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OFFICE OF THE CITY CLERK  
OAKLAND  
2018 JUL -9 PM 3:01

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:** July 24, 2018

**SUBJECT:** Oakland Area GHAD Resolution No. 2018/01

**RECOMMENDATION(S):**

ADOPT Oakland Area GHAD Resolution No. 2018/01 adopting the GHAD budget for 2018/2019 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. The GHAD fund has a balance of \$113,848 as of June 12, 2018. The final assessment roll for the 2017/2018 fiscal year identifies 10 properties as subject to the levy of the GHAD assessment. The 2017/2018 assessment amount is \$1,157.94/unit. A total of 32 homes were approved as part of the Siena Hill project which is within the GHAD boundaries. It is estimated that 10 residential units will be subject to the assessment in FY 2018/2019. Assessments are levied on a parcel the next fiscal year after a building permit is issued for that parcel.

**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 16-0111 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, if any.
- Inspection and maintenance of retaining walls.
- Inspection and maintenance of surface water quality treatment and detention facilities within the development.

The GHAD Board is being requested to adopt the fiscal year budget for 2018/2019 as prepared by the GHAD General Manager, ENGEO Inc., which is attached to Resolution No. 2018/01. In addition, the GHAD Board is being requested to update the GHAD General Manager payment limits under the existing Consulting Services Agreement as required by that Agreement. The budget attached to Resolution No. 2018/01 identifies that limit at \$7,100.

**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 July 24, 2018, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

**RESOLUTION NO. 2018/01 (OAKLAND AREA GHAD)**

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**SUBJECT:** Adopting 2018/2019 annual budget and updating GHAD General 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 2018/2018 prepared by the GHAD General Manager, ENGEO 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 ENGEO Inc., to act as General 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 General Manager services. The budget attached in Exhibit A identifies this limit at \$7,100 at page 2.

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

1. The GHAD Board approves the GHAD budget for the 2017/2018 fiscal year attached as Exhibit A and incorporated herein by this reference.
2. The GHAD Board adopts the payment limit for the GHAD General Manager services at \$7,100 for fiscal year 2017/2018 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.

This Resolution shall become effective immediately upon its passage and adoption.

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OAKLAND

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OAKLAND AREA GEOLOGIC HAZARD ABATEMENT DISTRICT  
BUDGET FOR FISCAL YEAR 2018/19



June 14, 2018

Oakland Area Geologic Hazard Abatement District Board of Directors

Chair Desley Brooks  
Boardmember Rebecca Kaplan  
Boardmember Dan Kalb  
Boardmember Abel J. Guillen  
Boardmember Lynette Gibson McElhaney  
Boardmember Annie Campbell Washington  
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 2018/19**

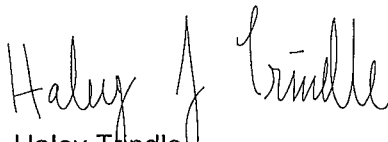
Dear Chair Brooks and Boardmembers:

Attached is the proposed budget for the Oakland Area Geologic Hazard Abatement District (GHAD) for fiscal year (FY) 2018/19. The FY for the Oakland Area GHAD is from July 1 through June 30. The budget as proposed is \$15,288. The budget expenses break down into the following totals.

Major Repair .....	\$0
Preventive Maintenance and Operations .....	\$7,100
Special Projects.....	\$0
Administration and Accounting.....	\$3,100
Additional - Outside Professional Services .....	\$5,188

A summary of the expenses is shown on Table 2 followed by a brief description of each budget item on the following pages. If you have any questions regarding the contents of this letter, please contact us.

Sincerely,  
Oakland Area Geologic Hazard Abatement District  
ENGEO Incorporated, General Manager  
1630 San Pablo Ave., Suite 200  
Oakland, CA 94612  
ENGEO Project No. 6964.002.017

  
Haley Tindle  
ht/eh/bvv

  
Eric Harrell

**Oakland Area Geologic Hazard Abatement District  
Program Budget  
Fiscal Year 2018/19**

The following budget summarizes the anticipated expenditures for FY year 2018/19 for the Oakland Area Geologic Hazard Abatement District (GHAD), which currently includes the Siena Hill development.

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 2017/18 assessment amount was set at \$1,157.94 per residential unit adjusted up 3.48 percent from the 2016/17 assessment level of \$1,119.00. The assessment limit annual adjustment is based on the assessment limit set in the development Engineer's Report using the San Francisco-Oakland-San Jose Consumers Price Index (CPI) for All Urban Consumers. The final assessment roll prepared for the 2017/18 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 2017/18 FY was \$11,579.40. Parcels are subject to a levy of the assessment the first fiscal year following issuance of a building permit.

Based on the San Francisco-Oakland-San Jose consumer price index figures reported through April 2018, for budgeting purposes, we estimate a FY 2017/18 inflation rate adjustment of 3 percent. We estimate that ten residential units will be subject to assessment in the FY 2018/19.

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 2017/18 fiscal year (July 1, 2018), the cumulative reserve will be about \$111,848 and about \$110,284 at the end of the 2018/19 fiscal year (June 30, 2019).

For fiscal year 2018/19 (July 1, 2018, through June 30, 2019), the GHAD management payment limit is set at \$7,100. 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.

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.

## **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 2018/19 is shown in Table 2.

**TABLE 2: Summary of Proposed Fiscal Year 2018/19 Budget**

Budget Item	Label	Budget Amount
<b>Major Repairs</b>		
Major Projects		\$0
<b>Preventive Maintenance and Operations</b>		
<u>Professional Services</u>		
Scheduled Monitoring Events		\$3,000
Heavy Rainfall Monitoring Events		\$1,000
	Subtotal	\$4,000
<u>Maintenance and Operations</u>		



Budget Item	Label	Budget Amount
Erosion Control including Ditches		\$1,000
Slope Stabilization		\$2,000
	Subtotal	\$3,000
<b>Preventive Maintenance and Operations</b>	<b>Total</b>	<b>\$7,000</b>
<b>Special Projects</b>		
Special Projects		\$0
	<b>Special Projects</b>	<b>Total</b>
		<b>\$0</b>
<b>Administration and Accounting – General Manager</b>		
Administration and Accounting		\$2,400
Annual Report and Budget Preparation		\$700
	Subtotal	\$3,100
<b>Outside Professional Services - Nontechnical</b>		
Assessment Roll and Levy Update Preparation		\$1,000
GHAD Attorney		\$2,000
GHAD Treasurer		\$310
GHAD Clerk		\$500
Alameda County Assessor's Fees		\$200
California Association of GHADs Membership		\$103
Insurance – Directors		\$575
Insurance – General Liability		\$500
	Subtotal	\$5,188
	<b>Administration and Accounting</b>	<b>Total</b>
		<b>\$8,288</b>
	<b>Proposed Expenditures</b>	<b>Total</b>
		<b>\$15,288</b>
<b>Estimated Receivables</b>		
Balance (June 12, 2018)		\$113,848
2018/19 Assessment Amount (Estimated)		\$11,927
Estimated Interest on Investments		\$1,797
Estimated Total Available Funds		\$127,572
<b>Estimated Expenditures</b>		
Remaining Expenditures FY 2017/18 (Estimated)		\$2,000
Major Projects		\$0
Preventive Maintenance and Operations		\$7,000
Special Projects		\$0
Administration, Accounting and Legal		\$8,288
<b>Estimated Expenditures FY 2018/19</b>	<b>Total</b>	<b>\$17,288</b>
<b>Estimated Reserve/Fund Balance on June 30, 2019</b>		<b>\$110,284</b>

## **MAJOR REPAIRS (MAJOR)**

There are currently no ongoing major repair projects, and none are anticipated for the 2018/19 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 2018/19 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 2018/19 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 2018/19 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 2018/19 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 \$2,400**

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 \$2,000**

GHAD Treasurer (TREAS)

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

**Estimated budget \$310**

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 \$500**

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 \$200**

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**