

**OAKLAND AREA
GEOLOGIC HAZARD ABATEMENT DISTRICT**

TO: Oakland Area Geologic Hazard Abatement District
(GHAD) Board of Directors

FROM: GHAD Manager, ENGEIO Inc.
GHAD Attorney, Wendel Rosen, LLP

BOARD MEETING DATE: May 18, 2021

SUBJECT: GHAD Resolution No. 2021/02 re Annual Budget

RECOMMENDATION(S):

ADOPT GHAD Resolution No. 2021/02 adopting the GHAD budget for fiscal year (FY) 2021/22 and updating GHAD Manager payment limit under Consulting Services Agreement.

FISCAL IMPACT:

The GHAD is a financially separate entity from the City of Oakland and operates independent of the City. The GHAD is funded 100% through assessments levied on properties within the GHAD. For fiscal year 2021/22 the GHAD anticipates assessment income of \$12,803 from 10 residential properties with total revenue of \$13,703 including investment income (see, Budget in attached Exhibit "A"). Expenses for fiscal year 2021/22 are estimated at \$18,343. The current Program Budget projects that, at the beginning of the 2021/22 fiscal year (July 1, 2021), the cumulative reserve will be approximately \$128,049 and approximately \$123,409 at the end of the 2021/22 fiscal year (June 30, 2022).

BACKGROUND:

On July 18, 2006, the Oakland City Council adopted Resolution 80058 approving the formation of the GHAD and appointed itself to serve as the GHAD Board of Directors.

On July 19, 2016, pursuant to Resolution No. 10, the GHAD Board of Directors approved a revised Plan of Control to reflect maintenance responsibilities on the 10 constructed residential lots in the Siena Hill development (a total of 32 lots were originally approved for residential development; the original Plan of Control assumed development of all 32 lots). On September 20, 2016, pursuant to Resolution No. 13, the GHAD Board approved a revised assessment to reflect the maintenance responsibilities for the 10 constructed residential lots. Pursuant to these Resolutions, the GHAD has the following maintenance responsibilities:

- 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 GHAD on February 21, 2017 pursuant to Resolution No. 15; however, a budget and assessment limit have not been approved for this development and it does not currently receive GHAD services.

Every year the GHAD Manager prepares a budget to reflect the maintenance responsibilities and costs for the upcoming year. The GHAD Board is being requested to adopt the fiscal year budget for 2021/22 as prepared by the GHAD Manager. The budget is attached to Resolution No. 2021/02 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**

RESOLUTION NO. 2021/02

SUBJECT: Adopting the annual GHAD budget for fiscal year 2021/22 and updating GHAD Manager payment limits under the existing consulting services agreement.

WHEREAS, on July 18, 2006, the Oakland City Council adopted Resolution No. 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 Manager prepares a budget each fiscal year for consideration by the GHAD Board of Directors to allow the GHAD to carry out its monitoring, maintenance, and repair responsibilities required in the Plan of Control for the upcoming year;

WHEREAS, in order to allow the GHAD to carry out its responsibilities, the GHAD Board of Directors desires to adopt the budget for the fiscal year 2021/22 prepared by the GHAD Manager attached hereto as Exhibit "A";

WHEREAS, on September 21, 2006, pursuant to Resolution No. 1, the GHAD Board approved the consultant services agreement with ENGEIO 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 2021/22 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 2021/22 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: Exhibit A - Oakland Area Geologic Hazard Abatement District Budget for Fiscal Year 2021/22

OAKLAND, CALIFORNIA, May 18, 2021

PASSED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

**OAKLAND AREA GEOLOGIC HAZARD ABATEMENT DISTRICT
BUDGET FOR FISCAL YEAR 2021/22**

May 4, 2021

Oakland Area Geologic Hazard Abatement District Board of Directors
Chair Loren Taylor
Boardmember Rebecca Kaplan
Boardmember Dan Kalb
Boardmember Nikki Fortunato Bas
Boardmember Carroll Fife
Boardmember Sheng Thao
Boardmember Noel Gallo
Boardmember Treva Reid

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

Subject: Oakland Area Geologic Hazard Abatement District
Oakland, California

BUDGET FOR FISCAL YEAR 2021/22

Dear Chair Taylor and Boardmembers:

Attached is the program budget for the Oakland Area Geologic Hazard Abatement District (GHAD) for Fiscal Year (FY) 2021/22. 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	51 percent
Special Projects.....	0 percent
Administration and Accounting	21 percent
Additional - Outside Professional Services.....	62 percent

The budget anticipates FY 2021/22 revenue of \$13,703. 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. 6964.002.020



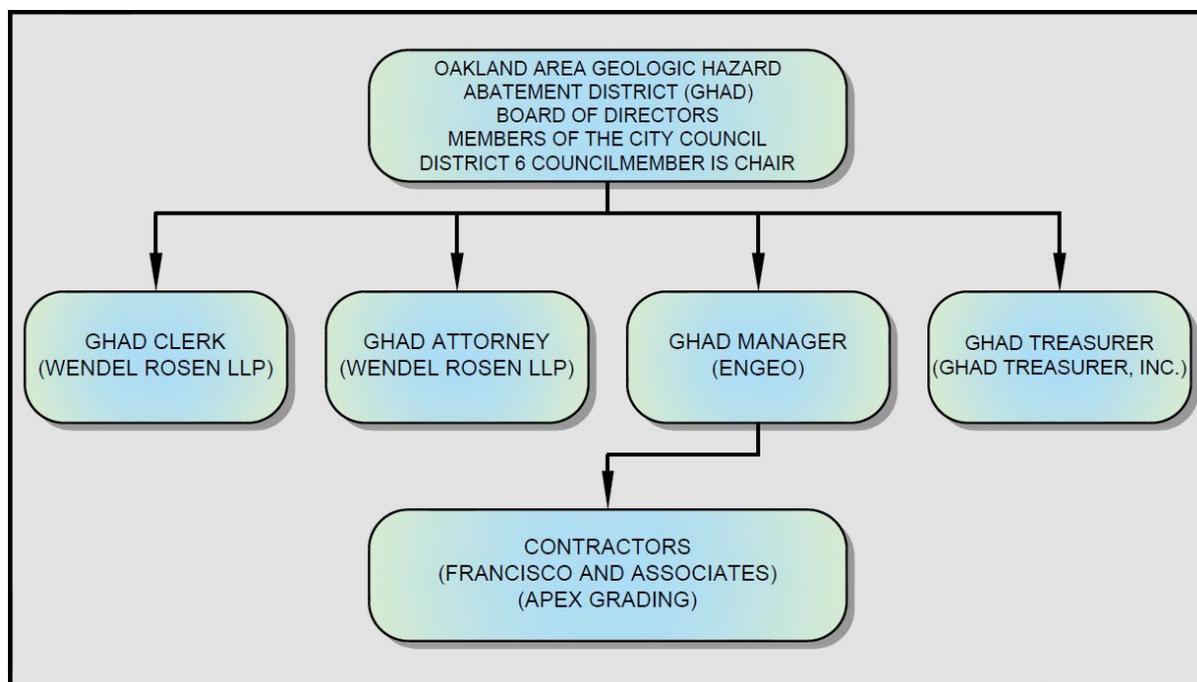
Haley Ralston
hjr/eh/cjn



Eric Harrell

**Oakland Area Geologic Hazard Abatement District
 Program Budget
 Fiscal Year 2021/22**

The following budget summarizes the anticipated revenue and expenditures for FY 2021/22 for the Oakland Area Geologic Hazard Abatement District (GHAD), which currently includes the Siena Hill and Kenilworth developments. The Oakland Area GHAD was formed on July 18, 2006, when the Oakland City Council adopted Resolution No. 80058. The Kenilworth development was annexed into the Oakland Area GHAD on February 21, 2017 by the GHAD Board of Directors with the adoption of Resolution No. 15; however, an Engineer's Report 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 for Monitoring and Maintenance Responsibilities

NUMBER	STREET
64	Siena Drive
67	Siena Drive
68	Siena Drive
71	Siena Drive
72	Siena Drive
75	Siena Drive
76	Siena Drive

NUMBER	STREET
79	Siena Drive
80	Siena Drive
84	Siena Drive

The GHAD is funded through real property assessments and return on investments of the GHAD's reserves, if any. The FY 2020/21 assessment levy was set at \$1,261.96 per residential unit adjusted up 1.62% from the 2019/20 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 2020/21 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 2020/21 FY was \$12,619.60.

TABLE 2: Actual CPI Adjustments and Assessment Limit for Residential Properties

FISCAL YEAR	INDEX DATE	SAN FRANCISCO-OAKLAND-HAYWARD CPI (JUNE/JUNE)	SIENA HILL ANNUAL ASSESSMENT LIMIT	SIENA HILL ASSESSMENT LEVY
2006/2007			\$2,632.00	\$2,632.00
2007/2008	6/30/2008	3.38%	\$2,720.95	\$2,720.94
2008/2009	6/30/2008	4.19%	\$2,834.99	\$2,834.98
2009/2010	6/30/2009	0.23%	\$2,841.43	\$2,841.42
2010/2011	6/30/2010	1.07%	\$2,871.87	\$2,871.86
2011/2012	6/30/2011	2.43%	\$2,941.57	\$2,941.56
2012/2013	6/30/2012	2.64%	\$3,019.13	\$3,019.12
2013/2014	6/30/2013	2.56%	\$3,096.29	\$3,096.28
2014/2015	6/30/2014	3.00%	\$3,189.22	\$3,189.22
2015/2016	6/30/2015	2.29%	\$3,262.24	\$3,262.24
2016/2017	6/30/2016	2.67%	\$2,500.00 ¹	\$1,119.00 ¹
2017/2018	6/30/2017	3.48%	\$2,587.04	\$1,157.96
2018/2019	6/30/2018	3.91%	\$2,688.14	\$1,203.20
2019/2020	6/30/2019	3.22%	\$2,774.57	\$1,241.96
2020/2021	6/30/2020	1.62%	\$2,819.41	\$1,261.96

¹Based on the approved Engineer's Report dated August 31, 2006 and revised April 26, 2016.

Based on the CPI figures reported through February 2021, for budgeting purposes, we estimate a FY 2021/20 inflation rate adjustment of 1.57 percent. The actual CPI adjustment for the FY 2021/22 assessment limit will be based on the inflation rate through June 30, 2020, for the past 12 months as specified in the approved Engineer's Report for the Siena Hill development. We estimate that 10 residential units will be subject to assessment in the FY 2021/22.

TABLE 3: Estimated Revenue

	FY 2021/22 ESTIMATE
Assessed Residential Units	10
Assessments	\$12,818
Investment Income	\$900
Total Revenues	\$13,718

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 2021/22 fiscal year (July 1, 2021), the cumulative reserve will be about \$133,209 and about \$129,469 at the end of the 2021/22 fiscal year (June 30, 2022).

For fiscal year 2021/22 (July 1, 2021 through June 30, 2022), 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 ¹
Slope Stabilization	\$400 ¹
Administration and Accounting	\$2,200
Budget Preparation	\$700

¹Dependent on maintenance and/or repair activities by the GHAD during FY 2021/22. 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 2021/22 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 2021/22 is shown in Table 5.

TABLE 5: Summary of Use of Funds

USE OF FUNDS				
	FY 2020/21 ESTIMATE*	FY 2020/21 BUDGET	FY 2021/22 PROPOSED	PERCENT CHANGE FROM FY 2020/21
Major Repairs				
Subtotal	\$0	\$0	\$0	0.0%
Preventive Maintenance and Operations - Professional Services				
Scheduled Monitoring Events	\$3,300	\$3,000	\$3,000	
Heavy Rainfall Monitoring Event	\$0	\$1,000	\$1,000	
Subtotal	\$3,300	\$4,000	\$4,000	0.0%
Preventive Maintenance and Operations - Maintenance and Operations				
Erosion Control including Ditches	\$0	\$1,000	\$1,000	
Slope Stabilization	\$0	\$2,000	\$2,000	
Subtotal	\$0	\$3,000	\$3,000	0.0%
Special Projects				
Subtotal	\$0	\$0	\$0	0.0%
Administration and Accounting – GHAD Manager				
Administration and Accounting	\$2,200	\$2,200	\$2,200	
Budget Preparation	\$700	\$700	\$700	
Subtotal	\$2,900	\$2,900	\$2,900	0.0%
Administration and Accounting – Outside Professional Services				
Assessment Roll and Levy Update	\$1,000	\$1,000	\$1,000	
Legal Counsel	\$6,500	\$5,000	\$5,000	
Treasurer	\$316	\$650	\$650	
Clerk	\$200	\$400	\$400	
Alameda County Assessor's Fees	\$211	\$215	\$215	
California Association of GHADs Membership	\$103	\$103	\$103	
Insurance – Directors and Officers	\$585	\$575	\$600	
Insurance – General Liability	\$500	\$500	\$500	
Subtotal	\$9,415	\$8,443	\$8,468	0.2%
Total	\$15,615	\$18,343	\$18,368	0.1%

*FY2020/21 Estimate Includes Actual Expenses through April 20, 2021

TABLE 6: Summary of Proposed Fiscal Year 2021/22 Budget

BUDGET ITEM	LABEL	BUDGET AMOUNT	PERCENT OF TOTAL BUDGET (FY 2021/22)	PERCENT OF TOTAL BUDGET (FY 2020/21)
MAJOR REPAIRS				
Major Projects	TOTAL	\$0	0%	0%
PREVENTIVE MAINTENANCE AND OPERATIONS				
Professional Services				
Scheduled Monitoring Events				
Open Space Scheduled Monitoring Events		\$3,000		
Heavy Rainfall Monitoring Events		\$1,000		
	Subtotal	\$4,000		
Maintenance and Operations				
Erosion Control Including Concrete Structures		\$1,000		
Slope Stabilization		\$2,000		
	Subtotal	\$3,000		
	TOTAL	\$7,000	47%	47%
SPECIAL PROJECTS				
	TOTAL	\$0	0%	0%
ADMINISTRATION AND ACCOUNTING – GHAD Manager				
Administration and Accounting		\$2,200		
Budget Preparation/Annual Reporting		\$700		
	Subtotal	\$2,900	19%	20%
Outside Professional Services - Nontechnical				
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		\$600		
Insurance – General Liability		\$500		
	Subtotal	\$8,468	34%	33%
	TOTAL	\$11,368		
ESTIMATED EXPENDITURES	TOTAL	\$18,368	100%	100%
ESTIMATED RECEIVABLES				
Beginning Balance				
Balance (June 30, 2020)		\$129,744		
Estimated FY 2020/21 Revenue				
Assessment Revenue		\$12,620		
Investment Revenue		\$1,300		
Estimated 2020/21 Expenses				
Estimated Expenses		\$15,615		
ESTIMATED RESERVE ON JUNE 30, 2021		\$128,049		

BUDGET ITEM	LABEL	BUDGET AMOUNT	PERCENT OF TOTAL BUDGET (FY 2021/22)	PERCENT OF TOTAL BUDGET (FY 2020/21)
Estimated 2021/22 Revenue				
Estimated FY 2021/22 Assessment		\$12,803		
Estimated FY 2021/22 Investment Income		\$900		
Estimated 2021/22 Expenses				
Expenses through June 30, 2022		\$18,343		
ESTIMATED RESERVE ON JUNE 30, 2022		\$123,409		

MAJOR REPAIRS (MAJOR)

There are currently no ongoing major repair projects and none are anticipated for the 2021/22 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 2021/22 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 \$600

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

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

Estimated budget \$500