

**OAKLAND AREA  
GEOLOGIC HAZARD ABATEMENT DISTRICT**

**TO:** Oakland Area GHAD  
Board of Directors

**FROM:** GHAD Manager Eric Harrell  
GHAD Attorney Patricia Curtin

**BOARD MEETING DATE:** June 2, 2020

**SUBJECT:** Oakland Area GHAD Resolution No. 2020/01

**RECOMMENDATION(S):**

ADOPT Oakland Area GHAD Resolution No. 2020/01 adopting the GHAD budget for 2020/21 fiscal year and updating GHAD Manager payment limit under Consulting Services Agreement, as recommended by the GHAD Attorney and GHAD Manager.

**FISCAL IMPACT:**

The GHAD is funded 100% through assessments levied on properties within the GHAD; therefore, there is no impact on the City of Oakland General Fund. For fiscal year 2020/21 the GHAD anticipates assessment income of \$12,543 from 10 residential properties with total revenue of \$15,443 including investment income. Expenses for fiscal year 2020/21 are estimated at \$15,143. The current Program Budget projects that, at the beginning of the 2020/21 fiscal year (July 1, 2020), the cumulative reserve will be approximately \$129,224 and approximately \$129,524 at the end of the 2020/21 fiscal year (June 30, 2021).

**BACKGROUND:**

On July 18, 2006, the Oakland City Council adopted Resolution 80058 approving the formation of the Oakland Area Geologic Hazard Abatement District (GHAD) and appointed itself to serve as the GHAD Board of Directors.

The GHAD Board of Directors approved monitoring and maintenance by the Oakland GHAD on the 10 constructed residential lots with the adoption of Resolution 16/01 on September 20, 2016. The Oakland GHAD has the following maintenance responsibilities as outlined below:

- Inspection and maintenance of slopes.
- Inspection and maintenance of lined ditches.
- Monitoring and maintenance of measurement devices, such as piezometers, inclinometers, and tiltmeters.

- Inspection and maintenance of retaining walls.
- Inspection and maintenance of surface water quality treatment and detention facilities within the development.

The Kenilworth development was annexed into the Oakland Area GHAD on February 21, 2017; however, a budget and assessment limit have not been approved for this development and it does not currently receive GHAD services.

The GHAD Board is being requested to adopt the fiscal year budget for 2020/21 as prepared by the GHAD Manager, ENGEEO Inc. The budget is attached to Resolution No. 2020/01 as Exhibit A. In addition, the GHAD Board is being requested to update the GHAD Manager payment limits under the existing Consulting Services Agreement as required by that Agreement. The budget identifies that limit at \$7,500.

**CONSEQUENCE OF NEGATIVE ACTION:**

The GHAD will not be able to continue operation if the budget is not approved.

**THE BOARD OF DIRECTORS OF OAKLAND AREA  
GEOLOGIC HAZARD ABATEMENT DISTRICT**

Adopted this Resolution on June 2, 2020, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

**RESOLUTION NO. 2020/01 (OAKLAND AREA GHAD)**

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**SUBJECT:** Adopting the annual GHAD budget for fiscal year 2020/21 and updating GHAD Manager payment limits under the existing consulting services agreement.

**WHEREAS**, on July 18, 2006, the Oakland City Council adopted Resolution 80058 approving the formation of the Oakland Area Geologic Hazard Abatement District (GHAD) and appointed itself to serve as the GHAD Board of Directors.

**WHEREAS**, the GHAD Board of Directors desires to adopt the budget for the fiscal year 2020/21 prepared by the GHAD Manager, ENGEEO Inc., attached hereto as Exhibit A.

**WHEREAS**, on September 21, 2006, pursuant to Resolution No. 1, the GHAD Board approved the consultant services agreement with ENGEEO Inc., to act as Manager for the GHAD. This Agreement, in section 1(e), requires the GHAD Board to determine by resolution each fiscal year the payment limits for GHAD Manager services. The budget attached in Exhibit A identifies this limit at \$7,500.

**The Board of Directors of the GHAD HEREBY RESOLVES THAT:**

1. The GHAD Board approves the GHAD budget for fiscal year 2020/21 attached as Exhibit A and incorporated herein by this reference.
2. The GHAD Board adopts the payment limit for the GHAD Manager services at \$7,500 for fiscal year 2020/21 as set forth in Exhibit A, and incorporates this payment limit into the consulting services agreement.
3. The recitals are incorporated herein by this reference.
4. This Resolution shall become effective immediately upon its passage and adoption.

Attachment:

A: Oakland Area Geologic Hazard Abatement District Budget for Fiscal Year 2020/21

**OAKLAND AREA GEOLOGIC HAZARD ABATEMENT DISTRICT  
BUDGET FOR FISCAL YEAR 2020/21**

May 18, 2020

Oakland Area Geologic Hazard Abatement District Board of Directors  
Chair Loren Taylor  
Boardmember Rebecca Kaplan  
Boardmember Dan Kalb  
Boardmember Nikki Fortunato Bas  
Boardmember Lynette Gibson McElhaney  
Boardmember Shen Thao  
Boardmember Noel Gallo  
Boardmember Larry Reid

Oakland Area Geologic Hazard Abatement District  
Oakland City Hall  
One Frank Ogawa Place  
Oakland, CA 94612

Subject: Oakland Area Geologic Hazard Abatement District  
Oakland, California

**BUDGET FOR FISCAL YEAR 2020/21**

Dear Chair Taylor and Boardmembers:

Attached is the program budget for the Oakland Area Geologic Hazard Abatement District (GHAD) for Fiscal Year (FY) 2020/21. The proposed program budget is \$18,343. The budget expenses break down into the following approximate percentages of the total revenue.

Major Repair .....	0 percent
Preventive Maintenance and Operations .....	45 percent
Special Projects .....	0 percent
Administration and Accounting .....	19 percent
Additional - Outside Professional Services.....	55 percent

The budget anticipates FY 2020/21 revenue of \$15,143. A summary of the expenses is shown in Table 6, followed by a brief description of each budget item on the following pages.

Sincerely,

Oakland Area Geologic Hazard Abatement District  
ENGEO Incorporated, General Manager  
1630 San Pablo Avenue, Suite 200  
Oakland, CA 94612  
ENGEO Project No. 6964.002.019



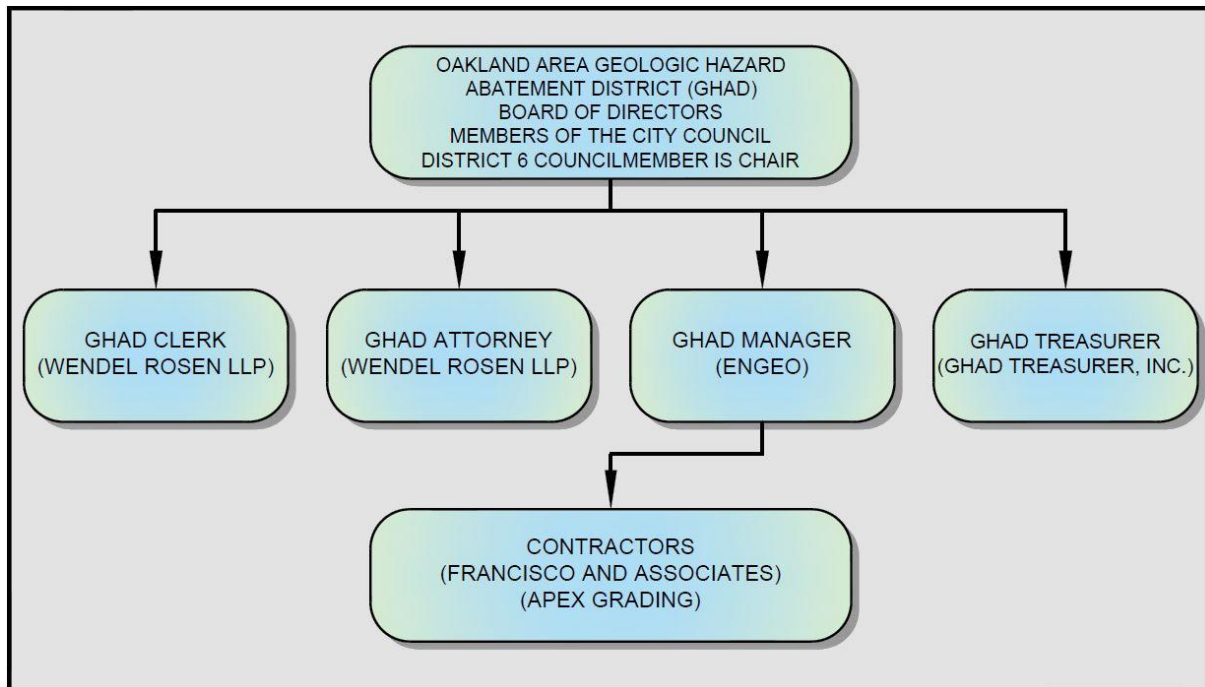
Haley Trindle  
ht/eh/jf



Eric Harrell

**Oakland Area Geologic Hazard Abatement District  
 Program Budget  
 Fiscal Year 2020/21**

The following budget summarizes the anticipated expenditures for FY year 2020/21 for the Oakland Area Geologic Hazard Abatement District (GHAD), which currently includes the Siena Hill and Kenilworth developments. The Kenilworth development was annexed into the Oakland Area GHAD on February 21, 2017; however, a budget and assessment limit have not been approved for this development and it does not currently receive GHAD services. The structure of the Oakland Area GHAD is shown below.



Currently the GHAD has monitoring and maintenance responsibilities for 10 of the 32 residential parcels within the Siena Hill development (Table 1). Until accepted by the GHAD, monitoring and maintenance responsibilities described in the Plan of Control for the remaining parcels within the Siena Hill development are the responsibility of the property owner(s).

**TABLE 1: Parcels Accepted by the Oakland Area GHAD**

NUMBER	STREET
64	Siena Drive
67	Siena Drive
68	Siena Drive
71	Siena Drive
72	Siena Drive
75	Siena Drive
76	Siena Drive
79	Siena Drive
80	Siena Drive
84	Siena Drive

The GHAD is funded through real property assessments. The 2019/20 assessment limit was set at \$1,241.96 per residential unit adjusted up 3.22% from the 2018/19 assessment level. The assessment limit annual adjustment is based on the 2006 Engineer's Report using the San Francisco-Oakland-Hayward consumer price index (CPI). The final assessment roll prepared for the 2019/20 fiscal year and submitted to the Alameda County Assessor's Office identifies 10 properties subject to the levy of the GHAD assessment. The total levy amount for the 2019/20 FY was \$12,419.60.

**TABLE 2: Assessment Limit Inflation Adjustments**

FISCAL YEAR	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
ANNUAL CPI (JUNE)	642.7	664.421	692.68	693.839	701.273	718.293	737.231	756.074
SF/OAK, 1967=100		3.38%	4.19%	0.23%	1.07%	2.43%	2.64%	2.56%
ASSESSMENT LIMIT	\$2632.00	\$2,720.95	\$2,834.99	\$2,841.43	\$2,871.87	\$2,941.57	\$3,019.13	\$3,096.29
ANNUAL ASSESSMENT	<b>\$2632.00</b>	<b>\$2,720.94</b>	<b>\$2,834.98</b>	<b>\$2,841.42</b>	<b>\$2,871.86</b>	<b>\$2,941.56</b>	<b>\$3,019.12</b>	<b>\$3,096.28</b>

FISCAL YEAR	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
ANNUAL CPI (JUNE)	778.767	796.597	817.884	846.360	879.435	907.709
SF/OAK, 1967=100	3.00%	2.29%	2.67%	3.48%	3.91%	3.22%
ASSESSMENT LIMIT	\$3,189.22	\$3,262.24	\$2,500.00	\$2,587.04	\$2,688.14	\$2,774.57
ANNUAL ASSESSMENT	<b>\$3,189.22</b>	<b>\$3,262.24</b>	<b>\$1,119.00</b>	<b>\$1,157.96</b>	<b>\$1,203.20</b>	<b>\$1,241.96</b>

Based on the San Francisco-Oakland-Hayward consumer price index figures reported through April 2020, for budgeting purposes, we estimate a FY 2020/21 inflation rate adjustment of 1 percent. We estimate that 10 residential units will be subject to assessment in the FY 2020/21.

**TABLE 3: Estimated Revenue**

	FY 2020/21 ESTIMATE
<b>Residential Units</b>	<b>10</b>
<b>Assessments</b>	<b>\$12,543</b>
<b>Investment Income</b>	<b>\$2,900</b>
<b>Total Revenues</b>	<b>\$15,443</b>

The budget amounts listed are based on the Engineer's Report approved by the Oakland Area GHAD Board of Directors in 2016. The budget amounts have been inflation adjusted to provide the listed budget estimates. The current Program Budget projects that at the beginning of the 2020/21 fiscal year (July 1, 2020), the cumulative reserve will be about \$129,224 and about \$126,324 at the end of the 2020/21 fiscal year (June 30, 2021).

For fiscal year 2020/21 (July 1, 2019 through June 30, 2020), the GHAD management payment limit is set at \$7,500. The tasks included within the payment limit may include site monitoring events, report preparation, oversight of maintenance and repair projects, administration, accounting, and assessment roll updates.

**TABLE 4: Payment Limit**

TASK	AMOUNT
Scheduled Monitoring Events	\$3,000
Heavy Rainfall Monitoring Event	\$1,000
Erosion and Sediment Removal - Concrete Structures	\$200 <sup>1</sup>
Slope Stabilization	\$400 <sup>1</sup>
Administration and Accounting	\$2,200
Budget Preparation	\$700

<sup>1</sup>Dependent on maintenance and/or repair activities by the GHAD during FY 2020/21. ENGeo payment limit is 20% of the total budget item.

The budget is divided into four categories, including Major Repair, Preventive Maintenance and Operations, Special Projects, and Administration and Accounting.

### **MAJOR REPAIR**

Included within the major repair category are those repair or improvement projects that are intermittent and, by their nature, do not fit within a scheduled maintenance program. Minor slope repair and erosion control items are generally funded within the Preventive Maintenance and Operations category. For the purposes of this budget, we define major repairs as those estimated at over \$25,000.

### **PREVENTIVE MAINTENANCE AND OPERATIONS**

Preventive maintenance and operations include slope stabilization, erosion protection, and professional services within the District. Professional services include site-monitoring events as scheduled in the GHAD Plan of Control. Slope stabilization and erosion protection responsibilities include the open space slopes. GHAD-maintained improvements generally include the District's slopes, concrete-lined drainage ditches, retaining walls, subsurface drainage facilities, and storm drain facilities.

### **SPECIAL PROJECTS**

The Special Projects category allows the GHAD to budget for projects beneficial to the GHAD that are not included in one of the other three categories. Although not proposed in the FY 2020/21 budget, special projects can include items such as global positioning system (GPS)/geographic information system (GIS) development for GHAD maintained improvements; website development and maintenance; and reserve studies to reevaluate the financial condition of the GHAD.

### **ADMINISTRATION AND ACCOUNTING**

Administrative expenses include the General Manager duties related to the operation and administration of the GHAD. The administrative budget category includes tasks of the General Manager, clerical, and accounting staff.



A summary of the proposed budget through the end of FY 2020/21 is shown in Table 5.

**TABLE 5: Summary of Use of Funds**

<b>USE OF FUNDS</b>				
	<b>FY 2019/20 ESTIMATE*</b>	<b>FY 2019/20 BUDGET</b>	<b>FY 2020/21 PROPOSED</b>	<b>PERCENT CHANGE FROM FY 2019/20</b>
<b>Major Repairs</b>				
<b>Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
<b>Preventive Maintenance and Operations - Professional Services</b>				
Scheduled Monitoring Events	\$3,979	\$3,000	\$3,000	
Heavy Rainfall Monitoring Event	\$0	\$1,000	\$1,000	
<b>Subtotal</b>	<b>\$3,979</b>	<b>\$4,000</b>	<b>\$4,000</b>	<b>0.0%</b>
<b>Preventive Maintenance and Operations - Maintenance and Operations</b>				
Erosion Control including Ditches	\$0	\$1,000	\$1,000	
Slope Stabilization	\$0	\$2,000	\$2,000	
<b>Subtotal</b>	<b>\$0</b>	<b>\$3,000</b>	<b>\$3,000</b>	<b>0.0%</b>
<b>Special Projects</b>				
<b>Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
<b>Administration and Accounting – GHAD Manager</b>				
Administration and Accounting	\$1,749	\$2,200	\$2,200	
Budget Preparation	\$700	\$700	\$700	
<b>Subtotal</b>	<b>\$2,449</b>	<b>\$2,900</b>	<b>\$2,900</b>	<b>0.0%</b>
<b>Administration and Accounting – Outside Professional Services</b>				
Assessment Roll and Levy Update	\$1,000	\$1,000	\$1,000	
Legal Counsel	\$1,631	\$1,800	\$5,000	
Treasurer	\$315	\$325	\$650	
Clerk	\$200	\$400	\$400	
Alameda County Assessor’s Fees	\$208	\$215	\$215	
California Association of GHADs Membership	\$103	\$103	\$103	
Insurance – Directors and Officers	\$557	\$575	\$575	
Insurance – General Liability	\$500	\$500	\$500	
<b>Subtotal</b>	<b>\$4,513</b>	<b>\$4,918</b>	<b>\$8,443</b>	<b>71.7%</b>
<b>Total</b>	<b>\$10,941</b>	<b>\$14,818</b>	<b>\$18,343</b>	<b>23.8%</b>

\*FY2019/20 Estimate Includes Actual Expenses through May 15, 2020

**TABLE 6: Summary of Proposed Fiscal Year 2020/21 Budget**

BUDGET ITEM	LABEL	BUDGET AMOUNT	PERCENT OF TOTAL BUDGET (FY 2020/21)	PERCENT OF TOTAL BUDGET (FY 2019/20)
<b>MAJOR REPAIRS</b>				
Major Projects	TOTAL	\$0	0%	0%
<b>PREVENTIVE MAINTENANCE AND OPERATIONS</b>				
<b>Professional Services</b>				
<b>Scheduled Monitoring Events</b>				
Open Space Scheduled Monitoring Events		\$3,000		
Heavy Rainfall Monitoring Events		\$1,000		
	Subtotal	\$4,000		
<b>Maintenance and Operations</b>				
Erosion Control Including Concrete Structures		\$1,000		
Slope Stabilization		\$2,000		
	Subtotal	\$3,000		
	<b>TOTAL</b>	<b>\$7,000</b>	<b>45%</b>	<b>47%</b>
<b>SPECIAL PROJECTS</b>				
	<b>TOTAL</b>	<b>\$0</b>	<b>0%</b>	<b>0%</b>
<b>ADMINISTRATION AND ACCOUNTING – GHAD Manager</b>				
Administration and Accounting		\$2,200		
Budget Preparation/Annual Reporting		\$700		
	Subtotal	\$2,900	19%	20%
<b>Outside Professional Services - Nontechnical</b>				
Assessment Roll and Levy Update Preparation		\$1,000		
Legal Counsel		\$5,000		
Treasurer		\$650		
Clerk		\$400		
Alameda County Assessor's Fees		\$215		
California Association of GHADs Membership		\$103		
Insurance – Directors and Officers		\$575		
Insurance – General Liability		\$500		
	Subtotal	\$8,443	55%	33%
	<b>TOTAL</b>	<b>\$11,343</b>		
<b>ESTIMATED EXPENDITURES</b>	<b>TOTAL</b>	<b>\$18,343</b>	<b>119%</b>	<b>100%</b>
<b>ESTIMATED RECEIVABLES</b>				
<b>Beginning Balance</b>				
Balance (June 30, 2019)		\$124,862		
<b>Estimated FY 2019/20 Revenue</b>				
Assessment Revenue		\$12,420		
Investment Revenue		\$2,884		
<b>Estimated 2019/20 Expenses</b>				
Estimated Expenses		\$10,941		
<b>ESTIMATED RESERVE ON JUNE 30, 2020</b>		<b>\$129,224</b>		

BUDGET ITEM	LABEL	BUDGET AMOUNT	PERCENT OF TOTAL BUDGET (FY 2020/21)	PERCENT OF TOTAL BUDGET (FY 2019/20)
<b>Estimated 2020/21 Revenue</b>				
Estimated FY 2020/21 Assessment		\$12,543		
Estimated FY 2020/21 Investment Income		\$2,900		
<b>Estimated 2020/21 Expenses</b>				
Expenses through June 30, 2021		\$18,343		
<b>ESTIMATED RESERVE ON JUNE 30, 2021</b>		<b>\$126,324</b>		

### MAJOR REPAIRS (MAJOR)

There are currently no ongoing major repair projects, and none are anticipated for the 2020/21 fiscal year within the GHAD-maintained areas of the Oakland Area GHAD. Minor slope repair and erosion control items are generally funded within the Preventive Maintenance and Operations category. While no major repairs are ongoing at this time, by their nature, major repairs such as landslides are unpredictable and could occur during the 2020/21 fiscal year. The reserve portion of the budget allows for funding toward these unpredictable events.

### PREVENTIVE MAINTENANCE AND OPERATIONS (PREVM&O)

#### Professional Services

##### Scheduled Monitoring Events (SCMON)

As provided in the Plan of Control, there are two scheduled monitoring events within the GHAD during each calendar year. **Estimated budget \$3,000**

##### Heavy Rainfall Events (HRMON)

We have budgeted for one heavy-rainfall monitoring events during the 2020/21 winter season. **Estimated budget \$1,000**

#### Maintenance and Operations

##### Erosion Control (ERCON)

Anticipated tasks under this budget item include the repair of slope erosion and maintenance of concrete-lined drainage ditches within the accepted lots. **Estimated budget \$1,000**

##### Slope Stabilization (SLOPE)

This is for minor repairs, including slope instability, which may occur during the 2020/21 fiscal year. Purchase of emergency stabilization supplies will be included within this budget item. **Estimated budget \$2,000**

## **SPECIAL PROJECTS (SPEPROJ)**

There are currently no ongoing special projects, and none are anticipated for the 2020/21 fiscal year within the GHAD-maintained areas of the Oakland Area GHAD.

## **ADMINISTRATION AND ACCOUNTING (ADMIN)**

### Administration (ADACC)

Administrative expenses include the General Manager duties related to the operation and administration of the GHAD. The budget estimate for the accounting and administrative services is derived from the original GHAD budget used to prepare the GHAD Engineer's Report.

**Estimated budget \$2,200**

### Annual Report and Budget Preparation (BDGET)

This budget provides for the preparation of the annual report and budget. The budget estimate for the accounting and administrative services is derived from the original GHAD budget used to prepare the GHAD Engineer's Report.

**Estimated budget \$700**

### Assessment Roll and Levy Update (ASSESS)

This budget item allows for preparation of the assessment roll for the District and the updated levy based on the Consumer Price Index adjustment.

**Estimated budget \$1,000**

### GHAD Attorney (LEGAL)

This budget item allows the GHAD to seek review and comment from GHAD counsel for the District.

**Estimated budget \$5,000**

### GHAD Treasurer (TREAS)

This budget item accounts for fees related to treasurer services, investment of the GHAD reserve funds, and processing of accounts payable.

**Estimated budget \$650**

### GHAD Clerk (CLERK)

This budget item accounts for fees to provide clerical staffing and support services for the GHAD Board of Directors and to keep and provide interested parties with accurate records and documents relative to Board actions.

**Estimated budget \$400**

### Alameda County Assessor's Fees (ALAAS)

This budget item accounts for commission charged by the Alameda County Assessor's Office (currently 1.7 percent of total annual assessment amount) for collection of assessments within the Oakland Area GHAD.

**Estimated budget \$215**

### Association Membership (CGHAD)

The GHAD maintains membership in the California Association of GHADs.

**Estimated budget \$103**

[Directors and Officers Insurance \(INSUR\)](#)

The GHAD maintains directors and officers insurance for the Board of Directors.

**Estimated budget      \$575**

[General Liability Insurance \(INSURGL\)](#)

The GHAD will maintain general liability insurance for open space areas within the District.

**Estimated budget      \$500**