursed resulting from the administration and collection of the assessments, and from the administration of the Bonds and any associated reserve funds or other related funds.

8. Use of Surplus. If any excess funds are realized from the assessment, they shall be used, in such amounts as this Council may determine, in accordance with the provisions of the Act, for one or more of the following purposes:

(a) Transfer to the general fund of this City, provided that the amount of any such transfer shall not exceed the lesser of \$1,000 or 5% of the total amount expended from the improvement fund;

(b) As a credit upon the assessment and any supplemental assessment or for the redemption of bonds, or both; or

(c) For the maintenance of the Improvements.

9. Contact Person. Larry Lind, Senior Engineer, is hereby designated as the person to answer inquiries regarding any protest proceedings to be had herein, and may be contacted during regular office hours at City of Los Altos, City Offices, 1 North San Antonio Road, Los Altos, CA 94022 telephone (650) 947-2624.

10. Joint Facilities Agreements with other Public Agencies and Public Utilities. To the extent that any of the Improvements indicated in the Engineer's Report, to be made as provided herein, are shown to be connected to the facilities, works or systems of, or are to be owned, managed and controlled by, any public agency or party other than the City, or of any public utility, it is the intention of this Council to enter into an agreement with such public agency or public utility pursuant to Chapter 2 (commencing with Section 10100) of the Act, which agreement may provide for, among other matters, the ownership, operation and maintenance by such agency, party or utility of the Improvements, and may provide for the installation of all or a portion of such Improvements by the agency, party or utility and for the providing of service to the properties in the area benefiting from the Improvements by such agency or utility in accordance with its rates, rules and regulations, and that such agreement shall become effective after proceedings have been taken for the levy of the assessments and sale of bonds and funds are available to carry out the terms of any such agreement.

11. Improvement Bonds. Notice is hereby given that serial and/or term improvement bonds (the "Bonds") to represent unpaid assessments, and bear interest at the rate of not to exceed 12% per annum, or such higher rate of interest as may be authorized by applicable law at the time of sale of such bonds, will be issued hereunder in the manner provided by the Improvement Bond Act of 1915, Division 10 of the California Streets and Highways Code (the "Bond Law"), the last installment of which Bonds shall mature not to exceed 39 years from the second day of September next succeeding twelve months from their date. The provisions of Part 11.1 of the Bond Law, providing an alternative procedure for the advance payment and calling of the Bonds, shall apply to the Bonds issued in these proceedings. It is the intention of this Council to create a special reserve fund pursuant to and as authorized by Part 16 of the Bond Law. It is the intention of the City that it will not obligate itself to advance available funds from the treasury of the City to cure any deficiency in the redemption fund to be created with respect to the bonds; provided, however, that a determination not to obligate itself shall not prevent the City from, in its sole discretion, so advancing funds. The Bonds may be refunded under Division 11.5 of the California Streets and Highways Code or other applicable laws permitting refunding of the Bonds, upon the conditions specified by and at the determination of this Council.

12. No Private Contract. This Council determines that the public interest will not be served by allowing the property owners in the Assessment District to take any contract for the construction of the improvements and therefore that, under Section 20487 of the California Public Contract Code, no notice of award of contract shall be published.

13. Division 4. This Council will comply with Division 4 of the Streets and Highways Code of California under Part 7.5 thereof. The Engineer of Work shall include in the Engineer's Report the information required under Part 7.5, and for which the total true value shall be estimated as the full cash value of the parcels of land in the Assessment District as shown on the last equalized assessment roll of the County, or alternatively, by means of a current appraisal on such terms as may be prescribed by this Council.

14. Location of and Grades for Improvements. All of the Improvements are to be constructed at the places and in the particular locations, of the forms, sizes, dimensions and materials, and at the lines, grades and elevations, as shown and delineated upon the plans, profiles and specifications to be made therefor and approved by the City. This Council does hereby adopt and establish as the official grades for the Improvements the grades and elevations to be shown upon the plans, profiles and specifications. All such grades and elevations are to be in feet and decimals thereof with reference to the datum plane of this City.

Notice is hereby given of the fact that if the Improvements will result in a grade different from that formerly existing, the grades are hereby changed and the Improvements will be done to the changed grades.

15. Work on Private Property. In cases where there is any disparity in level or size between the Improvements and private property and where it is more economical to eliminate such disparity by work on the private property than by adjustment of the work on public property, it is hereby determined that it is in the public interest and more economical to do such work on private property to eliminate such disparity. In such cases, the work on private property shall, with the written consent of the owner of the property, be done and the actual cost thereof may be added to the proposed assessment of the lot on which the work is to be done.


16. Professional Appointed. The City hereby appoints Northcross Hill and Ach as financial advisor. The City Manager is hereby authorized and directed to enter into appropriate agreement with such firms for their services to the City for the formation of the Assessment District and the issuance, sale and delivery of the Bonds.

17. Reimbursement Declaration. The City intends to issue the Bonds, which are "Obligations" under United States Income Tax Regulations section 1.150-2 (the "Regulations"), in the maximum principal amount of approximately \$1,000,000, to finance all or a portion of the costs of the Improvements. The Council hereby declares that the City reasonably expects to use a portion of the proceeds of the Bonds for reimbursement of expenditures for the Improvements that are paid before the date of issuance of the Bonds. This section of this resolution shall be solely for the purpose of complying with the provisions of the Regulations and shall not be deemed an approval of all or any part of the Assessment District or a commitment on the part of this Council to issue any or all of the Bonds or otherwise provide for financing.

18. Effective. This resolution shall take effect upon adoption.

I HEREBY CERTIFY that the forgoing is a true and correct copy of a Resolution passed and adopted by the City Council of the City of Los Altos at a regular meeting thereof held on the 23rd day of June 2009 by the following vote:

AYES: PACKARD, CARPENTER, CASAS, BECKER, SATTERLEE
NOES: NONE
ABSTAIN: NONE
ABSENT: NONE


Megan Satterlee, MAYOR

ATTEST

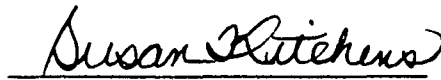

Susan Kitchens, CITY CLERK

EXHIBIT A

CITY OF LOS ALTOS Blue Oak Lane Sewer Assessment District

DESCRIPTION OF IMPROVEMENTS

Within the City of Los Altos (the "City"), the construction and/or acquisition of the following Improvements, including all planning, design, contingencies, construction administration and general administration services, the acquisition of licenses, franchises and permits and the construction of all auxiliary work necessary and/or convenient to the accomplishment thereof, in accordance with the plans and specifications to be approved by the City Council of the City, together with all required design and construction of new sewer system, City sewer capacity rights and the incidental costs of financing, including, but not limited to, capitalized interest, discounts, legal, financial advisory services, engineering and appraisals:

Improvements will provide gravity sanitary sewer services to all lots located on Blue Oak Lane. A total of twenty-one (21) individual lots are included within the District Boundary. Twenty (20) of the twenty-one (21) parcels are developed with single family residences with one (1) parcel currently undeveloped. The existing improved lots currently maintain private, individual septic tanks and leach fields. The completed sewer improvements will allow individual homeowners to close their private septic tanks and leach fields and obtain gravity sewer service from the City.

The District will construct the individual sewer laterals to locations shown on the final approved construction documents with locations marked for future extension by the homeowner.