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**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF INTENTION  
TO MAKE ACQUISITIONS AND IMPROVEMENTS**

**CIRCLE OAKS COUNTY WATER DISTRICT  
Assessment District No. 2008-1**

**WHEREAS**, the Circle Oaks County Water District (the "District"), County of Napa, State of California, has commenced proceedings for the formation of an assessment district (the "Assessment District") in order to finance certain acquisitions and improvements described in Exhibit "A" attached hereto; and

**WHEREAS**, at the request of the District, Triad/Holmes Associates prepared a map specifying the exterior boundaries of the assessment district (the "Map"); and

**WHEREAS**, the District has submitted a copy of the Map and this proposed Resolution of Intention to the County of Napa for its approval as required under Streets and Highways Code §10104; and

**WHEREAS**, on \_\_\_\_\_, 2008, the County of Napa approved the Map and this proposed Resolution of Intention;

**THEREFORE BE IT RESOLVED** by the Board of Directors (the "Board") of the Circle Oaks County Water District, as follows:

**1. Intention.** The public interest, convenience and necessity require, and that it intends to order the making of the acquisitions and improvements described in Exhibit "A" attached hereto and made a part hereof in and for the proposed Assessment District, to be known as "Circle Oaks County Water District Assessment District No. 2008-1."

**2. Law Applicable.** Except as herein otherwise provided for the issuance of bonds, all of the work shall be done as provided in the Municipal Improvement Act of 1913, Division 12 of the Streets and Highways Code of California (the "Act").

**3. Nature and Location of and Grades for Improvements.** All of the work and 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, as hereinafter provided. There is to be excepted from the work above described any of such work already done to line and grade and marked excepted or shown not to be done on the plans, profiles and specifications. Whenever any public way is herein referred to as running between two public ways, or from or to any public way, the intersections of the public ways referred to are included to the extent that work is shown on the plans to be done therein. The streets and highways are or will be more particularly shown in the records in the offices of the Napa County Recorder, and shall be shown upon the plans.

**4. Change of Grade.** Notice is hereby given of the fact that in many cases the work and improvements will bring the finished work to a grade different from that formerly existing,

and that to the extent the grades are hereby changed and that the work will be done to the changed grades.

**5. Work on Private Property.** In cases where there is any disparity in level or size between the improvements proposed to be made herein 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.

**6. Official Grades.** This Board does hereby adopt and establish as the official grades for the work 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 District.

**7. Descriptions - General.** The descriptions of the acquisitions and 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.

**8. Special Benefit and Boundary Map.** The contemplated acquisitions and improvements, in the opinion of this Board, are of more than local or ordinary public benefit, and the costs and expenses thereof are made chargeable upon the Assessment District, the exterior boundaries of which are shown on a map thereof on file in the office of the District Secretary, to which reference is hereby made for further particulars. The map indicates by a boundary line the extent of the territory proposed to be included in Assessment District and shall govern for all details as to the extent of the Assessment District.

**9. Public Property.** This Board declares that all public streets, highways, lanes and alleys, and properties owned by any public agency or department of the United States of America, the State of California, the County of Napa, any city or special district, within the Assessment District and in use in the performance of a public function shall be omitted from the assessment hereafter to be made; provided, however, that the following lands shall not be omitted from the assessment: (a) lands owned by a public school or community college district; and (b) lands acquired by a public agency through the foreclosure or deed in lieu of such foreclosure of a purchase money mortgage, deed of trust or similar security interest in favor of the United States of America or the State of California or any department, agency or instrumentality thereof.

**10. Engineer's Report.** The acquisitions and improvements are hereby referred to Terrance E. Lowell, P.E., being a competent firm employed for the purpose hereof as the Engineer of Work for this Assessment District (the "Engineer of Work"), and the Engineer of Work is hereby directed to make and file with the District Secretary a report in writing (the "Engineer's Report"), 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. If the Assessment District is divided into zones, the plans

and specifications shall indicate the class and the type of improvements to be provided for each zone. 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 and registering bonds.

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

(1) The exterior boundaries of the Assessment District.

(2) The boundaries of any zones within the Assessment District.

(3) The lines and dimensions of each parcel of land within the Assessment District.

Each parcel shall be given a separate number upon the diagram, and each zone within the Assessment District shall be separately identified. The diagram may refer to the county 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 parcels of land in the Assessment District in proportion to the estimated benefits to be received by each parcel, respectively, from the improvement. The assessment shall refer to the parcels by their respective numbers as assigned pursuant to subparagraph (e) above. When any portion or percentage of the costs and expenses of the acquisitions and 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 acquisitions and improvements, and the assessment shall include only the remainder of the estimated cost and expenses.

(g) A proposed maximum annual assessment upon each of the several parcels of land in the Assessment District to pay cost incurred by the District and not otherwise reimbursed resulting from the administration and collection of assessments or from administration or registration of any associated bonds and reserve or other related funds.

**11. Use of Surplus.** If any excess shall be realized from the assessment it shall be used, in such amounts as this Board 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 District, 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.

**12. Contact Person.** The General Manager of the District is hereby designated as the person to answer inquiries regarding any protest proceedings to be had herein. Any inquiries should be directed during regular office hours to: Jack MacDonald, General Manager, Circle Oaks County Water District, 380 Circle Oaks Drive, Napa, California 94558, telephone 707-254-7796.

**13. Contracts with Others.** To the extent that any of the work, rights, improvements and acquisitions 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 other than this District, or of any public utility, it is the intention of this Board 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 or utility of the works, rights, improvements and acquisitions, and may provide for the installation of all or a portion of such improvements by the agency or utility and for the providing of service to the properties in the area benefiting from the work, rights, improvements and acquisitions 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.

**14. Improvement Bonds.** Notice is hereby given that serial or term improvement bonds to represent unpaid assessments, and bear interest at a rate not to exceed such 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 bonds shall be issued in such series and shall mature in such principal amounts at such times as shall be determined by this Board at the time of the issuance of such bonds. The provisions of Part 11.1 of the Bond Law, providing an alternative procedure for the advance payment and calling of bonds, shall apply to the bonds issued in these proceedings. It is the intention of this Board to create a special reserve fund pursuant to and as authorized by Part 16 of the Bond Law. It is the intention of the District that the District will not obligate itself to advance available funds from the treasury of the District 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 District from, in its sole discretion, so advancing funds.

**15. Refunding of Bonds.** The bonds may be refunded pursuant to Division 11.5 of the California Streets and Highways Code upon the determination of the Board of the District that the public interest or necessity requires such refunding. Such refunding may be undertaken by the Board when, in its opinion, lower prevailing interest rates may allow reduction in the amount of the installments of principal and interest upon the assessments given to owners of property assessed for the works herein described. The refunding bonds shall bear interest at a rate not to exceed that which is stated in the resolution of the Board expressing its intention to issue the refunding bonds, which resolution of intention shall also set forth the maximum term of years of the refunding bonds. The refunding shall be accomplished pursuant to Division 11.5 (commencing with Section 9500) of the California Streets and Highways Code, except that, if, following the filing of the report specified in Section 9523 and any subsequent modifications of the report, the Board finds that each of the conditions specified in the resolution of intention to

issue the refunding bonds is satisfied and that adjustments to the assessments are on a pro-rata basis, the Board may approve and confirm the report and may, without further proceedings, authorize, issue and sell the refunding bonds pursuant to Chapter 3 (commencing with Section 9600) of Division 11.5 of the California Streets and Highways Code.

**16. Division 4.** Reference is hereby made to proceedings had pursuant to Division 4 of the Streets and Highways Code of California which are on file in the office of the District Secretary. It is the intention of this Board to comply with Division 4 of the Streets and Highways Code of California by proceeding under Part 7.5 thereof. To that end, the Engineer of Work is hereby directed to include in the Engineer's Report all of the material specified by such 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 rolls of the County of Napa.

**17. No Private Contract.** Notice is hereby given that, in the opinion of this Board, the public interest will not be served by allowing the property owners to take the contract for the construction of the improvements and therefore that, pursuant to Section 20487 of the California Public Contract Code, no notice of award of contract shall be published.

**18. Reimbursement Declaration.** The District intends to issue the Bonds, which are "Obligations" under United States Income Tax Regulations section 1.150-2 (the "Regulations") The Board hereby declares that the District 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 Board to issue any or all of the Bonds or otherwise provide for financing.

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I, the undersigned District Secretary of the Circle Oaks County Water District, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted by the Board of the District at a meeting thereof on the \_\_\_\_ day of \_\_\_\_\_, 2008, by the following vote of the members thereof:

AYES, and in favor thereof:

NOES:

ABSENT:

ABSTENTIONS:

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Richard Cannon, President  
Board of Directors

ATTEST:

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Anna Haley  
Clerk of the Board of Directors

## **EXHIBIT A**

### **CIRCLE OAKS COUNTY WATER DISTRICT Assessment District No. 2008-1**

#### **DESCRIPTION OF WORK**

Within the Circle Oaks County Water District (the "District") County of Napa, State of California, the construction and acquisition of the following public improvements, including the acquisition of all lands, easements, rights-of-way, licenses, franchises, rights of service and use, and permits and the construction of all auxiliary work necessary and/or convenient to the accomplishment thereof in accordance with plans and specifications to be approved by the Circle Oaks County Water District.

Water System Improvements: The water improvements will include a new storage reservoir, treatment plant expansion, a new well, new fire plugs with fire hydrants, and a new storage tank.

Sewer System Improvements: In addition to the water improvement projects, the District will make some wastewater treatment improvements, such as installing aerators, pumps and piping, replacing sewer mains and installing a SCADA system for the sewer plant.