Livermore Area Recreation and Park District

Staff Report

TO: Chair Pierpont and Board of Directors

FROM: Mathew Fuzie, General Manager

PREPARED BY: Jeffrey Schneider, Business Services Manager

DATE: July 14, 2021

SUBJECT: Assessment District 2021-1 Trevarno Road Sewer and Water Improvements

<u>RECOMMENDATION</u>: That the Board of Directors authorize General Manager Fuzie to sign the City of Livermore's Official Assessment Ballot indicating that the District is in favor of the proposed maximum assessment of \$536,226.48 in relation to the City's Assessment District 2021-1 Trevarno Road Sewer and Water Improvements.

Note: The City Council will be reviewing the attached staff report (Attachment B) on July 26th, which calls for a resolution to establish the Assessment District. Our vote on the Assessment Ballot needs to be communicated to them prior to that meeting.

BACKGROUND:

There are 12 single family homes and 2 LARPD facilities on the Historic District of Trevarno Road (the R.E. Merritt building, which houses Community Services staff and District storage, and the "Trevarno Little House". To date, these facilities are supported by private sewer and water systems that were constructed around 1915 (an exception is the R.E. Merritt building, which, while relying on the private sewer system, relies on a separate water system managed by the City of Livermore).

At the behest of several property owners, in November, 2019 the Livermore City Council appropriated funding (\$150k) to evaluate the feasibility of a special financing district to fund the replacement of the aging, and failing, sewer/water infrastructure and engaged RJA Engineering and financial consulting firm NBS to conduct engineering/design and financing studies. LARPD staff have participated in several meetings with City staff, the project consultants, and Trevarno residents in discussing key elements of the project, including cost estimates, the proposed cost sharing mechanism, project financing and timing.

Key findings of the engineering and financing studies:

- 1. The existing sewer system is beginning to fail quality of life is in jeopardy given the age and inadequacy of existing pipes and capacity. The existing fire hydrants on the street are historical and do not meet current City fire code standards.
- 2. Project Deliverables: (please see the Attachments B and C for additional details):
 - a. 700 linear feet of 8-inch sanitary sewer main and laterals (to each property, including the R.E. Merritt building);
 - b. 700 linear feet of 8-inch potable water main and laterals (to all but the R.E. Merritt building);
 - c. 3 new fire hydrants; up to current code and will provide reliable access to a water source in the event of a fire.
- 3. <u>Benefit Points</u>: To determine the appropriate allocation of costs to the 12 residential properties and LARPD, the consulting team established a Benefit Point Calculation that considers three key elements:
 - a. Water Benefits improved livability and increased safety (secure, potable water)
 - b. Sewer Benefits improved livability and increased safety (safe drinking water, sanitation and hygiene)
 - c. Fire Benefit increased safety

Benefit points are allocated based on the following (please see pages 23-24 of the City's July 26th staff report (Attachment B) for additional details:

- 1. Livability water meter size, maximum flow, improved livability benefits (water), and improved livability points (sewer)
- 2. Safety water meter size, maximum flow, increased safety benefits (water), increased safety points (sewer), and increased safety points (fire).
- 3. Page 37 of Attachment B provides details for benefit points by property owner. A total of 37.78 benefit points were calculated by the engineering consultant, with 8.27 assigned to the R.E. Merritt building and 2.27 assigned to the "Trevarno Little House". LARPD thus has a total of 10.54 benefit points, or 28% of the benefit point totals for all property owners (this has implications for the Vote see item 6 below).
- 4. Costs in total and LARPD's share: pages 28-29 of Attachment B includes tables which provides details of project costs, which total \$2,029,910. Because the City is absorbing General Benefits of \$107,838 (meaning, avoidance of spread of disease, fire, beyond the borders of the Assessment District, as well as pass-through traffic), the total project costs to be allocated amongst the property owners is \$1,922,071.80.
 - a. Based on the total Benefit points of 37.78, the allocation per benefit point is \$50,875.38.
 - b. LARPD's share of the total amount to be allocated is thus 10.54 pts. x \$50.875.38 = \$536,226
 - c. Note: the General Benefits amount is based on a ratio of square feet within 10 feet of the District boundary (21,720) and the square footage of the Assessment District itself

(376,884), or 5.45%, plus 1% for pass-through traffic benefits, for a total of 6.45% of the total project cost estimate. This factor is applied to the construction management and design costs of 1,671,910 (0.0645*1,671,910 = 107,838.20)

- 5. Two financing options were considered by the City, one being a Community Facility District, which under the Mello-Roos Community Facilities Act would exempt LARPD from being subject to a special tax, and the second being an Assessment District Proposition 218, which does not exempt LARPD from the assessment. The Assessment District was chosen to allow LARPD to participate in financing the project.
 - a. The City will finance the project and provide two options for each property owner:
 - i. Pay assessment in cash
 - ii. Take advantage of the City's financing mechanism, which will be a 30 year bond with no prepayment penalty interest rate will be determined once the determination of participants is finalized (decision must be communicated to the City by September 13th re: cash or financing)
 - iii. Staff recommends financing, but this decision is not required at this time the City's Director of Administrative Services assures staff the interest rate associated with its financing will be kept to a minimum.
- 6. <u>The Vote</u>: if a simple majority of benefit points are associated with favorable Assessment Ballot votes (see Attachment A for the Assessment Ballot), the Assessment District will be established. Based on its share of the benefit points, LARPD's weight in this vote amounts to 28%.
- 7. <u>Construction Timing</u> The City hopes to go into construction next year around July/August and complete the project by December 2022.
- 8. Note: LARPD will also incur individual site connection fees totaling approximately \$73k (\$40k for the R.E. Merritt building and \$33k for the Little House).

Attachments:

- A. Official Assessment Ballot
- B. City of Livermore Staff Report July 26, 2021
- C. City of Livermore Project Powerpoint Presentation

ATTACHMENT A

OFFICIAL ASSESSMENT BALLOT CITY OF LIVERMORE ASSESSMENT DISTRICT 2021-1 TREVARNO ROAD SEWER AND WATER IMPROVEMENTS

Name and Address of Record Owner:	Parcel Identification:
Record Owner: Livermore Area Recreation and Park District	Assessor's Parcel Number: 099 -0040-014-05 Benefit Points: 10.540
71 Trevarno Road Livermore, CA 94551	Proposed Maximum Assessment: \$536,226.48

Assessment Ballot

Please mark one box, sign and print name below. This ballot will be <u>void</u> if any markings are in both boxes or if not signed.					
The person completing and submitting this assessment ballot must be the record owner of the property identified above or the representative of the record owner of such property who is legally authorized to complete and submit this ballot for and on behalf of the record owner; otherwise this ballot will not be tabulated.					
Yes, I am in favor of the proposed maximum assessment of: \$536,226.48	No, I am opposed to the proposed maximum assessment of: \$536,226.48				
CERTIFICATE OF ENTITLEMENT The undersigned certifies under penalty of perjury that he/she is entitled to complete and submit this assessment ballot.					
Signature of Property Owner or Representative	Printed Name				

Please fold and insert the completed ballot into the enclosed return envelope, seal and mail or deliver to:

CITY OF LIVERMORE ATTN: CITY CLERK 1052 S. LIVERMORE AVENUE LIVERMORE, CA 94550

Please refer to the enclosed instructions for further details. Ballot must be received prior to the conclusion of the Public Hearing on July 26, 2021.

CITY OF LIVERMORE ASSESSMENT DISTRICT 2021-1 TREVARNO ROAD SEWER AND WATER IMPROVEMENTS

ASSESSMENT BALLOT PROCEDURES

INSTRUCTIONS REGARDING SUBMISSION OF ASSESSMENT BALLOT

In order to complete and submit the enclosed assessment ballot, you must complete the following steps.

- 1. Review the Certificate of Entitlement statement shown on the assessment ballot. The person completing and submitting this assessment ballot must be the record owner of the property identified above or the representative of the record owner of such property who is legally authorized to complete and submit this ballot for and on behalf of the record owner. Ensure that you meet the entitlement requirements pertaining to the property identified in the assessment ballot before completing the ballot. If you do not satisfy the entitlement requirements, please forward the assessment ballot to the person or persons who satisfy those requirements. If you satisfy the entitlement requirements, please sign your name and print or type your name in the spaces provided.
- 3. To complete the assessment ballot, mark one **and only one** of the squares provided.

The assessment ballot will be void and shall not be tabulated unless it is properly completed by signing and printing your name and marking one of the squares.

4. Fold and insert the assessment ballot into the enclosed return envelope and seal the envelope. All assessment ballots must be <u>received</u> by the City Clerk prior to conclusion of the Public Hearing. Assessment ballots may be returned by mail in the self-addressed return envelope, which is included with the assessment ballot. If you are returning your assessment ballot by mail you must allow sufficient time to ensure that the assessment ballot is <u>received</u> by the City Clerk on or before 5:00 p.m. on July 26, 2021. Please note that mail has been experiencing delays related to COVID. Please allow sufficient time for such mail delays as an assessment ballot received after the close of the Public Hearing will not be tabulated even if the postmark on the envelope transmitting the assessment ballot is dated on or before July 26, 2021.

You may also deliver your assessment ballot on or before July 26, 2021 during normal business hours (8:00 a.m. - 5:00 p.m.) to the City Clerk at the address provided below. Due to COVID-19 closures, please email the City Clerk at cityclerk@cityoflivermore.net to schedule a time to drop off your ballot.

CITY OF LIVERMORE – CITY HALL 1052 S. LIVERMORE AVENUE LIVERMORE, CA 94550

After 5:00 p.m. on July 26, 2021 and at any time prior to the conclusion of the Public Hearing, you may deliver your assessment ballot to City staff located in front of City Hall at the address noted above.

Please note: there is no drop box available to submit ballots, please reach out to cityclerk@cityoflivermore.net to schedule a time to drop off your ballot.

LOST, SPOILED OR DAMAGED BALLOTS:

If you have lost, spoiled or damaged your assessment ballot, or wish to change or withdraw your assessment ballot, please call the telephone number set forth below for information on how you may obtain a replacement assessment ballot.

IF YOU HAVE ANY QUESTIONS REGARDING THESE INSTRUCTIONS OR THE ASSESSMENT BALLOT PROCEDURE, PLEASE CONTACT THE CITY'S CONSULTANT:

SANDRA BURKHART
NBS
TELEPHONE: 800-676-7516
EMAIL: SBURKHART@NBSGOV.COM

NOTICE OF PUBLIC HEARING AND ASSESSMENT BALLOT PROCEDURE

CITY OF LIVERMORE ASSESSMENT DISTRICT 2021-1 TREVARNO ROAD SEWER AND WATER IMPROVEMENTS

ASSESSOR'S PARCEL NUMBER: 099 -0040-014-05

NOTICE OF PUBLIC HEARING

This notice informs you, as the record owner of property within the proposed Assessment District 2021-1 Trevarno Road Sewer and Water Improvements, that the City of Livermore will be conducting a Public Hearing pursuant to the provisions of the Municipal Improvement Act of 1913, Article XIII D of the Constitution of the State of California and the Proposition 218 Omnibus Implementation Act.

The Public Hearing is hereby scheduled to be held virtually pursuant to the Governor's Executive Order N-29-20. on:

July 26, 2021, at 7:00 p.m.

or as soon thereafter as the matter may be heard. All interested persons are invited to attend and express opinions on the matter of the proposed District.

RIGHT TO SUBMIT ASSESSMENT BALLOT

Property Owners of record who desire to submit an assessment ballot must mail a completed assessment ballot to the City Clerk prior to the Public Hearing or personally deliver a completed assessment ballot to the City Clerk at the Public Hearing. Provided, however, all assessment ballots must be received prior to the close of the Public Hearing to be counted. An assessment ballot and return envelope are enclosed with this Notice. Ballots are weighted according to the proportional financial obligation of each parcel prior to reductions related to contributions or easements. An assessment will not be imposed if the ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment.

All assessment ballots must be received before the conclusion of the Public Hearing shown above. The mailing address is:

CITY OF LIVERMORE, ATTN: CITY CLERK 1052 S. LIVERMORE AVENUE, LIVERMORE, CA 94550

ASSESSMENT INFORMATION

Boundaries of the District: The District is located within the City of Livermore in Alameda County, generally along Trevarno Road between First Street and the southern end of the road before Prospect Place.

Total Proposed Maximum Assessment for the Entire District: \$1,922,071.81.

Your Proposed Maximum Assessment: \$536,226.48. The proposed maximum assessment for the property identified above is also shown on the enclosed assessment ballot.

Duration of Proposed Assessment: The proposed assessment for the District will be levied for a period not to exceed 30 years.

Maximum Interest Rate: 4.0%

Maximum Administrative Costs: Pursuant to subparagraph (f) of Section 10204 of the Streets and Highways Code, an annual administrative assessment shall be levied upon each of the several subdivisions of land in the district to pay costs incurred by the City and not otherwise reimbursed which result from the administration and collection of assessments or from the administration or registration of any associated bonds and reserve or other related funds. Without limiting the foregoing, such annual administrative assessment shall be in addition to any amounts collected pursuant to Sections 8682 and 8682.1 of the Streets and Highways Code.

The maximum annual administrative assessment for the District shall be set for the first year of installment collections at \$15,000,and said maximum amount shall be adjusted annually by the changes in the U.S. Department of Labor Consumer Price Index for the San Francisco-Oakland-San Jose Area index as of June of each year.

Reasons for the Proposed Assessment: The proposed assessment will provide for replacement of the existing water system and sewer system as well as replacement of the existing fire hydrants along Trevarno Road, and associated administrative costs. The improvements will provide a direct and special benefit to all parcels within the District boundaries.

Basis of Proposed Assessment: The method of apportionment of the proposed assessment is based upon the proportionate special benefit received from the improvements and conferred upon the property within the District over and above the general benefit conferred upon the property within the District and the public at large. All assessable parcels within the proposed District receive special and direct benefits from the improvements. Each of the parcels within the District is deemed to receive special benefits from the improvements. Each parcel that has a special benefit conferred upon it as a result of the improvements is identified and the proportionate special benefit derived by each identified parcel is determined in relationship to the entire cost of the improvements. Parcels in the District, all of which receive a special benefit, are assessed, and each parcel is assessed in proportion to the estimated benefit received.

Parcels in the District benefit from the improved livability and increased safety conferred by the improvements. Improved livability and safety benefits are conferred by the replacement of existing, failing sewer and water improvements. Increased safety benefits are conferred by the installation of new fire hydrants that meet the current City Fire Code standards.

To assess special benefits appropriately, it is necessary to relate parcels with differing benefit criteria to each other. In order to facilitate this analysis, Benefit Points for the identified special benefits will be assigned to the 15 parcels in the District. The LARPD owned parking lot parcel will not receive any service and therefore does not benefit from the improvements at this time. The Trevarno Homeowners Association parcel located along Trevarno Road does not benefit separately from the improvements and therefore will not be assigned any Benefit Points. The formula below shows how each parcel's Benefit Points have been determined.

Improved livability special benefit is conferred to parcels in the District by both the Water Improvements and Sewer Improvements. The benefit is proportional to the water meter size and resulting maximum flow for each connection to each system.

The single-family residential parcels will have 5/8" meters and therefore are assigned 0.50 Livability Benefit Point for the Water Improvements and 0.50 Livability Benefit Point for the Sewer Improvements. The LARPD parcel contains two structures. The classroom structure is assigned a 5/8" meter and the office structure will be utilizing a separate water service. The LARPD classroom structure with the 5/8" meter is assigned 0.50 Livability Benefit Point for the Water Improvements and 0.50 Livability Benefit Point for the Sewer Improvements The LARPD office structure, which will be utilizing its existing 2" water connection through a separate service, will receive 0.00 Livability Benefits Points for the Water Improvements. However, the office will be connecting to the Sewer Improvements and the assigned Livability Benefit Point for the Sewer Improvements is 4.00.

Increased safety special benefit is conferred to parcels in the District by both the Water Improvements and Sewer Improvements. The benefit is proportional to the water meter size and resulting maximum flow for each connection to each system.

The single-family residential parcels will have 5/8" meters and therefore are assigned 0.50 Safety Benefit Point for the Water Improvements and 0.50 Safety Benefit Point for the Sewer Improvements. The LARPD parcel contains two structures. The LARPD classroom structure with the 5/8" meter is assigned 0.50 Safety Benefit Point for the Water Improvements and 0.50 Safety Benefit Point for the Sewer Improvements The LARPD office structure, which will be utilizing its existing 2" water connection through a separate service, will receive 0.00 Safety Benefits Points for the Water Improvements. However, the office will be connecting to the Sewer Improvements and the assigned Safety Benefit Point for the Sewer Improvements is 4 00

Increased safety is also conferred to parcels in the District by the Fire Improvements. The relative special benefit related to the Fire Improvements is recognized to be less than the special benefits related to the Water Improvements and Sewer Improvements and is conferred to each structure equally. Therefore each structure is assigned 0.27 Fire Safety Benefit Point. Each single-family residential parcel is assigned 0.27 Fire Safety Benefit Point. The LARPD parcel contains two structures, therefore the resulting Fire Safety Benefit Point Assignment is 0.54 for that parcel.

The formula below shows the total special Benefit Points calculation for each parcel:

A complete description of the method of assessment is described in the Engineer's Report, a copy of which is available at the office of the City Clerk.

ASSESSMENT BALLOTING PROCEDURES

Upon completion, please fold and insert the assessment ballot into the return envelope and seal the envelope. Make sure that you sign and mark your assessment ballot. Mail or deliver the ballot to the address shown on the return envelope pursuant to the enclosed instructions regarding submission of assessment ballot.

The City Council will consider approving the District formation and imposition of the assessment as described above and on the enclosed assessment ballot if there is no majority protest. A majority protest exists if the assessments represented by ballots submitted in opposition exceed those submitted in favor of the assessment. All returned ballots are tabulated and weighted according to the financial obligation of each particular parcel. The assessment will not be imposed if the ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment.

QUESTIONS REGARDING THESE PROCEEDINGS

For information relating to these proceedings, public hearing and the ballot procedure, or to request a replacement ballot, please contact:

SANDRA BURKHART
NBS
TELEPHONE: 800-676-7516
EMAIL: SBURKHART@NBSGOV.COM

ATTACHMENT B - CITY OF LIVERMORE STAFF REPORT



CITY COUNCIL STAFF REPORT

ITEM NO. 5.1

DATE: July 26, 2021

TO: Honorable Mayor and City Council

FROM: Paul Spence, Community Development Director

SUBJECT: Public hearing and ballot for the Assessment District 2021-1 Trevarno Road Sewer and

Water Improvements and, as applicable; (i) a resolution adopting engineer's report and confirming assessments, ordering the work and acquisitions, and directing actions with respect thereto; or (ii) a resolution abandoning special assessment proceedings, and

directing actions with respect thereto.

RECOMMENDED ACTION

Staff recommends the City Council, pursuant to the Municipal Improvement Act of 1913 and the Proposition 218 Omnibus Implementation Act and take the following actions:

- 1. Conduct a public hearing and consider written and oral protests, tabulate the ballots, and announce the results related to a proposed assessment district for the Trevarno Road Sewer and Water Improvements, CIP Project No. 201960.
- 2. If there is no majority protest by landowners to the proposed assessment district, adopt a resolution adopting engineer's report, confirming the assessment, ordering the work and acquisitions.
- 3. If there is a majority protest by landowners to the proposed assessment district, adopt a resolution abandoning the special assessment proceedings.

SUMMARY

The existing private sewer and water systems that were constructed in 1915, serve 12 single family homes and the Livermore Area Recreation and Park District (LARPD) facilities. Property owners have continued to experience numerous problems with the failing systems. On November 25, 2019, the city council appropriated funding, and asked staff to evaluate a special financing district to fund the replacement of the failing infrastructures.

The estimated cost for the proposed sewer and water improvement project is approximately \$2,030,000 which includes project management, planning, engineering, environmental, utility easement acquisition, construction, construction management, inspection, material testing, and other incidental cost associated with the formation and management of the district.

The Engineer's Report shows a total Special Benefit assessment of \$115,487.11 for the single-family parcels and the LARPD classroom, and \$420,739.37 for the LARPD facilities. Establishing the Assessment District 2021-1 Trevarno Road Sewer and Water Improvements ("Assessment District") would enable the City to levy special assessments on parcels within the Assessment District and recover the special benefit cost of the sewer and water infrastructure improvements over 30 years. The establishment of the Assessment District requires a ballot proceeding of property owners within the Assessment District boundaries.

DISCUSSION

Background

The private sewer and water systems that currently serve the properties along Trevarno Road are over 100 years old and have exceeded their useful life. Residents of Trevarno Road have reported that their sewer system has failed pipes, and the disintegrating infrastructure is causing cesspools on their properties. In addition, several unplanned shutdowns for water main repairs were also reported.

On November 25, 2019, the City Council appropriated \$150,000 in General Fund monies and directed staff to proceed with determining the feasibility of a special financing district to fund the replacement of existing private sewer and water improvements with new public sewer and water systems on Trevarno Road. This direction was in response to the petition signed by 7 of the 12 single-family residents on Trevarno Road requesting the City help them finance the replacement of the failing facilities that were constructed in 1915 and accept them as public facilities.

There are 12 single family homes plus common landscaping served by the sewer and water systems. In addition, the Livermore Area Recreation and Park District ("LARPD") has an office and classroom facilities on Trevarno Road that are served by the sewer system. The office facility has separate water service from the 12 single family homes, but the classroom facility is connected to the Trevarno water system. LARPD also owns a parcel that contains a parking lot that does not currently have any sewer or water service.

The project involves the construction of approximately 700 linear feet of 8-inch sanitary sewer, 700 linear feet of 8-inch water, sewer and water laterals, manholes, hydrants, and other auxiliary improvements. The improvements will be constructed on Trevarno Road and the City will obtain a utility easement for the construction and maintenance of the newly constructed public sewer and water facilities. Property owners will be responsible for constructing and connecting the private laterals to the stub out at the curb and for abandoning the private sewer and water mains.

The estimated cost for the proposed sewer and water improvement project is approximately \$2,030,000 which includes project management, planning, engineering, environmental, utility easement acquisition, construction, construction management, inspection, material testing, and other incidental costs associated with the formation and management of the district. Normally, improvement costs are borne by the property owner or developer. Recognizing the costs as a possible hardship for the residents, staff is proposing a financing through the establishment of an Assessment District. The Assessment District will allow property owners to pay their assessment over 30 years.

Assessment District

<u>Procedural History</u>. On May 25, 2021, the City Council adopted the following resolutions related to the proposed Assessment District and directed staff to move forward with the next steps in the formation:

- 1. Resolution No. 2021-074, a resolution of intention to make acquisitions and improvements, pursuant to which the City Council declared its intention to establish the Assessment District and directed preparation of an Engineer's Report.
- 2. Resolution No. 2021-075, pursuant to which the City Council preliminarily approved the Engineer's Report and directed related action, ordered a public hearing to be held on July 26, 2021, directed the City Clerk to cause a notice and ballot to be provided to each property owner in the proposed Assessment District, and called for the ballots to be opened by the City Clerk at the completion of the public hearing.
- 3. Resolution No. 2021-076, by which the City Council declared its intention under federal tax law to reimburse expenditures related to the proposed improvements along Trevarno Road with proceeds of bonds issued for the proposed Assessment District.

As directed by the City Council, and no later than 45 days before the Public Hearing, NBS Local Government Solutions mailed a notice and ballot to each property owner in the proposed Assessment District boundaries.

<u>Procedures at Today's Meeting</u>. At today's meeting the City Council will hold the noticed public hearing. The public hearing is to determine (i) whether the public interest, convenience and necessity require the improvements, (ii) whether the properties in the Assessment District are specially benefited by the proposed improvements, (iii) tabulating special assessment ballots and the determination of the existence of any majority protest and (iv) determining the City Council's final action on the Engineer's Report and the assessments. Property owners have until the close of the public hearing to return their signed and executed assessment ballot. During the public hearing, property owners will have the opportunity to address the City Council and ask questions or voice their concerns.

Upon completion of the public hearing, the City Clerk will tabulate the assessment ballots that have been returned. Each ballot is weighted by the proposed assessment amount on each property. The City Clerk will open and tabulate the ballots, then announce the results. If a majority protest exists, the City Council does not have the authority to enact the assessments as proposed. A majority protest exists if the assessments represented by ballots submitted (and not withdrawn) in opposition exceed those submitted (and not withdrawn) in favor of the assessment. If there is no majority protest, the City Council may approve the Assessment District and adopt a resolution approving the engineer's report, confirming the assessments, and forming the Assessment District. If there is a majority protest the City Council will adopt a resolution abandoning special assessment proceedings.

If there is no majority protest, on September 27, 2021, the City Council will consider a resolution authorizing the issuance of bonds to finance the proposed improvements; the bonds will be payable from the assessments levied in the Assessment District.

<u>Description of the Engineer's Report</u>. NBS's Engineers Report formalized the Special and General Benefit and Method of Assessment per parcel. The anticipated assessment amount per parcel varies based on the individual benefits received by each property owner, the benefits received by the general community, and the costs of the improvements.

A General Benefit occurs when the improvement provides a value to the community, while a Special Benefit occurs when the improvement provides a particular and distinct benefit over and above General Benefits conferred on real property located in the Assessment District or to the public at large.

The General Benefit identified in the Engineer's Report is based on:

(1) The new water and sewer facilities will address health and environmental concerns, and mitigate damage and inconvenience to neighboring parcels which is in the public interest; (2) The fire hydrants installed on Trevarno Road will reduce fire risk to neighboring properties; and (3) Pass-through vehicular and pedestrian traffic that use Trevarno Road to visit the surrounding businesses or residences. The City's cost for the General Benefit Portion is \$107,838.

The Special Benefit to each parcel is based on improved livability and safety. Safe drinking water and functioning sewer conveyance facilities contribute to the wellbeing of the community, improve public health and quality of life. The benefit is calculated on (1) Water Meter Size; (2) Sewer Flow Capacity; and (3) Fire Hydrant Coverage.

Based on the water meter size, corresponding wastewater discharge and fire hydrants coverage Livability Benefit Point and Safety Benefit Point were derived. The total benefit points for single family parcels and the LARPD classroom is 2.27, and for the LARPD office is 8.27. Each benefit point is \$50,875.38. The Engineer's Report shows a total Special Benefit assessment of \$115,487.11 for the single-family parcels and the LARPD classroom, and \$420,739.37 for the LARPD facilities, which will be paid over the 30-year life of the Assessment District. Formation of the Assessment District allows the City to levy special assessments within the Assessment District to pay for the improvements and administer the Assessment District.

Environmental Determination

The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State California Environmental Quality Act (CEQA) Guidelines) and therefore CEQA is not applicable. CEQA will be performed for the project in the design phase.

FISCAL AND ADMINISTRATIVE IMPACTS

The City will be financing the proposed sewer and water improvements through a bond issuance, with the proceeds funding the infrastructure and the repayment of the bonds occurring through annual property assessments on the individual parcels in the Assessment District. Staff expects to propose that the City purchase the bonds for investment of its surplus funds.

The estimated cost for the proposed sewer and water improvement project is approximately \$2,030,000 which includes project management, planning, engineering, environmental, utility easement acquisition, construction, construction management, inspection, material testing, and other incidental cost associated with the formation and management of the district. The City expects the Assessment District to finance \$1,922,072 of these costs. The City will pay \$107,838 for the General Benefit portion, which will be funded with Sewer (Fund 241) and Water (Fund 251) Connection Fee Funds. The Trevarno Road Sewer and Water Improvements CIP Project No. 201960 is included in the FY 2021-23 Capital Improvement Plan.

ATTACHMENTS

- 1. Resolution Adopting Engineers Report
- 2. Exhibit A Assessment Diagram
- 3. Exhibit B -Engineers Report
- 4. Resolution of Abandonment
- 5. Attachment A Certificate of Abandonment

Prepared by: Mallika Ramachandran

Man Polist

Acting Assistant City Engineer

Approved by:

Marc Roberts City Manager Fiscal Review by:

Douglas Alessio

Administrative Services Director

IN THE CITY COUNCIL OF THE CITY OF LIVERMORE, CALIFORNIA

A RESOLUTION ADOPTING ENGINEER'S REPORT, CONFIRMING THE ASSESSMENT, ORDERING THE WORK AND ACQUISITIONS, AND DIRECTING ACTIONS WITH RESPECT THERETO

Assessment District 2021-1 Trevarno Road Sewer and Water Improvements

On May 25, 2021, the City Council (the "Council") of the City of Livermore (the "City") adopted its Resolution No. 2021-074, entitled "A Resolution of Intention to Make Acquisitions and Improvements" (the "Resolution of Intention") under the Municipal Improvement Act of 1913, Division 12 of the Streets and Highways Code of California, (the "Act"), to initiate proceedings under the Act in and for the City's Assessment District 2021-1 Trevarno Road Sewer and Water Improvements (the "Assessment District") for the making of certain acquisitions and improvements (the "Improvements") as described in the Resolution of Intention.

On May 25, 2021, the Council also adopted its Resolution No. 2021-075, entitled "A Resolution Preliminarily Approving Engineer's Report and Directing Related Actions (the "Preliminary Engineer's Report Resolution").

The Resolution of Intention referred to the Assessment District as "Assessment District 2021-1 Trevarno Road Sewer and Water Improvements" and the Assessment District shall hereafter be referred to as "Assessment District 2021-1 Trevarno Road Sewer and Water Improvements."

In the Resolution of Intention, this Council directed NBS Government Finance Group, dba NBS, Temecula California, the Engineer of Work appointed therein to make and file a report in writing (the "Engineer's Report") in accordance with and pursuant to the Act.

The Engineer's Report was duly made and filed, and duly considered by this Council, and in the Preliminary Engineer's Report Resolution, this Council found the Engineer's Report to be sufficient in every particular and determined that the Engineer's Report should stand as the Engineer's Report for all subsequent proceedings under and pursuant to the Resolution of Intention.

In the Preliminary Engineer's Report Resolution, this Council ordered that a public hearing be held before this Council, virtually using Zoom due to COVID-19 pandemic restrictions, on July 26, 2021, at the hour of 7:00 p.m., for the purposes of determining (i) whether the public interest, convenience and necessity require the Improvements, (ii) whether the properties in the Assessment District are specially benefited by the Improvements (iii) the tabulation of special assessment ballots and the determination of the existence of any majority protest and (iv) this Council's final action on the Engineer's Report and the assessments therein.

Notice of the public hearing was duly given as required under the Act, the public hearing was duly and regularly held, all persons interested desiring to be heard were given an opportunity to be heard, and all matters and things pertaining to the Improvements were fully heard and considered by this Council, all protests, both written and oral, were duly heard and considered, and all assessment ballots submitted by property owners were received and tabulated.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Livermore as follows:

- 1. No Majority Protest; Protests Overruled. It is hereby determined that, upon the conclusion of the public hearing, and after tabulation of the assessment ballots submitted, no majority protest against the assessment existed because the assessment ballots submitted in opposition to the assessment did not exceed the ballots submitted in favor of the assessment. In tabulating the ballots, they were weighted according to the proportional financial obligation of the affected properties. This Council hereby overrules the protests, if any, written and oral, against the proposed acquisitions and improvements or the grades at which the work is proposed to be done, as a whole or as to any part, or against the Assessment District or the extent thereof to be assessed for the costs and expenses of the Improvements, as a whole or as to any part thereof, or against the engineer's estimate of costs and expenses, in whole or in part, or against the maps and descriptions, in whole or in part, or against the diagram or the assessment to pay for the costs and expenses of the Improvements, in whole or in part.
- **2. Public Interest.** The public interest, convenience and necessity require that the Improvements be made and that the Assessment District be created.
- **3. Assessment District Described.** The Assessment District to be benefited by the Improvements and assessed to pay the costs and expenses of the Improvements, and the exterior boundaries thereof, are as shown by a map thereof, attached hereto as Exhibit A, which is hereby incorporated by reference.
- **4. Engineer's Report Approved.** The Engineer's Report, attached hereto as Exhibit B, as a whole and each part thereof is hereby approved and confirmed, to wit:
 - (a) the plans and specifications for the proposed Improvements;
 - (b) the maps and descriptions of the lands and easements to be acquired;
 - (c) the engineer's estimate of the itemized and total costs and expenses of the Improvements, and of the incidental expenses in connection therewith;
 - (d) the diagram showing the Assessment District and the boundaries and dimensions of the parcels of land within the Assessment District; and
 - (e) the assessment of the total amount of the costs and expenses of the proposed Improvements upon the parcels in the Assessment District in proportion to the estimated benefits to be received by those parcels, respectively, from the Improvements, and of the expenses incidental to the Improvements.

Final adoption and approval of the Engineer's Report as a whole, as hereby determined and ordered, is intended to and shall refer and apply to the Engineer's Report, or any portion thereof, as amended, modified, revised or corrected by, or pursuant to and in accordance with, any resolution or order, if any, heretofore duly adopted or made by this Council.

5. Improvements Ordered, Assessment District Formed and Assessments Confirmed. This Council hereby orders that the Improvements described in the Resolution of Intention be made, that the Assessment District be formed, and that the assessment to pay the costs and expenses of the Improvements is hereby confirmed and levied. For further particulars pursuant to the provisions of the Act, reference is hereby made to the Resolution of Intention and the Engineer's Report.

- **6. Benefits Determined.** Based on the oral and documentary evidence, including the Engineer's Report, offered and received at the public hearing, this Council expressly finds and determines that:
 - (a) each of said parcels of land will be specially benefited by the Improvements at least in the amount, if not more than the amount, of the assessment apportioned against those parcels, respectively,
 - (b) the principal sum of all unpaid special assessments levied against the parcels of land in the Assessment District, plus the principal amount of the special assessment proposed to be levied, does not exceed one-half the total value of the parcels proposed to be assessed, and
 - (c) there is substantial evidence to support, and the weight of the evidence preponderates in favor of, this finding and determination as to special benefits.

7. Recording Ordered. The City Clerk (the "Clerk") shall promptly:

- (a) Deliver the assessment to the official of the City who is the Superintendent of Streets, together with the assessment diagram, as approved and confirmed by this Council, with a certificate of such confirmation and of the date thereof, executed by the Clerk, attached thereto. The Superintendent of Streets shall record the assessment and assessment diagram in his or her office in a suitable book to be kept for that purpose, and append thereto his or her certificate of the date of such recording, and such recordation shall be and constitute the assessment roll herein.
- (b) Cause a copy of the assessment diagram and a notice of assessment, substantially in the form provided in Section 3114 of the Streets and Highways Code of California, executed by the Clerk, to be filed and recorded, respectively, in the office of the County Recorder of the County of Alameda.

From the date of recording of said notice of assessment, all persons shall be deemed to have notice of the contents of such assessment, and each of such assessments shall thereupon be a lien upon the property against which it is made, and unless sooner discharged such liens shall so continue for the period of 10 years from the date of recordation, or if bonds are issued to represent the assessments, then such liens shall continue until the expiration of 4 years after the due date of the last installment upon the bonds or of the last installment of principal of the bonds.

The appropriate officer or officers of the City are hereby authorized to take all actions and to pay any and all fees required by law in connection with the above.

8. Cash Payment Ordered.

(a) Cash Payment. Under the Act, this Council hereby directs that the owners of property within the Assessment District shall be given written notice of the confirmation of the assessments and of the recording thereof in the office of the City Engineer (as the Superintendent of Streets) and of the opportunity of such owners to pay all or a portion of the assessments in cash for a period of not less than 30 days following recordation of the assessment (the "Cash Payment Period").

(b) Collection Officer . The Treasurer of the City is appointed Collection Officer (the "Collection Officer") for the assessments and the person to whom payment of the assessments shall be made at the following address:

Treasurer
City of Livermore
1052 South Livermore Avenue
Livermore, California 94550
Attn: Collection Officer, Assessment District 2021-1 Trevarno Road
Sewer and Water Improvements

The Superintendent of Streets is hereby relieved of all responsibility for collecting assessments.

- **(c) Mailed Notices.** The Collection Officer shall cause notices to pay assessments to be mailed under Section 10404 of the Act, which notice shall state that bonds will be issued under the Improvement Bond Act of 1915 to represent any unpaid assessments. The mailed notice shall be mailed to each owner of real property within the Assessment District at his or her last known address as the same appears on the tax rolls of the County, or on file in the office of or as known to the Clerk, or to both addresses if the address is not the same, or to the general delivery when no address so appears.
- (d) Published Notice. The Collection Officer shall also cause the notice to be published once a week for two successive weeks (with at least five days intervening between the respective publication dates, not counting such dates) in a newspaper published and circulated in the Assessment District.
 - **(e) Contents of Notices.** Each mailed and published notice shall state:
 - (i) that the assessment has been recorded as provided in Section 10402 of the Streets and Highways Code,
 - (ii) the date of recordation,
 - (iii) that all sums assessed therein are due and payable immediately and payment thereof is to be made to the Collection Officer at the Collection Officer's office within the Cash Payment Period, and
 - (iv) the effect of failure to pay within such time, including the fact that bonds will be issued pursuant to the Improvement Bond Act of 1915 to represent and upon the security of the assessments which are not paid within the Cash Payment Period.

The mailed assessment notices shall contain a designation by street number or other description of the property assessed sufficient to identify that property and the amount of the assessment on that property.

(f) Proceeds of Collections. The Collection Officer shall hold funds received during the Cash Payment Period as separate and distinct from other funds of the City.

Such funds may be invested by the Collection Officer in lawful investments for the Assessment District; provided, however, that the Collection Officer shall be under no obligation to invest any or all of such funds.

If this Council issues bonds for the Assessment District, the cash payments shall be applied to the Improvements for the Assessment District. If the Council determines not to issue bonds to finance the Improvements, the Collection Officer shall return the amounts of each cash payment (with any interest thereon) to the persons responsible for paying that cash payment. The timing of such determinations shall be entirely at the discretion of the Council.

Effective Date. This resolution shall be effective upon the date of its

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Exhibit A – Assessment Diagram Exhibit B - Engineer's Report

adoption. On motion of Council Member______, seconded by Council Member______, the foregoing resolution was passed and adopted on July 26, 2021, by the following vote: AYES: **COUNCIL MEMBERS:** NOES: **COUNCIL MEMBERS:** ABSENT: **COUNCIL MEMBERS:** ABSTAIN: **COUNCIL MEMBERS:** ATTEST: APPROVED AS TO FORM: Tara Muyant Marie Weber Tara Mazzanti Assistant City Attorney City Clerk

Sheet 1 of 1

ASSESSMENT DIAGRAM CITY OF LIVERMORE ASSESSMENT DISTRICT 2021-1 TREVARNO ROAD SEWER AND WATER IMPROVEMENTS

CITY OF LIVERMORE COUNTY OF ALAMEDA STATE OF CALIFORNIA

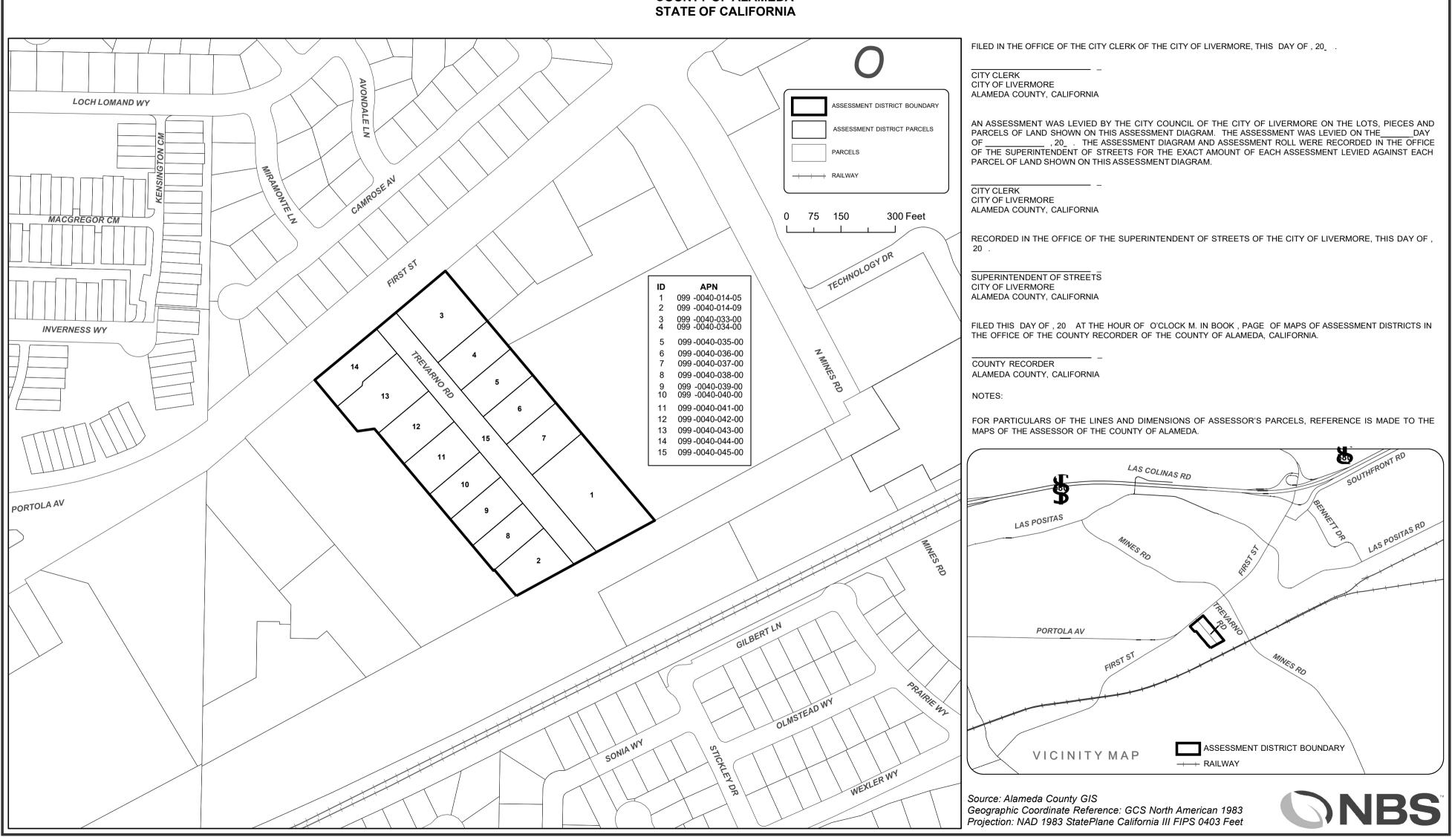


EXHIBIT B ENGINEER'S REPORT

CITY OF LIVERMORE

Preliminary Engineer's Report For:

Assessment District 2021-1

Trevarno Road Sewer and Water Improvements

April 2021

Prepared by:

nbsgov.com



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1. ENGINEER'S STATEMENT

The City Council of the City of Livermore, State of California, directed NBS to prepare and file a report presenting plans and specifications describing the general nature, location and extent of the Improvements (as defined herein), and an estimate of the costs of the Improvements for Assessment District 2021-1 Trevarno Road Sewer and Water Improvements (the "District") for Fiscal Year 2022/23. This report includes a description of the Improvements to be constructed by the District, a cost estimate for the District, and the proposed assessments to be levied upon each assessable lot or parcel within the District.

The assessments described in this Report have been prepared pursuant to Article XIII D of the California Constitution, the Proposition 218 Omnibus Implementation Act, and the Municipal Improvement Act of 1913, Division 15 of the California Streets and Highways Code (collectively, the "Assessment Law").

Notice is hereby given that bonds secured by unpaid assessments, bearing interest at a rate not to exceed twelve percent (12%) per annum, may be issued in the manner provided by Division 10 of the Streets and Highways Code of the State of California, the Improvement Bond Act of 1915, and the last installment of the bonds shall mature not to exceed thirty (30) years from the second day of September next succeeding twelve (12) months from their date.

In preparing the assessments contained herein (the "Assessments") pursuant to the Assessment Law:

- 1. I have identified all parcels that will have a special benefit conferred upon them by the Improvements described in Section 6 of this Report (the "Specially Benefited Parcels").
 - a. For particulars as to the identification of these parcels, reference is made to the Assessment Diagram, a copy of which is included in Section 10 of this Report.
- 2. I have assessed the estimated costs and expenses of the Improvements upon the Specially Benefited Parcels. In making such assessment:
 - a. The proportionate special benefit derived from the Improvements by each Specially Benefited Parcel was determined in relationship to the total special benefits derived by all Specially Benefited Parcels;
 - No assessment has been imposed on any Specially Benefited Parcel which exceeds the reasonable cost of the proportional special benefit conferred on such parcel by the Improvements; and
 - c. The general benefits have been separated from the special benefits and only special benefits have been assessed.

I, the undersigned, respectfully submit this Engineer's Report and, to the best of my knowledge, information and belief, this Report, the assessments, and the Assessment Diagram herein have been prepared and computed in accordance with the Assessment Law.

Bv:

John G. Egan

Assessment Engineer

R.C.E. 14853



4/22/2021

2. **CERTIFICATIONS**

L.	I the City Cl	lerk of the City of Livermore, hereby certify that the enclosed			
	Engineer's Report for the City of Livermore Assessment District 2021-1 Trevarno Road Sewer and Water Improvements, together with the Assessment District Assessments and Assessment Diagram thereto				
	attached, was filed with me on	·			
	Ву:				
	Print Name	City Clerk/Designee City of Livermore			
		Alameda County, California			
	the City Cl				
•		lerk of the City of Livermore, hereby certify that the enclosed			
		more Assessment District 2021-1 Trevarno Road Sewer and Wat essment District Assessments and Assessment Diagram thereto			
	•	-			
		ed by the City Council of the City of Livermore on			
	-	·			
	Divi				
	By: Print Name	City Clerk/Designee			
	Print Name	City Clerk/Designee City of Livermore			
		Alameda County, California			
		Alameda County, Camornia			
	I the Superi	intendent of Streets of the City of Livermore, hereby certify that			
		e City of Livermore Assessment District 2021-1 Trevarno Road			
	- · · · · · · · · · · · · · · · · · · ·	ether with the Assessment District Assessments and Assessment			
		n my office on			
	Diagram thereto attached, was med in	Tilly office on			
	Ву:				
	Print Name	Superintendent of Streets			
		City of Livermore			
		Alameda County California			

3. INTRODUCTION

3.1 District History

On November 25, 2019, the City Council of the City of Livermore (the "City") directed City staff to proceed with determining the feasibility of a special financing district to fund the replacement of existing water and sewer improvements as well as the historic fire hydrants along Trevarno Road. The private water and sewer systems that currently serve properties along Trevarno Road are over 100 years old and have exceeded their useful life. Residents of Trevarno Road have reported that their sewer system has failed pipes and a disintegrating infrastructure, causing cesspools on their properties. There are 12 single family homes plus common landscaping served by the water and sewer system. In addition, the Livermore Area Recreation and Park District ("LARPD") has an office and classroom facilities on Trevarno Road that are served by the sewer system but have separate water service from the 12 single family homes. LARPD also owns a parcel that contains a parking lot.

The City received a petition signed by 7 residents of Trevarno Road. The petition requested that the City form an infrastructure financing district to finance the repair or replacement of the existing private sewer and water systems with new public systems. It also requested that the City accept the new utilities for public maintenance.

3.2 Legislative Context

Determinations of special and general benefits must comply with the requirements of Article XIII D and the Act. The following is a description of the legislative context within which this report is written.

In 1996, California Voters adopted Proposition 218, the "Right to Vote on Taxes Act" which added Articles XIII C and XIII D to the California Constitution. Article XIII D, Section 4 imposes certain substantive and procedural requirements on any agency that wishes to levy special assessments.

The substantive requirements are twofold: (1) assessments can only be imposed for a "special benefit" conferred on an assessed parcel, and (2) assessments must be in proportion to, and no greater than, the special benefit conferred on an assessed parcel.

The special benefit and proportionality requirements are described in Section 4, Subdivision (a) of Article XIII D: "An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and an agency shall separate the general benefits from the special benefits conferred on a parcel."

In addition to its substantive requirements, Article XIII D imposes certain procedural requirements, which include preparing an engineer's report, providing written notice to property owners, providing assessment protest ballots to property owners, holding a public hearing, and tabulating the assessment protest ballots.



3.3 Court Rulings

Since the initial passage of Proposition 218, several court rulings have helped provide context and direction on the practical implementation procedures and requirements for levying assessments. Several of the key concepts from these rulings are summarized below.

3.3.1 GENERAL BENEFIT

Article XIII D requires an agency to separate the general benefits from the special benefits conferred because only special benefits are assessable.

The Court of Appeal in Golden Hills Neighborhood Assn., Inc. v. City of San Diego (2011) (Golden Hills)ⁱ clarified this concept by stating, "Separation and quantification of general and special benefits must be accomplished by apportioning the cost of a service or improvement between the two and assessing property owners only for the portion of the cost representing special benefits."

The Court of Appeal in *Beutz v. County of Riverside* (2010) (*Beutz*)ⁱⁱ quoted from the Legislative Analyst's Office pamphlet titled "Understanding Proposition 218" which states an agency must, "estimate the amount of special benefit landowners would receive from the project or service, as well as the amount of 'general benefit.' This step is needed because Proposition 218 allows local government to recoup from assessments only the proportionate share of cost to provide the special benefit."

The Court in Beutz furthered this idea, stating, "Separating the general from the special benefits of a public improvement project and estimating the quantity of each in relation to the other is essential if an assessment is to be limited to the special benefits."

3.3.2 BENEFIT-BASED NOT COST-BASED

In Bonander v. Town of Tiburon (2009) (Tiburon),ⁱⁱⁱ the Court of Appeal clarified the idea that assessments must be apportioned based upon benefit rather than cost. The Court stated, "Proportionate special benefit is the basis upon which a project's total assessable costs are apportioned among parcels within an assessment district."

The assessment on a particular property cannot be based on the relative cost of the improvements, but rather the special benefit conferred on such property. The Court in *Tiburon* also stated, "an assessment represents the entirety of the cost of the improvement or property-related service, less any amount attributable to general benefits (which may not be assessed), allocated to individual properties in proportion to the relative special benefit conferred on the property."

3.3.3 PUBLIC PROPERTY

Section 4, Subdivision (a) of Article XIII D states, in part, "Parcels within a district that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit." Historically there had been differing opinions about whether this requirement that publicly owned property should not be exempt actually meant those properties must be assessed.

The Court of Appeal in *Manteca Unified School District v. Reclamation District No. 17 et al* (2017) (*Manteca*^{iv}) clarified this issue by stating, "section 4, subdivision (a) of article XIII D of the California



EXHIBIT B

Constitution unambiguously conditions any continuing benefit assessment exemption on a showing by clear and convincing evidence of no special benefit."

3.3.4 IMPRECISION

The Court in *Tiburon* acknowledged the difficulty of trying to precisely assign and measure special benefit, stating, "Any attempt to classify special benefits conferred on particular properties and to assign relative weights to those benefits will necessarily involve some degree of imprecision."

The Court in *Tiburon* went on to say that a formula assigning equal weight to different special benefits "may be a legally justifiable approach to measuring and apportioning special benefits, [but] it is not necessarily the only valid approach. Whichever approach is taken to measuring and apportioning special benefits, however, it must be both defensible and consistently applied."



4. IMPROVEMENTS

The following public improvements are to be funded:

- Water Improvements
- Sewer Improvements
- Fire Improvements

As described in detail below, the water improvements, sewer improvements and fire improvements are collectively referred to as the "Improvements" throughout this report.

4.1 Water Improvements

The Water improvements consist of the design, acquisition of a public utility easement, and construction of certain public capital water facilities, together with appurtenances. 8-inch PVC water main, 1 inch water service line, water meter and box will be installed on Trevarno Road and property owners will tie private laterals into the new water meter and box. 1 inch irrigation service line, meter, backflow device will also be installed. The abandoning of private main and private laterals and construction of new private laterals and tie to water meter is the responsibility of the property owners.

4.2 Sewer Improvements

The Sewer improvements consist of the design, acquisition of a public utility easement, and construction of certain public capital sewer facilities, together with appurtenances. 8 inch PVC sewer main, 4 inch sewer laterals and clean out will be installed on Trevarno Road and property owners will tie private laterals into the new sanitary sewer cleanout. The abandoning of private main and private laterals and construction of new private laterals and tie to cleanout is the responsibility of the property owners.

4.3 Fire Improvements

The Fire Improvements consist of the removal and replacement of 3 existing fire hydrants (including lateral and valve).

4.3.1 OVERHEAD

In addition to the actual costs of constructing the Improvements mentioned above, the City will incur costs for staff time and expenses directly related to the administration and management of the District. Staff time includes the administration and management of debt issuance, annual reporting requirements, annual assessment roll preparations, responding to property owner inquiries, and charges related to placing the assessment amounts onto the Alameda County tax roll.



5. SPECIAL BENEFITS

The Improvements will confer special benefits upon parcels within the District. These benefits are summarized in the table below:

Improvement	Benefit(s)		
Water Improvements	Improved Livability Increased Safety		
Sewer Improvements	Improved Livability Increased Safety		
Fire Improvements	Increased Safety		

The special benefits to be conferred by the Improvements are detailed below.

5.1 Water Improvements

5.1.1 IMPROVED LIVABILITY

Livability reflects the wellbeing of a community and comprises the many characteristics that make a location a place where people want to live now and in the future. Water infrastructure plays a vital role in improving livability because secure, potable water service allows for the enjoyment of a higher standard of living. Water can confidently be used for drinking, cooking, irrigation, and more. Of all the elements of public infrastructure, water systems are the most essential for the daily lives of Americans.

The average American family of four uses roughly 400 gallons of water a day for drinking, washing, cooking, cleaning, and more. Additionally, the World Health Organization (the "WHO") states safe WASH [water, sanitation and hygiene] is not only a prerequisite to health, but contributes to livelihoods, school attendance and dignity and helps to create resilient communities living in healthy environments. Therefore, the Water Improvements will confer livability benefits.

5.1.2 INCREASED SAFETY

The Water Improvements will confer safety benefits to parcels throughout the District. According to the WHO "safe drinking water, sanitation and hygiene [WASH] are crucial to human health and well-being...Drinking unsafe water impairs health through illnesses such as diarrhea and untreated excreta contaminates groundwaters and surface waters used for drinking water, irrigation, bathing and household purposes." Vi

As noted in a report titled Benefits of Investing in Water and Sanitation: An OECD Perspective Report (2011) "an adequate and dependable source of water is...linked to a reduction of water-borne diseases such as...diarrhea, malaria or dengue fever", and "reduces health risks". According to Water Quality, a civil engineering textbook authored by George Tchobanolgous, Ph.D., and Edward D. Schroeder, Ph.D., "Waterborne and water-based diseases are among the most serious health problems in the world today," vii

The Water Improvements will ensure that the water delivery system can provide property owners an adequate supply of safe, usable water. Therefore, the Water Improvements will confer safety benefits.



5.2 Sewer Improvements

5.2.1 IMPROVED LIVABILITY

Having access to the City's sewer system improves the livability of properties within the District. Improperly treated sewage and sewer system leakage can lead to serious health issues and an overall decreased level of livability. According to the Center for American Progress, "every year, outdated wastewater systems dump billions of gallons of untreated sewage and thousands of aging water pipes burst, costing millions of dollars in repairs and economic losses...these all too commonplace incidents endanger both the environment and public health, while also undermining economic growth."

Currently, the sewer system servicing the Trevarno Road property owners is beginning to fail. Sewer systems have limited life spans, can be costly to maintain and replace, and their failure can negatively affect livability. According to the publication titled "Sanitation Solutions for Urban Growth", authored by Sarah Cairns-Smith, Haley Hill and Emmanual Nazarenko, cities with effective sanitation management are cleaner and more livable, and have healthier populations...investments in sanitation dramatically improve a city's quality of life."

Therefore, the Sewer Improvements will confer livability benefits.

5.2.2 INCREASED SAFETY

Replacing the outdated sewer system with a new system will also confer safety benefits to properties throughout the District. According to the American Society of Civil Engineers, "aging pipes and inadequate capacity result in the discharge of 900 billion gallons of untreated sewage into U.S. waterways each year." According to research conducted by the University of Minnesota Extension, "improperly treated sewage can be the culprit behind the spread of hepatitis, dysentery, and other diseases resulting from pathogens in drinking water, while also compromising the purity of lakes and streams." The OECD Prospective Report mentioned above notes that sewer treatment systems "generate significant benefits for public health".

Replacement of the existing sewer system will ensure wastewater is conveyed off-site to a centralized treatment facility. Therefore, the Sewer Improvements will confer safety benefits.

5.3 Fire Improvements

5.3.1 INCREASED SAFETY

According to the City's Fire Code, fire hydrants are to be installed along fire access roads and public streets, with spacing and distribution of hydrants based on the fire flow required for the surrounding structures. While there are currently fire hydrants in place on Trevarno Road, they are historical and do not meet the current City Fire Code standards, therefore the addition of new fire hydrants along Trevarno Road provides more efficient and reliable access to a water source in the event of a fire. A community's investment in fire mitigation is a proven and reliable predictor of future fire losses. Having a reliable water resource, such as a fire hydrant, readily available on the scene of an incident provides greater protection than a water resource located farther away or potentially having to be conveyed via tank vehicle. Fire hydrants installed according to the City's current Fire Code standards will better allow for the provision of emergency services within the District. Having access to a readily available, reliable water resource, such as a fire hydrant, on the scene of an incident provides greater protection than a water resource located farther away or potentially having to be conveyed via tank vehicle. On average, communities with superior fire protection



EXHIBIT B

services have lower fire losses than communities with less comprehensive service. XII The Fire Improvements will confer increased safety benefits to properties throughout the District.



6. SPECIAL BENEFIT DISTRIBUTION

As described in Section 3, once special benefits are identified, they must be assigned based on the estimated proportionate special benefit derived by each parcel. This section describes the assignment of special benefit to each parcel.

6.1 Benefit Criteria

The following benefit criteria are used to determine each parcel's proportionate special benefit from the Improvements:

- Water Meter Size
- Sewer Flow Capacity
- Fire Hydrant Coverage

All parcels with connections to the water and sewer system have the same ability to use each system, therefore each parcel that will be served by each system receives special benefit related to the Water Improvements and Sewer Improvements. The level of benefit does not change depending on the linear frontage of the sewer line, the property value, or the location within the District. Rather, the water meter size and the sewer flow capacity, both measures of the maximum flow that can be generated by a property, is used to determine the Water Improvements and Sewer Improvements proportionate special benefit.

Three historical fire hydrants located along Trevarno Road will be removed and replaced with three new fire hydrants that meet the current fire code standards. All parcels will receive the same benefit from the location of the Fire Improvements in proximity to the parcels within the District boundary.

In order to relate differing parcel characteristics to one another, a relative factor is determined for each.

6.1.1 WATER METER SIZE

All structures on each parcel within the District will receive the same 5/8" dual-use water meter for existing domestic water, with the exception of the LARPD office building. The LARPD parcel contains two structures, a classroom and an office building. The classroom structure will receive a 5/8" dual-use water meter for existing domestic water. The office building will utilize its existing 2" water connection, however that connection is served by a separate water system and therefore the office building does not receive benefit from the District Water Improvements.

6.1.2 SEWER FLOW CAPACITY

As the size of the water supply determines the amount of potential wastewater discharge, using the water meter sizes provides a metric for determining the sewer flow capacity. Maximum flow rates, as referenced in the American Water Works Association (AWWA) M1 Principles of Water Rates, Fees and Charges, 7th Edition, provide the safe maximum operating capacity by meter type in gallons per minute (gpm). The 5/8" meter size, used for all residential structures and the LARPD classroom structure, represents a maximum flow in gallons per minute of 20. A 2" meter size, used for the LARPD office structure, has a maximum flow in gallons per minute of 160.



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6.1.3 FIRE HYDRANT COVERAGE

The three existing fire hydrants along Trevarno Road are being removed and replaced with new fire hydrants. The hydrants are placed along Trevarno Road to provide evenly distributed coverage to all the properties within the District.

6.1.4 IMPROVED LIVABILITY BENEFIT POINTS

The following table provides a summary of the benefit points related to the improved livability special benefit:

Maximum Water Improved **Improved Improved** Meter Flow **Livability Benefit Livability Benefit Livability Benefit** (gpm)⁽¹⁾ **Structure** Size Points - Water Points – Sewer **Points - Total** Single Family 5/8" 20 0.5 0.5 1 Residential (LARPD 5/8" 20 0.5 0.5 1 Classroom)

0

4

TABLE 1. IMPROVED LIVABILITY BENEFIT POINTS

(1) Source: AWWA, M1, Table B-2. Assumes displacement for 5/8" through 2".

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- (2) The residential 5/8" meter is treated as 1 equivalent meter.
- (3) Size of existing water meter to be utilized in connection with the Sewer Improvements.

Improved livability special benefit is conferred to parcels in the District by both the Water Improvements and Sewer Improvements. The benefit is proportional to the water meter size and resulting maximum flow for each connection to each system.

6.1.5 INCREASED SAFETY BENEFIT POINTS

2"(3)

(LARPD Office)

The following table provides a summary of the benefit points related to the increased safety special benefit:

Structure	Water Meter Size	Maximum Flow (gpm) ⁽¹⁾	Increased Safety Benefit Points – Water	Increased Safety Benefit Points – Sewer	Increased Safety Benefit Points - Fire	Increased Safety Benefit Points - Total
Single Family Residential	5/8"	20	0.5	0.5	0.27	1.27
(LARPD Classroom)	5/8"	20	0.5	0.5	0.27	1.27
(LARPD Office) ⁽³⁾	2"	160	0	4	0.27	4.27

TABLE 2. INCREASED SAFETY BENEFIT POINTS

- (1) Source: AWWA, M1, Table B-2. Assumes displacement for 5/8" through 2".
- (2) The residential 5/8" meter is treated as 1 equivalent meter.
- (3) Size of existing water meter to be utilized in connection with the Sewer Improvements.

Increased safety special benefit is conferred to parcels in the District by both the Water Improvements and Sewer Improvements. The benefit is proportional to the water meter size and resulting maximum flow for each connection to each system. Increased safety is also conferred to parcels in the District by the Fire Improvements. The relative special benefit related to the Fire Improvements is recognized to be less than



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the special benefits related to the Water Improvements and Sewer Improvements and is conferred to each structure equally.

6.2 Total Benefit Points Calculation Summary

The calculation of total benefit points for each parcel takes into account each component of the parcel characteristics identified above. The formula for determining each parcel's total benefit points is as follows:

_		Parcel's Benefit Point Formula				
	Improved Livability	+	Increased Safety Benefit	_	Total Benefit Points	
	Benefit Points		Points	-	rotal beliefft Polifits	

The individual benefit points are summed for each parcel to determine the District's total benefit points. The total benefit points are used to determine the assessment per benefit point.

6.2.1 SPECIAL CONSIDERATIONS

Consistent with the requirements of Proposition 218, all publicly owned parcels are assessed proportionately to the special benefit they receive from the Improvements. That is, public parcels are treated the same as privately owned parcels for assessment calculation purposes. Alameda County Assessor's land use codes were used to classify privately owned properties into land use categories (e.g., residential, non-residential, golf course). For public parcels, however, the Alameda County Assessor's land use codes only designate the type of public ownership.

There is one common area parcel owned by the Trevarno Estates. The common area parcel is the location of the landscaping along Trevarno Road. As this parcel is common area to the District parcels, it does not benefit separately from the Improvements.

In addition to the parcel owned by LARPD with the office building and classroom structures, there is a parking lot owned by LARPD in the District. The parking lot will not receive water or sewer services, nor does it separately benefit from the Fire Improvements.



7. SEPARATION AND QUANTIFICATION OF GENERAL BENEFITS

As described in the Introduction, only special benefits are assessable. In order to assess only special benefits, the general benefits resulting from the Improvements must be separated and quantified. The Improvements are being designed and constructed to replace the existing, failing water and sewer infrastructure as well as the historical fire hydrants. This replacement of the existing infrastructure provides a benefit directly to those parcels receiving the services. However, it is recognized that the Improvements may provide incidental benefits to surrounding properties that are not within the District. This section describes the process used to separate and quantify the general benefits.

7.1 General Benefit Analysis

It is reasonable to presume that diseases originating within the District borne from improperly treated water or sewer have a high likelihood of impacting property in the immediate vicinity of the District. Diseases may be transmitted to persons or animals outside of the District boundaries through contact by animals, persons, employees, or patrons within the District. Diseased water or sewer may also seep into properties adjacent to the District. Failure of the existing, water and sewer systems may cause damage or inconvenience to neighboring parcels.

The fire hydrants will also provide a level of benefit to some property outside of the District, but within proximity to property within the District. By protecting property in the District, neighboring property is less likely to be involved in a fire incident. According to the Occupational Safety and Health Administration Fire Service Features of Buildings and Fire Protection Systems, a slight delay in [fire service] operations, especially when the first fire apparatus are arriving and positioning, can adversely affect subsequent operations and the outcome of the incident. Delays caused by poorly located fire hydrants...or inaccessible equipment can have a ripple effect...during these delays, the fire will likely grow exponentially, expanding the hazard for both occupants and firefighters. xiii The fire hydrants installed on Trevarno Road will reduce fire risk for neighboring properties.

To quantify the general benefit related to neighboring property, a ratio of the parcel area within the District to the area immediately adjacent to the District within a 10 foot wide buffer is calculated. The area along First Street is excluded from this calculation as it is not feasible that the street will receive general benefit from the Improvements.

Area	Square Feet	% of Acreage
Total Square Feet within District Boundary	376,884	94.55%
Total Square Feet within 10' Buffer of District Boundary	21,720	5.45%
Total	398,604	100.00%

General benefits are not restricted to benefits conferred only on persons and property outside the District but can include benefits both conferred on real property located in the district or to the public at large. The



"public at large" includes all members of the public, including those who live, work, and shop within the district, and not simply transient visitors.

One would conclude the purpose of Trevarno Road is exclusively intended for the benefit of the properties on the street. However, due to the location of the District, there will invariably be vehicles and pedestrians passing through the District to reach the businesses along Contractors Place or the residences along First Street, with no intention of stopping at or utilizing any of the properties in the District. Therefore, given the location of the District to both residential and business properties on each side of Trevarno Road, there are bound to be drivers and pedestrians that make use of Trevarno Road to pass through for no other reason but to visit the surrounding businesses or residences or to turn around or go back from where they came. As a result, a conservative estimate of 1% general benefit is attributable to vehicles and pedestrians passing through on Trevarno Road that are not anticipated to terminate at a property within the District.

7.2 Overall General Benefit

As summarized in the table below, it is estimated that the Improvements will confer 6.45% general benefit. Therefore, 6.45% of the cost estimate attributable to construction costs must be funded from sources other than District assessments.

TABLE 5. TOTAL GENERAL BENEFIT PERCENTAGE RECEIVED FROM THE IMPROVEMENTS

General Benefits	General Benefit %
Benefits to Neighboring Property	5.45%
Benefits to Pass Through Traffic	1.00%
Total	6.45%

8. COST ESTIMATE

The following table is a summary of the estimated costs of the Improvements:

TABLE 6. TOTAL ESTIMATED COST OF THE IMPROVEMENTS

Description	Cost Estimate
Construction Costs	
Mobilization	\$60,000.00
Traffic Control	20,000.00
Erosion and Sediment Control	20,000.00
Roadway Demolition and Grading	149,810.00
Asphalt Paving	140,850.00
Concrete	34,940.00
Sanitary Sewer	248,000.00
Water	234,000.00
Landscaping and Irrigation	25,000.00
Striping on First Street	2,000.00
Construction Support – Consultant	30,000.00
Construction Staking	10,000.00
Construction Management – City	50,000.00
Construction Inspection – City	50,000.00
Record Drawings	2,000.00
Material Testing	10,000.00
Contingency (25%)	271,650.00
Subtotal Construction Cost Estimate	\$1,358,250.00
Planning Engineering, Environmental Costs	
Preparation of PS&E	50,000.00
CEQA Clearance	15,000.00
Temporary Construction Easements for Trevarno Road	3,500.00
Right of Entry Documents	10,000.00
Geotechnical Support	20,000.00
Bidding Support	2,500.00
Storm Water Pollution Prevent Plans (SWPPP)	2,500.00
Assessment District Formation	56,500.00
City Project Manager	50,000.00
Contingency (25%)	52,500.00
Irrigation Water Meter Connection Fees	51,160.00
Subtotal Planning, Engineering, Environmental Costs	\$313,660.00
<u>Incidental Costs</u>	
Reserve Fund	\$204,000.00
Capitalized Interest	52,000.00
Cost of Issuance	102,000.00
Subtotal Incidental Costs	\$358,000.00
Total Cost Estimate	\$2,029,910.00



8.1 Balance to be Assessed

The total amount to be assessed upon the specially benefitting parcels is the total cost of the Improvements, as detailed above, less the portion attributable to General Benefit as detailed in Section 7 above. The calculation of the balance to be assessed is shown below:

TABLE 7. TOTAL BALANCE TO BE ASSESSED FOR THE IMPROVEMENTS

Description	Amount
Total Construction Management & Design Costs	\$1,671,910.00
Less: General Benefit Portion (6.45%)	(107,838.20)
Add: Incidental Costs Related to Debt Issuance	358,000.00
Total Cost Estimate Balance to be Assessed	\$1,922,071.80
Total District Benefit Points	37.78
Assessment per Benefit Point	\$50,875.38



8.2 Cost Certifications

The requirements of Division 4 of the California Streets and Highways Code shall be satisfied with Part 7.5 of said Division 4, for which the following is presented:

Under Part 7.5 of Division 4 of the Streets and Highways Code, I present as follows:

1. The total amount, as near as can be determined, of the total principal amount of all unpaid special assessments and special assessments required or proposed to be levied under any completed or pending assessment proceedings, other than contemplated in the instant proceedings is:

\$0.00

2. The total amount of the principal sum of the special assessments (the "Balance to Assessment") proposed to be levied in the instant proceedings is:

\$1,922,071.81

3. The total amount of the principal sum of unpaid special assessments levied against the parcels proposed to be assessed, as computed pursuant to Paragraph 1 above, plus the principal amount of the special assessment proposed to be levied in the instant proceedings from Paragraph 2. above is:

\$1,922,071.81

4. The total true value, as near as may be determined, of the parcels of land and improvements which are proposed to be assessed in the instant proceedings, as determined by the full cash value of the parcels as shown upon the last equalized assessment roll of the County of Alameda is:

\$6,355,596.00



9. ASSESSMENT DEVELOPMENT

The proposed assessment reflects the application of special benefit and proportionality as discussed within this report. The calculations below detail a calculation of Special Benefit Points and Assessment for parcels within the District.

9.1 Assessment per Special Benefit Point

The assessment per special benefit point is calculated by applying the total Cost Estimate Balance to be Assessed by the total special benefit points assigned to the parcels within the District. The following formula provides the assessment per special benefit point calculation:

Total Costs / Total District Special = Assessment per to be Assessed | Benefit Points | Special Benefit Point | \$1,922,071.81 | 37.78 | \$50,875.38

The special benefit analysis and assignment of special benefit points has been calculated in relation to the total costs to be assessed. No assessment will be imposed on any parcel that exceeds the reasonable cost of the proportional special benefit conferred on the parcel.

9.2 Annual Administrative Costs

As provided in Streets and Highways Code Section 10204(f), an additional assessment will be levied annually on each parcel to pay costs associated with the administration of the District and the funding of a debt service reserve.

These annual assessments are separate from, and in addition to, (a) the per-parcel collection fee that may be added to each annual assessment under Streets and Highways Code Sections 8682 (to cover expenses of collection) and 8682.1 (to cover bond administration costs), and (b) any fees payable to the City in connection with District pre-payments after the issuance of Bonds, apportionment of District liens to reflect parcels splits or parcel mergers, and late charges and penalties for delinquent District installments.

Each parcel subject to the District assessment shall be allocated a share of these annual costs based on its prorata share of the remaining billable District assessment. The exact amount of these charges will be established each year by the City, and will consist of the following maximum amounts:

An annual amount to pay costs incurred by the City with respect to the administration of the
District and the bonds which are not otherwise reimbursed, which will initially equal \$15,000, and
which will be adjusted annually by the changes in the U.S. Department of Labor Consumer Price
Index for the San Francisco-Oakland-San Jose Area index as of June of each year.

9.3 Method of Assessment for Future Subdivision

The method of assessment for any newly created parcels within the District shall be according to the original method of assessment. The new parcel's benefit points shall be calculated per Section 6. In no case shall the total benefit points assigned to the new parcels be less than the total benefit points assigned to the original parcel(s) being subdivided or consolidated. A new assessment per benefit point shall be



established using the then outstanding lien of the original parcel(s) and the total benefit points of the new parcel(s) per Section 6. To determine each new parcel's assessment, the new assessment per benefit point shall then be multiplied by each new parcel(s) assigned benefit points.

9.4 Contingent Assessment

Note Regarding Potential Additional Water and Sewer Connections

The proposed Improvements will initially serve only the parcels subject to the District assessment. In the event that any additional future water and/or sewer connections are made to the District Improvements, such connections may be subject to contingent assessments imposed by the City. The City will apply the portion of the contingent assessment attributable to the District Improvements to the benefit of the District. These funds will be used to proportionally reduce the future obligation related to all parcels subject to the District at the time of such connection. If any parcel's assessment has been prepaid in full, the portion of the contingent assessment attributable to that parcel shall be paid in cash to the current property owner.



10. BOUNDARY MAP & ASSESSMENT DIAGRAM

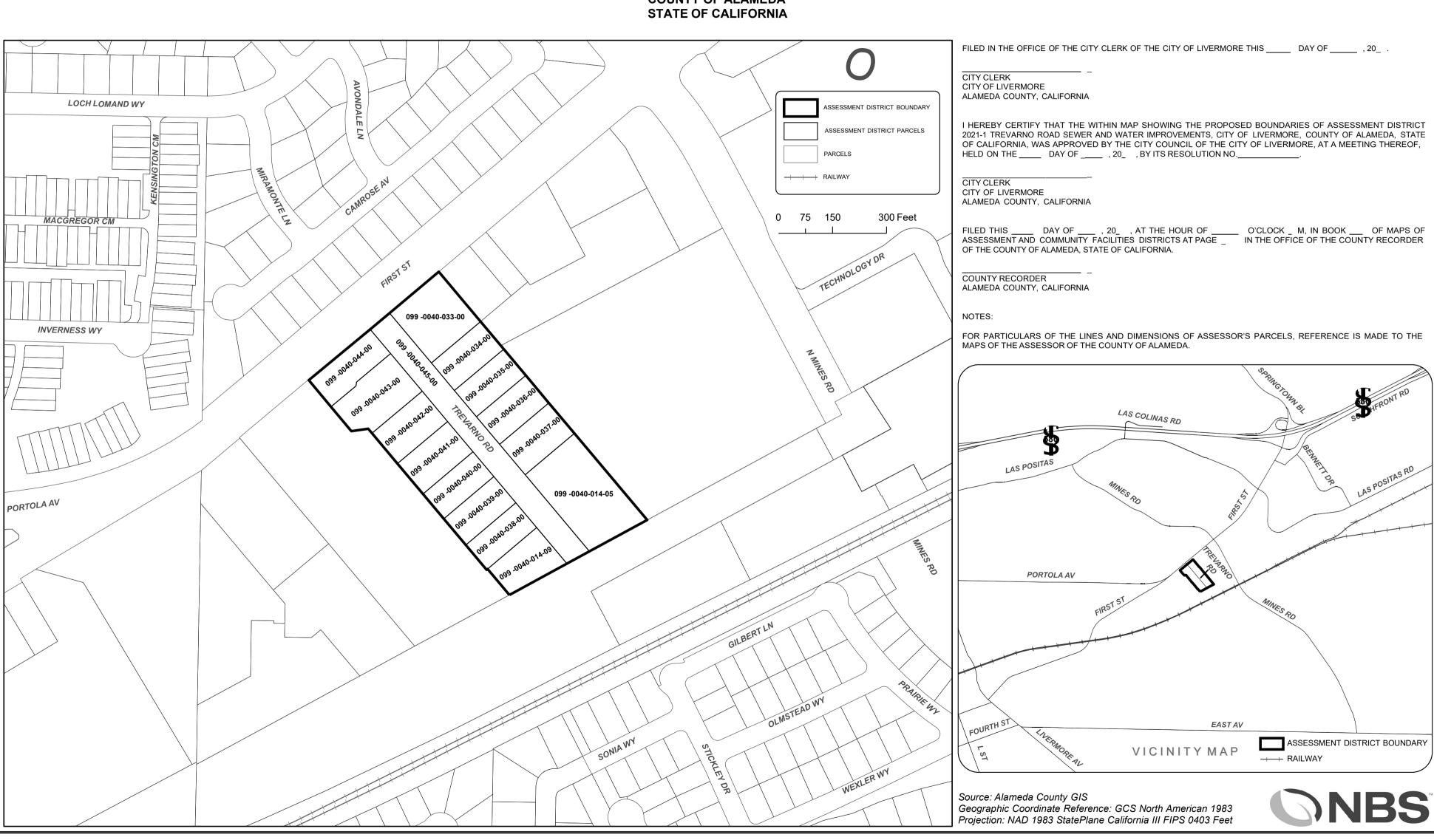
The following pages contain the Boundary Map and Assessment Diagram for the proposed District.



Sheet 1 of 1

MAP OF PROPOSED BOUNDARIES OF CITY OF LIVERMORE ASSESSMENT DISTRICT 2021-1 TREVARNO ROAD SEWER AND WATER IMPROVEMENTS

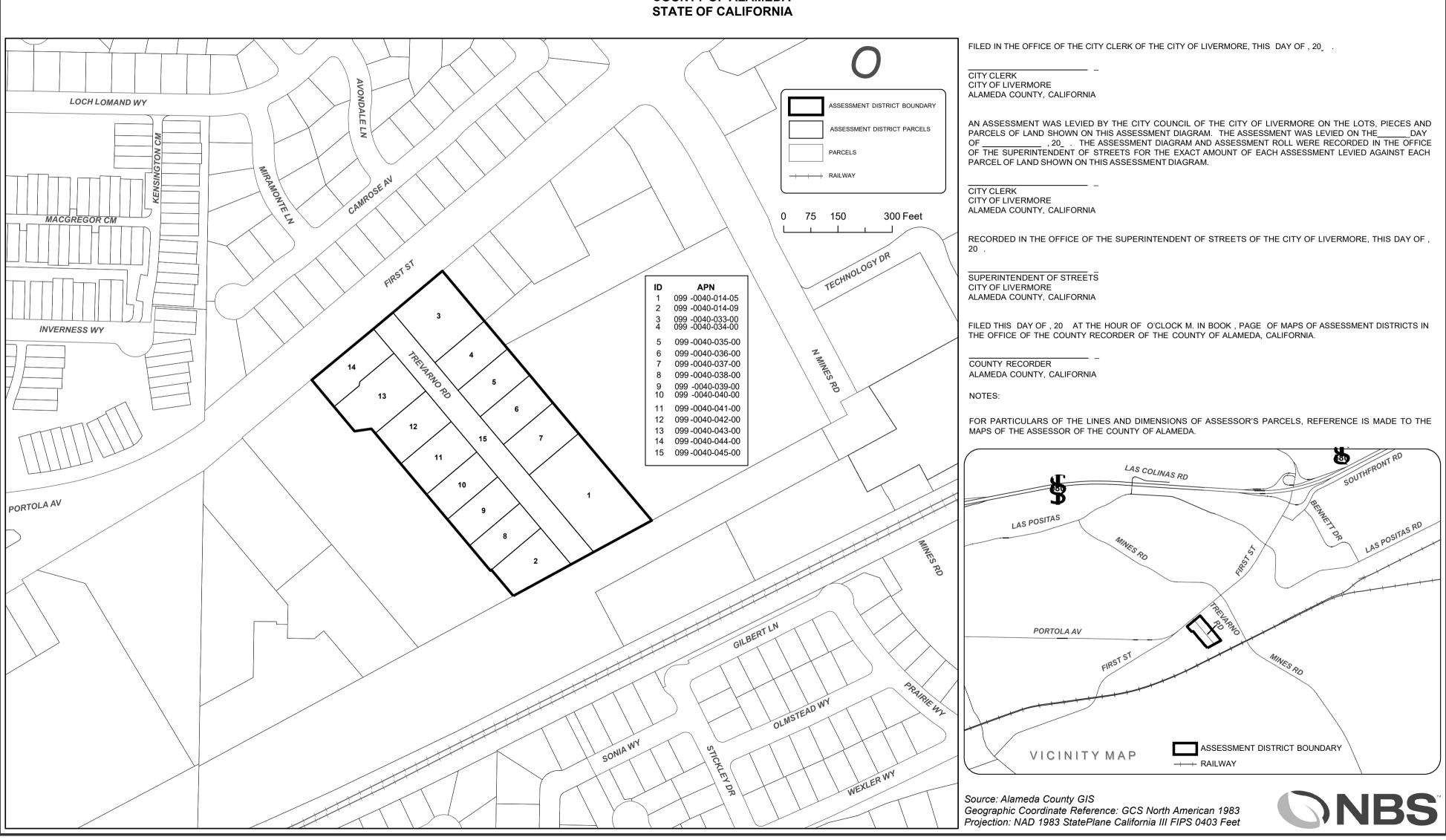
CITY OF LIVERMORE
COUNTY OF ALAMEDA
STATE OF CALIFORNIA



Sheet 1 of 1

ASSESSMENT DIAGRAM CITY OF LIVERMORE ASSESSMENT DISTRICT 2021-1 TREVARNO ROAD SEWER AND WATER IMPROVEMENTS

CITY OF LIVERMORE
COUNTY OF ALAMEDA
STATE OF CALIFORNIA



11. ASSESSMENT ROLL

The following pages contain the assigned benefit points and assessment for each parcel within the District.



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City of Livermore Assessment District 2021-1 Trevarno Road Sewer and Water Improvements Fiscal Year 2022/23 Proposed Assessment

Assessor's Parcel Number	Site Address	Livability and Safety Benefit Points - Water	Livability and Safety Benefit Points - Sewer	Safety Benefit Points - Fire	Total Benefit Points	Assmnt Per BP	Total Assessment Amount
	71 Trevarno Road (LARPD						
099 -0040-014-05	office structure)	0.00	8.00	0.27	8.27	\$50,875.38	\$420,739.37
	75 Trevarno Road (LARPD						
099 -0040-014-05	classroom structure)	1.00	1.00	0.27	2.27	50,875.38	115,487.11
	Trevarno Road (LARPD						
099 -0040-014-09	parking lot)	0.00	0.00	0.00	0.00	0.00	0.00
099 -0040-033-00	273 Trevarno Road	1.00	1.00	0.27	2.27	50,875.38	115,487.11
099 -0040-034-00	227 Trevarno Road	1.00	1.00	0.27	2.27	50,875.38	115,487.11
099 -0040-035-00	181 Trevarno Road	1.00	1.00	0.27	2.27	50,875.38	115,487.11
099 -0040-036-00	153 Trevarno Road	1.00	1.00	0.27	2.27	50,875.38	115,487.11
099 -0040-037-00	125 Trevarno Road	1.00	1.00	0.27	2.27	50,875.38	115,487.11
099 -0040-038-00	78 Trevarno Road	1.00	1.00	0.27	2.27	50,875.38	115,487.11
099 -0040-039-00	118 Trevarno Road	1.00	1.00	0.27	2.27	50,875.38	115,487.11
099 -0040-040-00	140 Trevaro Road	1.00	1.00	0.27	2.27	50,875.38	115,487.11
099 -0040-041-00	174 Trevarno Road	1.00	1.00	0.27	2.27	50,875.38	115,487.11
099 -0040-042-00	220 Trevarno Road	1.00	1.00	0.27	2.27	50,875.38	115,487.11
099 -0040-043-00	248 Trevarno Road	1.00	1.00	0.27	2.27	50,875.38	115,487.11
099 -0040-044-00	262 Trevarno Road	1.00	1.00	0.27	2.27	50,875.38	115,487.11
099 -0040-045-00	Trevarno Road (landscaping)	0.00	0.00	0.00	0.00	0.00	0.00
TOTALS		13.00	21.00	3.78	37.78		\$1,922,071.80 ⁽¹⁾

⁽¹⁾ Total Assessment Amount does not match the balance to be assessed in the Engineer's Report due to rounding.

12. REFERENCES

www.epa.gov/WaterSense/our_water/water_use_today.html (last accessed September 2012).

vi "Water, sanitation and hygiene (WASH), The World Health Organization available at:

https://www.who.int/health-topics/water-sanitation-and-hygiene-wash

viiTchobanoglous, George, and Edward D. Schroeder. "Water Impurities and Public Health." Water Quality. Massachusetts: Addison-Wesley Publishing Company, 1985: 192-200

wiii "How to Upgrade and Maintain Our Nation's Wastewater and Drinking Water Infrasctructure," available at: https://www.americanprogress.org/issues/economy/reports/2012/10/11/41233/how-to-upgrade-and-maintain-our-nations-wastewater-and-drinking-water-infrastructure-2/

ix "Sanitation Solutions for Urban Growth," authored by Sarah Cairns-Smith, Haley Hill and Emmanual Nazarenko, available at: https://www.bcg.com/en-us/publications/2014/development-health-sanitation-solutions-urban-growth

* American Society of Civil Engineers, Failure to Act: The Economic Impact of Current Investment Trends in Water and Wastewater Treatment Infrastructure, 2011, 4. Available at:

http://www.asce.org/uploadedfiles/issues_and_advocacy/our_initiatives/infrastructure/content_pieces/failure-to-act-waterwastewater-report.pdf.

- xi Insurance Services Office, Inc, Available at http://www.rockwall.com/documents/fire/ISO.pdf xii Ibid.
- ^{xiii} "Fire Service Features of Buildings and Fire Protection Systems" by Occupational Safety and Health Administration available at: https://www.osha.gov/sites/default/files/publications/OSHA3256.pdf



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¹ Golden Hill Neighborhood Assn. v. City of San Diego CA4/1, D062203 (Cal. Ct. App. 2013)

[&]quot;Beutz v. County of Riverside, 109 Cal. Rptr. 3d 851 (Cal. Ct. App. 2010)

Bonander v. Town of Tiburon, 147 Cal. App. 4th 1116 (Cal. Ct. App. 2007)

iv Manteca Unified School District v. Reclamation District No. 17 et al, C077906 (Cal. Ct. App. 2017)

[&]quot; "Water Sense: Water Use Today," available at http://

IN THE CITY COUNCIL OF THE CITY OF LIVERMORE, CALIFORNIA

A RESOLUTION ABANDONING SPECIAL ASSESSMENT PROCEEDINGS, AND DIRECTING ACTIONS WITH RESPECT THERETO

Assessment District No. 2021-1 Trevarno Road Sewer and Water Improvements

On May 25, 2021, the City Council (the "Council") of the City of Livermore (the "City") adopted its Resolution No. 2021-074, entitled "A Resolution of Intention to Make Acquisitions and Improvements" (the "Resolution of Intention") under the Municipal Improvement Act of 1913, Division 12 of the Streets and Highways Code of California, (the "Act"), to initiate proceedings under the Act in and for the City's Assessment District 2021-1 Trevarno Road Sewer and Water Improvements (the "Assessment District") for the making of certain acquisitions and improvements (the "Improvements") as described in the Resolution of Intention.

On May 25, 2021, the Council also adopted its Resolution No. 2021-075, entitled "A Resolution Preliminarily Approving Engineer's Report and Directing Related Actions (the "Preliminary Engineer's Report Resolution").

The Resolution of Intention referred to the Assessment District as "Assessment District 2021-1 Trevarno Road Sewer and Water Improvements" and the Assessment District shall hereafter be referred to as "Assessment District 2021-1 Trevarno Road Sewer and Water Improvements."

In the Resolution of Intention, this Council directed the Engineer of Work appointed therein to make and file a report in writing (the "Engineer's Report") in accordance with and pursuant to the Act.

The Engineer's Report was duly made and filed, and duly considered by this Council, and in the Preliminary Engineer's Report Resolution, this Council found the Engineer's Report to be sufficient in every particular and determined that the Engineer's Report should stand as the Engineer's Report for all subsequent proceedings under and pursuant to the Resolution of Intention.

In the Preliminary Engineer's Report Resolution, this Council directed that a Map of Proposed Boundaries of the Assessment District be filed of record in the office of the Recorder of Alameda County, and such Map was recorded on June 7, 2021, at the hour of 2:20 o'clock p.m. in Book 19 of Maps of Assessment and Community Facilities Districts at Page 19, as document number 2021-208455 (the "Boundary Map").

In the Preliminary Engineer's Report Resolution, this Council ordered that a public hearing be held before this Council, virtually using Zoom due to COVID-19 pandemic restrictions, on July 26, 2021, at the hour of 7:00 p.m., for the purposes of determining (i) whether the public interest, convenience and necessity require the Improvements, (ii) whether the properties in the Assessment District are specially benefited by the Improvements (iii) the tabulation of special assessment ballots and the determination of the existence of any majority protest and (iv) this Council's final action on the Engineer's Report and the assessments therein.

Notice of the public hearing was duly given as required under the Act, the public hearing was duly and regularly held, all persons interested desiring to be heard were given an opportunity

to be heard, and all matters and things pertaining to the Improvements were fully heard and considered by this Council, all protests, both written and oral, were duly heard and considered, and all assessment ballots submitted by property owners were received and tabulated.

NOW, **THEREFORE**, **BE IT RESOLVED** by the City Council of the City of Livermore as follows:

- 1. **Majority Protest**. It is hereby determined that, upon the conclusion of the public hearing, and after tabulation of the assessment ballots submitted, a majority protest against the assessment existed because the assessment ballots submitted in opposition to the assessment exceeded the ballots submitted in favor of the assessment. In tabulating the ballots, they were weighted according to the proportional financial obligation of the affected properties.
- 2. Abandonment of Proceedings. This Council has now determined to abandon the proceedings for the Assessment District and hereby orders that the proceedings be finally and completely abandoned. No further action shall be taken with respect to the proceedings by the Council, including, but not limited to, the imposition and collection of any special assessments in the Assessment District.
- **3. Recording Ordered**. Pursuant to Section 3117 of the California Streets and Highways Code, the City Clerk is hereby authorized and directed to cause to be recorded in the office of the Recorder of Alameda County, a certified copy of this Resolution. The certificate of the City Clerk attached to such copy shall include a reference to the date of the adoption of this Resolution, the date of the Resolution of Intention and date and recording data of the Boundary Map, all as herein provided. The Recorder shall index the resolution of abandonment in the book containing the index of the Maps of Assessment and Community Facilities Districts.
- **4. Effective Date**. This Resolution shall take effect upon the date of its adoption by this Council.

ea by	Council
id add	opted on
	•

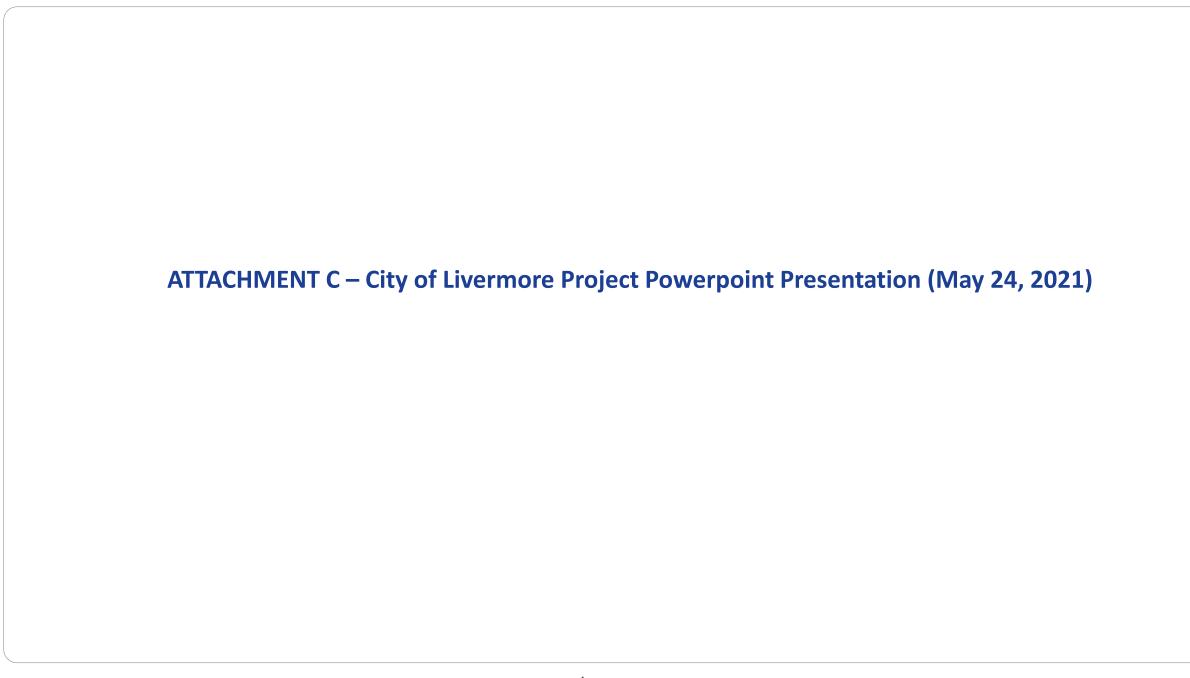
Attachment A – City Clerk's Certificate for Resolution of Abandonment

ATTACHMENT A

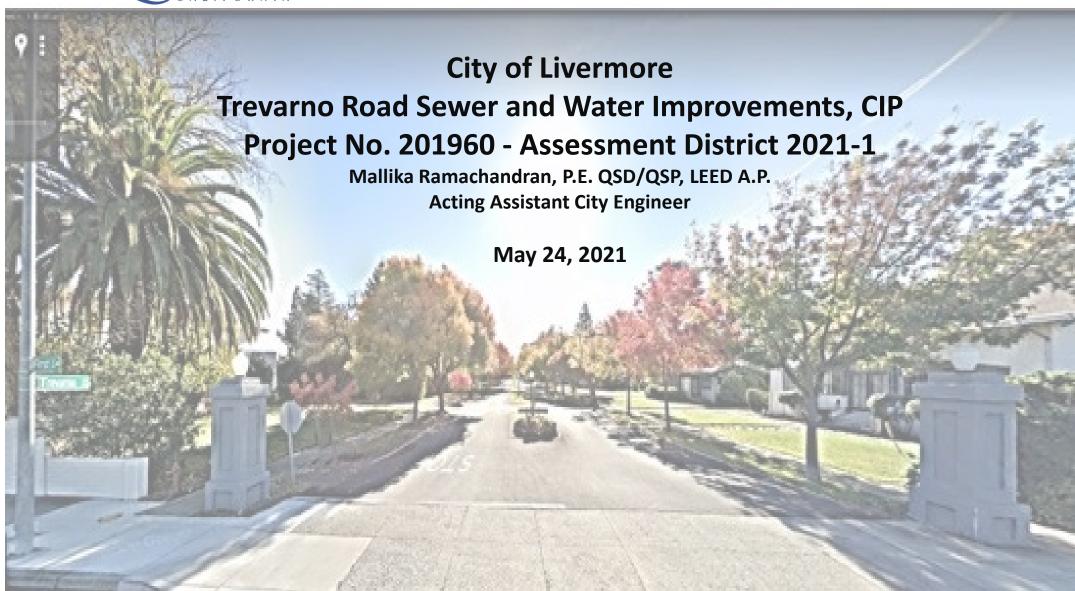
ATTACHMENT A

CITY CLERK'S CERTIFICATE FOR RESOLUTION OF ABANDONMENT

Pursuant to Se	ection 3117 of the Califorr	nia Streets and Highwa	ys Code, the undersigned
City Clerk of the City	of Livermore hereby certifi	ies that the foregoing is	a full and correct copy of
Resolution No.	of the City Counci	Il of the City of Livermor	e, entitled "A Resolution
Abandoning Special A	ssessment Proceedings,"	adopted on July 26, 20	021, in the proceedings for
the Assessment Distri	ct for which the Boundary	/ Map was recorded, al	I as specified in the withir
Resolution and to whi	ch reference is hereby ma	ade for all particulars.	
		C	City Clerk







Agenda

- 1. Project Team
- 2. Background
- 3. Project Location
- 4. Public Outreach
- 5. CFD VS AD
- 6. The Project
- 7. Formation Timeline
- 8. Q&A

Project Team

NBS - Special Financing Consultant

Administrative Services – Finance and City Clerk's Office

Community
Development –
Engineering Division

RJA – Engineering Consultant

City Attorney's Office and Jones Hall, A Professional Law Corporation

Background



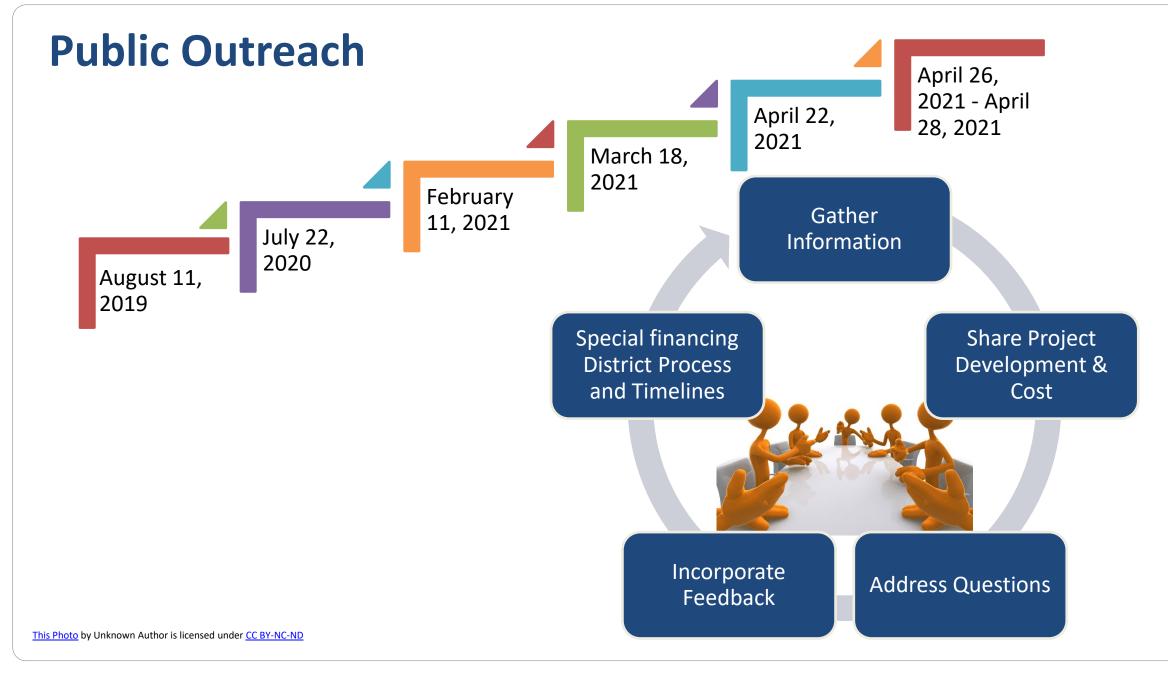
Project Location



Trevarno Road was designated a Historic District by the City of Livermore in 1976.

Trevarno Road is located south of First Street and west of N. Mines Road





Community Facility District Versus Assessment District

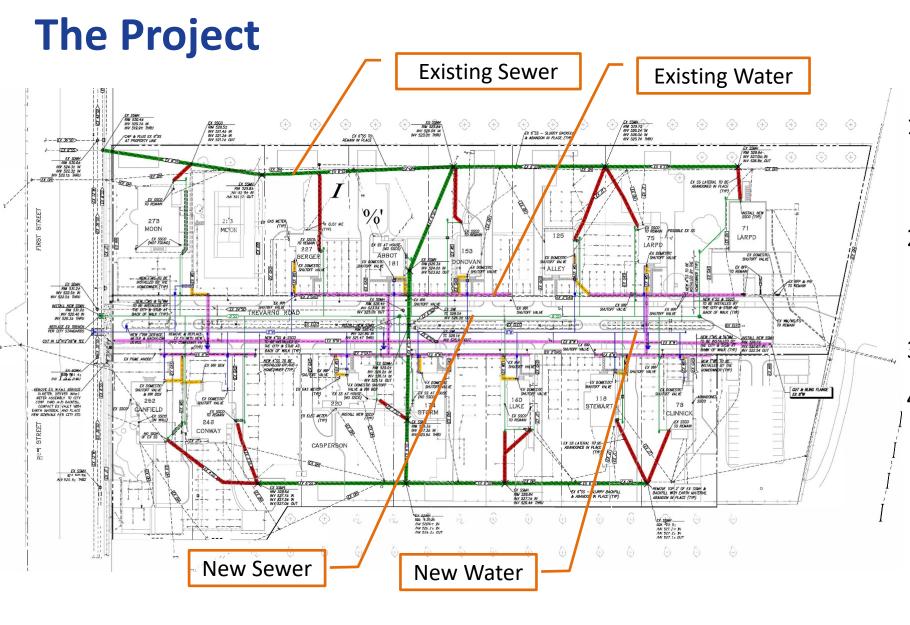
Two Special Financing Options were evaluated:

Community Facility District (CFD) - The Mello-Roos Community Facilities Act of 1982 **exempts** government owned property from special tax

Assessment District Proposition 218

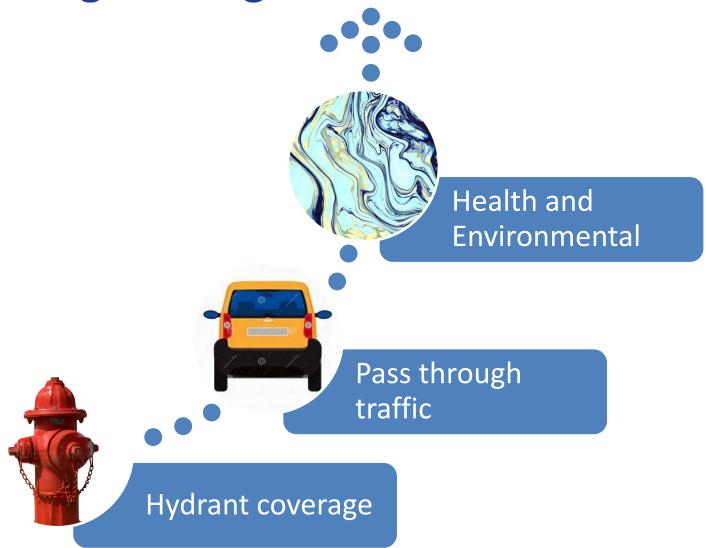
<u>does not exempt</u> government owned property

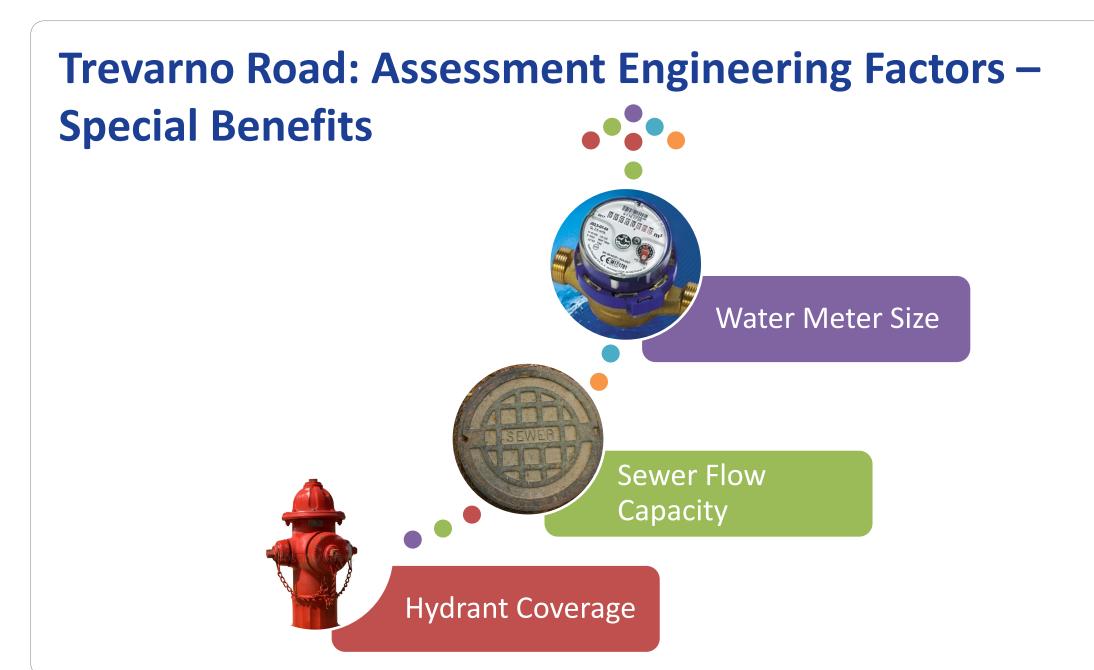
The Assessment District financing mechanism was recommended because it will allow LARPD to participate in the financing district



- 700 linear feet of 8inch sanitary sewer main and laterals
- 700 linear feet of 8inch potable water main and laterals
- 3. 3 fire hydrants
- 4. Other auxiliary improvements

Assessment Engineering Factors – General Benefits





Benefit Point Calculation

BENEFIT POINTS AND ASSESSMENT									
	Water Benefit Point/ Parcel		Sewer Benefit Point/ Parcel		Fire Benefit Point/ Parcel		Total Benefit Points Per Parcel	Assessment Per Parcel \$50,875.38 Per Benefit Point)	Total Assessment
LARPD Office (2" water meter & 160 gpm sewer discharge)	0	+	8	+	0.27	=	8.27	\$420,739.38	\$420,739.38
LARPD Classroom (5/8" water meter & 20 gpm sewer discharge)	1	+	1	+	0.27	=	2.27	\$115,487.11	\$115,487.11
							TOTAL LARPE	ASSESSMENT:	\$536,226.49
Single Family Residentials (12 SFRs) (5/8" water meter & 20 gpm sewer discharge)	1	+	1	+	0.27	=	2.27	\$115,487.11	\$1,385,845.31
TOTAL BENEFIT	POINTS (8.2	7 + 2.27	+ (1	.2X2.27))	=	37.78	\$1,922,071.80 /37.78= \$50,875.38	
ASSESSMENT DISTRICT TO FINANCE (12 SFRs, LARPD Classroom and Office): \$1,			\$1,922,071.81						

Assessment

The Assessment District will finance approximately \$1,922,071.81. The City's General Benefit Responsibility is \$107,838. 20. The breakdown are as follows:

Assessment Rate per Benefit Point (\$1,922,071.81/37.78):	\$ 50,875.38
Property Owners Responsibility - Special Benefit Assessment (\$1,671,910.81 - \$107,838.20 + \$358,000)	\$ 1,922,071.81
Incidental Costs Related to Debt Issuance (formation and management of the district):	\$ 358,000.00
City's Responsibility - General Benefit Portion (6.45% of \$1.671,910):	\$ 107,838.20
The design and construction cost:	\$ 1,671,910.00
The estimated total project cost (design, construction and incidental cost for the formation and management of the district)	\$ 2,029,910.00
Responsibility is \$107,000. Zo. The breakdown are as follows.	

Formation Timeline

Date	Scheduled Tasks
May 24, 2021	Intent Meeting – City Council considers Initial Resolutions
June 8, 2021	Record Boundary Map with Alameda County Recorder (within 15 days of adoption of Resolution of Intention)
May 28, 2021	Jones Hall circulates the draft Resolution Adopting Engineer's Report/Confirming Assessment and the Resolution Abandoning the Proceedings for review and comment.
June 3, 2021	Comments due on draft Resolution Adopting Engineer's Report/Confirming Assessment and the Resolution Abandoning the Proceedings
June 11, 2021	Assessment Ballot Package mailed no later than this date (45 days before public hearing)
June 11, 2021	Jones Hall provides the final Resolution Adopting Engineer's Report/Confirming Assessment and the Resolution Abandoning the Proceedings.

Date	Scheduled Tasks
July 26, 2021	Public Hearing - City Clerk tabulates the Assessment Ballots. City Council considers the Resolution Adopting Engineer's Report/Confirming Assessment (or alternatively the Resolution Abandoning the Proceedings if there is a majority protest)
Week of August 2, 2021	City Clerk records Notice of Assessment. NBS mails Notice of Assessment letters to property owners.
August 9, 2021	Jones Hall circulates draft Resolution Authorizing the Issuance of Limited Obligation Improvement Bonds
September 13, 2021	End of Cash Payment Period. NBS prepares paid/unpaid list.
September 27, 2021	Debt Authorization – City Council considers Resolution Authorizing the Issuance of Limited Obligation Improvement Bonds
November 1, 2021	Bond Closing

QUESTIONS & ANSWERS