



CITY OF HAYWARD

MAINTENANCE DISTRICT No.1

PRELIMINARY ENGINEER'S REPORT

FISCAL YEAR 2020

MAY 2019

PURSUANT TO CHAPTER 26 OF PART 3 OF DIVISION 7 OF THE STREETS AND HIGHWAYS CODE OF THE STATE OF CALIFORNIA, AND CHAPTER 10, ARTICLE 10, SECTION 10-10.25 OF THE HAYWARD MUNICIPAL CODE AND ARTICLE XIII D OF THE CALIFORNIA CONSTITUTION

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CITY OF HAYWARD

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INTRODUCTION

OVERVIEW

On January 5, 1993, by Resolution No. 93-010, the City Council approved the vesting tentative map of Tract 6472 for a 148-lot single-family residential subdivision located on the northerly side of Industrial Parkway West adjacent to the collector streets of Pacheco Way, Stratford Road and Ruus Lane. The final subdivision consisted of 143 lots.

Conditions of approval for Tentative Map Tract 6472, which included Final Tract Maps 6472, 6560, 6682 and 6683, included provisions for storm drainage improvements and construction of an approved stormwater pumping facility. The drainage area and the stormwater pumping facility were analyzed in documents prepared by Wilsey & Ham, Civil Engineers. These documents indicated the following: the drainage basin includes 29.1 acres, of which 24.7 acres are residential, 1.9 acres are for a park site, and 2.5 acres are for the collector streets associated with Stratford Road and Ruus Lane. Pacheco Way does not drain into this drainage basin system nor does the industrial property to the south.

In addition to the 143 lots identified above, final Tract Map 6682, with a total of 31 lots located immediately to the east of Chutney Road, was also approved. Therefore, the total number of residential lots in the drainage basin is 174. In addition to the residential lots, there is a park located on one parcel of land.

On June 6, 1995, by Resolution No. 95-103, the City Council ordered the formation of Maintenance District No. 1 to provide for the operation and maintenance of the storm drainage improvements and the stormwater pumping facility to serve the drainage basin. The FY 1996 Engineer's Report (formation report) included a FY 1996 budget which proposed \$22,557.36 in expenditures which equated to \$129.64/parcel (174 assessable parcels). This is the maximum annual assessment rate and it may not be increased to reflect change in the Consumer Price Index.

A Storm Water Lift Station (SWLS) has been constructed to pump storm water run-off for the developed area which is adjacent to the Alameda County Flood Control and Water Conservation District's ("Flood Control District") Line B, Zone No. 3A. The plans for the lift station were approved by the City and the Flood Control District. The SWLS was designed with capacity for only the development of the area encompassing the 174 parcels. No added capacity was constructed for run-off from other areas such as the Georgian Manor and Spanish Ranch Mobile Home Parks, which are presently served by a privately owned and operated pumping facility located within each park.

An agreement between the City and the Flood Control District transferred ownership of the SWLS to the Flood Control District. The agreement states that the Flood Control District concurred with the SWLS transfer subject to the City providing the Flood Control District with

the funds to operate, maintain, and provide for capital equipment replacement and for modifications that may become necessary for the optimal performance of the SWLS.

Each year the City will be evaluating the need to increase assessments to ensure there are adequate funds to continue to provide proper operation, maintenance, and capital replacement of the storm water pumping facilities within Maintenance District No. 1. As part of this effort, the County of Alameda updated their capital replacement study to determine if the Maintenance District No. 1 is adequately funded. Currently there are not currently sufficient funds to replace the Maintenance District No. 1 capital facilities when they reach the end of their useful lives.

LEGISLATIVE ANALYSIS

PROPOSITION 218 COMPLIANCE

On November 5, 1996, California voters approved Proposition 218 entitled "Right to Vote on Taxes Act," which added Articles XIIC and XIID to the California Constitution. While its title refers only to taxes, Proposition 218 established new procedural requirements for the formation and administration of assessment districts.

Proposition 218 stated that any existing assessment imposed exclusively to finance the capital costs or maintenance and operation expenses for sidewalks, streets, sewers, water, flood control, drainage systems, or vector control on or before November 6, 1996 shall be exempt from the procedures and approval process of Proposition 218, unless the assessments are increased. Maintenance District No. 1 imposes an assessment exclusively for flood control and drainage improvements.

Proposition 218 defines increased, when applied to an assessment, as a decision by an agency that does either of the following:

- a) Increases any applicable rate used to calculate the assessment.
- b) Revises the methodology by which the assessment is calculated, if that revision results in an increased amount being levied on any person or parcel.

For Fiscal Year 2020, the collection rate is proposed to be \$243.92 per parcel, which is the same rate as the previous fiscal year. The Fiscal Year 2020 collection rate is at the maximum base assessment rate of \$243.92 per parcel, which was established at the time the District was formed.

Based upon the review of the formation documents by the City Attorney, since the formation budgeted assessment rate was set at \$243.92 per assessable parcel and the proposed FY 2020 assessment rate will be at the budgeted formation rate of \$243.92 per assessable parcel, the proposed FY 2020 assessment rate is not considered an increase and does not require Proposition 218 proceedings.

PLANS & SPECIFICATIONS

INTRODUCTION

The agreement between the City and the Flood Control District calls for the City each year to deposit with the Flood Control District the funds to maintain, operate, and set aside assessment revenue to provide for a capital replacement fund.

Each year, no later than December 1, the Flood Control District furnishes the City with an itemized estimate of the cost to operate, maintain and supplement the capital equipment replacement fund for the fiscal year commencing on the next July 1. Should the capital equipment replacement fund be inadequate to cover unscheduled/emergency repairs, equipment replacement or modifications that are found to be necessary for the normal and safe performance of the Storm Water Lift Station (SWLS), the Flood Control District will provide the City with written notice of the need for additional funding.

The annual Engineer's Report includes: (1) a description of the improvements to be operated, maintained and serviced, (2) an estimated budget, and (3) a listing of the proposed collection rate to be levied upon each assessable lot or parcel.

In order to receive public comment, City staff 1) mailed a notice to property owners to let them know of the April 11 community input meeting and two Council dates; 2) held a community input meeting on April 11, and 3) conducted an online survey to measure maintenance satisfaction.

The City of Hayward is proposing to hold a public hearing on **June 4, 2019**, to provide an opportunity for any interested person to be heard. At the conclusion of the public hearing, the City Council may adopt a resolution setting the annual assessment amounts as originally proposed or as modified. Following the adoption of this resolution, the final assessor's roll will be prepared and filed with the County Auditor's office to be included on the FY 2020 tax roll.

Payment of the assessment levied upon each parcel will be made in the same manner and at the same time as payments are made for property taxes. All funds collected through the assessment must be placed in a special fund and can only be used for the purposes stated within this report.

DESCRIPTION OF IMPROVEMENTS

The facilities, which have been constructed within the City of Hayward's Maintenance District No. 1 boundaries, and those which may be subsequently constructed, will be operated, maintained and serviced and are generally described as follows:

Maintenance District No. 1

Tract No. 6472, 6560, 6682, 6683 & 6682

Formed: June 6, 1995

Resolution Number: 95-103

174 Parcels

FY 2020 Assessment Amount per Parcel: **\$243.92**

The following is an overview of the FY 2020 District assessment, along with a description of any one-time items budgeted in FY 2020:

- **Maximum base assessment amount:** is unchanged from the original amount of **\$243.92** per parcel, set when the District was created.
- **Annual CPI increase:** the maximum base assessment amount cannot be increased annually based upon the prior year's change in the CPI.
- **Assessment revenue:** the FY 2020 amount needed to operate and maintain the facilities and contribute to the capital reserve is: **\$42,442.08**.
- **Annual assessment charge:** Each of the **174** parcels shall be apportioned an equal share of the total assessment for this zone as the special benefit derived by the individual parcels is indistinguishable from each other. The FY 2020 per parcel charge **will remain the same** as the FY 2019 amount of **\$243.92** per parcel. This amount is at the maximum base assessment, and is sufficient for maintaining levels of service and for keeping a reserve balance.
- **Proposition 218:** Future increases in the assessment amount **above** the maximum base assessment amount would require the noticing and balloting of property owners per the requirements of Proposition 218.
- **FY 2019: Alameda County Maintenance Contract, Facility Evaluation, and SCADA Upgrade**
The City and Alameda County Flood Control District "County" have been in discussions over the past year regarding the increased cost of maintenance, facility consultant studies, and the design and construction of a new SCADA system. The two parties have agreed that the City will issue payment for FY 2018 and FY 2019 maintenance and operating costs (\$45,379, \$34,624) costs in May 2019. The two parties have agreed that the FY 2018 and FY 2019 consultant costs totaling \$65,115 will be paid from the District's capital account (maintained by the County), resulting

in a capital account balance of \$22,195. The two parties have agreed that the City will not make any capital contributions to the District's capital account until all consultant and SCADA costs have been paid. The County estimates that the SCADA construction cost for this District's pump station will be \$270,000. Discussions between the City and County regarding the large SCADA construction cost and payment options are ongoing. The SCADA upgrade is anticipated to be constructed in FY 2020.

- **FY 2020: Proposition 218 Election**

For FY 2020, the following tasks are planned: 1) conduct a Proposition 218 Ballot Election to request an increase to the annual special assessment fee per parcel.

The following improvements are proposed to be operated, maintained and serviced in Maintenance District No. 1 for Fiscal Year 2020:

The Stratford Village Storm Water Lift Station (SWLS):

The facilities include:

- 2 - 15 H.P. Pumps
- 1 - 5 H.P. Pump
- 1 - 3 H.P. Dewatering Pump
- 1 - Generator
- 1 - Supervisory Control and Data Acquisition (SCADA) System
- 1 - Masonry Building to House the SCADA System and Generator

The operation and servicing of these facilities include, but are not limited to: personnel; electrical energy; materials, including diesel fuel and oil; hazardous materials clean up; and appurtenant facilities as required to provide sufficient run-off capacity.

Maintenance means the furnishing of services and materials for the ordinary and usual operations, maintenance and servicing of the SWLS, including repair, removal or replacement of all or part of any of the SWLS.

In FY 2001 the Flood Control District staff evaluated and approved the purchase of a Supervisory Control and Data Acquisition (SCADA) system. This system allows Alameda County Flood Control staff to respond much faster in emergencies and allows staff to remotely observe, troubleshoot, and operate the facility. For instance, during heavy rains, the operator can observe pumping actions, start and stop the pumps, and reset alarms remotely. The cost of purchasing this system has been spread over an eight (8) year period. The last payment for the SCADA system was paid from the FY 2009 assessment proceeds.

For Fiscal Year 2020, the collection rate remains at the same rate from the previous fiscal year, which is \$243.92 per parcel. This amount is the maximum base assessment amount for the District, and it is not indexed to the Consumer Price Index. Any future increases in

the assessment rate would require noticing and balloting of property owners per the requirements of Proposition 218.

FISCAL YEAR 2020 ESTIMATE OF COST AND BUDGET

ESTIMATE OF COSTS

Chapter 10, Article 10, Section 10-10.25 of the Hayward Municipal Code and as supplemented by the provisions of Chapter 26 of Part 3 of Division 7 of the Streets and Highways Code of the State of California provides that the total cost of operation, maintenance and servicing of the storm drainage improvements and storm water pumping station can be recovered by the District. Incidental expenses including administration of the District, engineering fees, legal fees and all other costs associated with these improvements can also be included.

The costs for Fiscal Year 2020 are summarized in the table on the following page. These cost estimates are based on Alameda County budget projections for Fiscal Year 2020.

FIGURE 1 – 2020 COST ESTIMATE

City of Hayward
Maintenance District No. 1 - Pacheco Wy., Stratford Rd., Russ Ln., & Ward Crk.
Fund 270, Project 3745
Established 1993, 174 Parcels

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 EOY Est	FY 2020 Projected
Assessment					
a. Maximum Base Assessment Amount	244	244	244	244	244
b. Annual Per Parcel Assessment	244	244	244	244	244
c. # of Parcels	174	174	174	174	174
d. Total Amount Assessed for the District:	42,442	42,442	42,442	42,442	42,442
Income					
a. Annual Assessment Revenue	42,442	42,442	42,442	42,442	42,442
b. Minus County Tax Collection Fee (1.7%)	(722)	(722)	(722)	(722)	(722)
c. Adjustment for Delinquencies	-	-	(330)	-	-
d. Other	-	-	-	-	-
e. Total Revenue:	41,721	41,721	41,391	41,721	41,721
Services					
a. Utilities: PGE	1,512	1,745	1,542	1,800	1,854
b. Pump Station O&M - ACFCD	14,374	14,044	-	85,000	40,000
c. Pump Station One-Time Repair - ACFCD	-	-	-	-	-
d. Pump Station - ACFCD Capital Reserve	-	5,500	-	-	-
e. Proposition 218 Election	-	-	-	-	27,500
f. Property Owner Noticing	159	177	84	105	108
g. Annual Reporting	1,120	1,067	1,159	1,479	1,150
h. City Administration	1,939	4,064	2,000	4,000	3,500
i. Total Expenditures:	19,103	26,597	4,785	92,384	74,112
Account Balance					
a. Beginning Account Balance	(19,528)	3,812	19,657	57,314	7,372
b. <u>Net Change (Revenue - Expenditures)</u>	<u>23,339</u>	<u>15,845</u>	<u>37,657</u>	<u>(49,942)</u>	<u>(31,670)</u>
c. Ending Account Balance:	3,812	19,657	57,314	7,372	(24,298)

METHOD OF ASSESSMENT APPORTIONMENT

METHOD OF APPORTIONMENT

Chapter 10, Article 10, Section 10-10.25 of the Hayward Municipal Code and as supplemented by the provisions of Chapter 26 of Part 3 of Division 7 of the Streets and Highways Code of the State of California permits the establishment of assessment districts by agencies to finance the maintenance and operation of drainage and flood control services, which include the operation, maintenance and servicing of pump stations.

Article XIID of the California Constitution provides that publicly owned properties must be assessed unless there is clear and convincing evidence that those properties receive no special benefit from the assessment. Exempted from the assessment would be the areas of public streets, public avenues, public lanes, public roads, public drives, public courts, public alleys, public easements and rights-of-ways.

The land uses within Maintenance District No. 1 consist of 174 residential parcels and one park parcel. These parcels receive a special benefit in that the pumping station and the storm drains protect the residential parcels and park parcel from storm water flooding. Even though there are only minor structures located on the park parcel it does receive special benefit from flood control improvements and services.

It is estimated that all residential and park parcels derive similar benefits from the flood control improvements and services, therefore the method for spreading the annual costs is on a per parcel basis.

The projected Fiscal Year 2020 operation, maintenance and capital replacement costs, including funds allocated to operating and capital reserve funds, are estimated to be \$42,442.08. Therefore, the collection rate for Fiscal Year 2020 will be at the maximum assessment rate of \$243.92 per parcel.

ASSESSMENT

WHEREAS, the City Council of the City of Hayward, County of Alameda, California, Pursuant to Chapter 26 of Part 3 of Division 7 of the Streets and Highways Code of the State of California, and Chapter 10, Article 10, Section 10-10.25 of the Hayward Municipal Code, and in accordance with the Resolution of Intention, being Resolution No. XX, preliminarily approving the Engineer's Report, as adopted by the City Council of the City of Hayward, on May 14, 2019, and in connection with the proceedings for:

WHEREAS, said Resolution directed the undersigned Engineer of Work to prepare and file a report presenting an estimate of costs, a diagram for the Assessment District and an assessment of the estimated costs of the improvements upon all assessable parcels within the Assessment District, to which Resolution and the description of said proposed improvements therein contained, reference is hereby made for further particulars;

NOW, THEREFORE, the undersigned, by virtue of the power vested in me and the order of the City Council of the City of Hayward, hereby make the following assessments to cover the portion of the estimated cost of Improvements, and the costs and expenses incidental thereto to be paid by the Assessment District.

As required, an Assessment Diagram is hereto attached and made a part hereof showing the exterior boundaries of the Assessment District. The distinctive number of each parcel or lot of land in the Assessment District is its Assessor Parcel Number appearing on the Assessment Roll.

I do hereby assess and apportion said net amount of the cost and expenses of the Improvements, including the costs and expenses incident thereto, upon the parcels and lots of land within said Assessment District, in accordance with the special benefits to be received by each parcel or lot from the improvements, and more particularly set forth in the Estimate of Costs and Method of Assessment hereto attached and by reference made a part hereof.

The assessments are made upon the parcels or lots of land within Assessment District, in proportion to the special benefits to be received by the parcels or lots of land, from the Improvements.

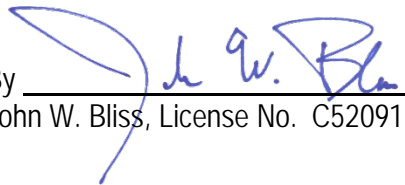
Each parcel or lot of land is described in the Assessment Roll by reference to its parcel number as shown on the Assessor's Maps of the County of Alameda for the fiscal year 2020. For a more particular description of said property, reference is hereby made to the deeds and maps on file and of record in the office of the County Recorder of the County.

I hereby place opposite the Assessor Parcel Number for each parcel or lot within the Assessment Roll, the amount of the assessment for the fiscal year 2020 for each parcel or lot of land within said Maintenance District No. 1.

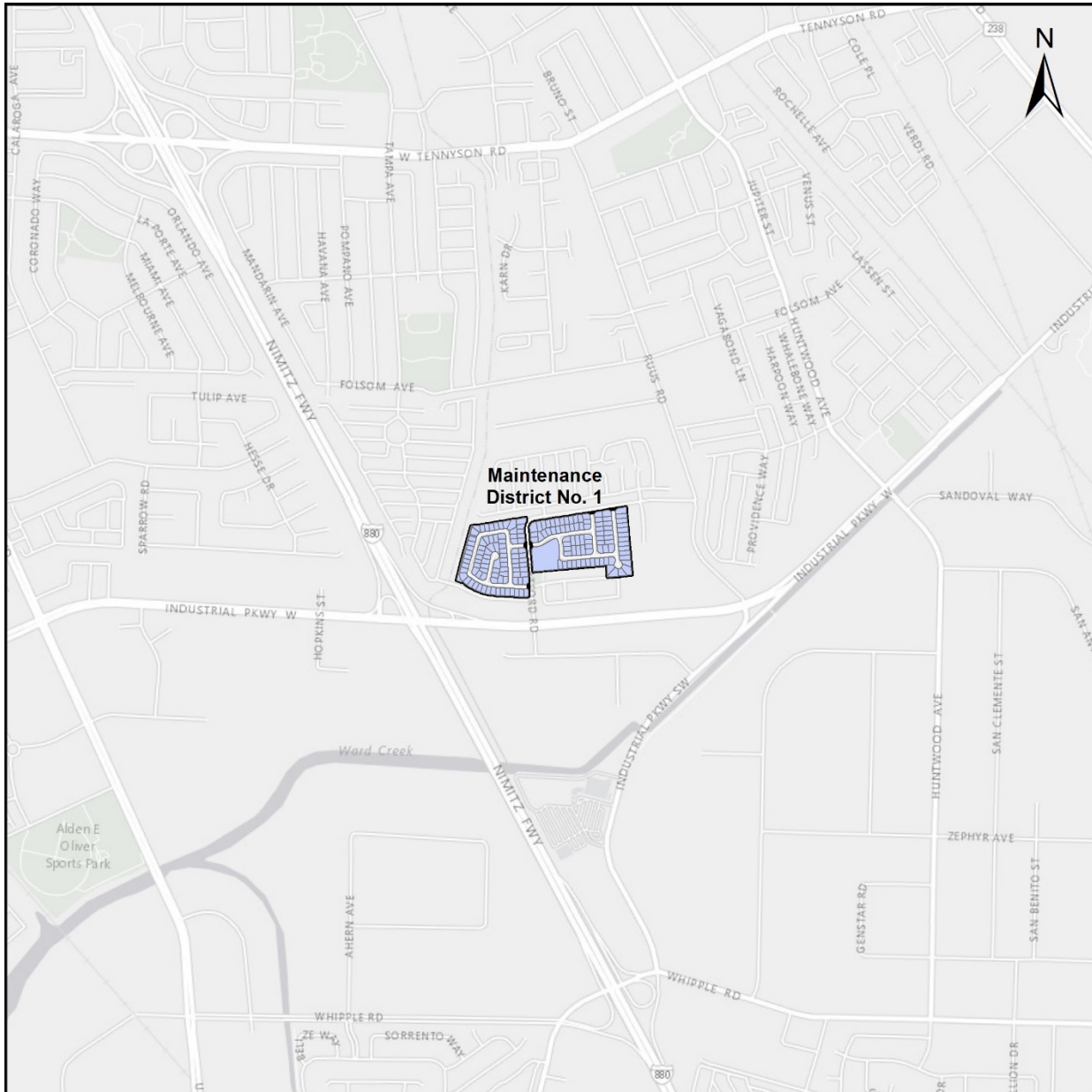
Dated: April 30, 2019



Engineer of Work

By  _____
John W. Bliss, License No. C52091

VICINITY MAP

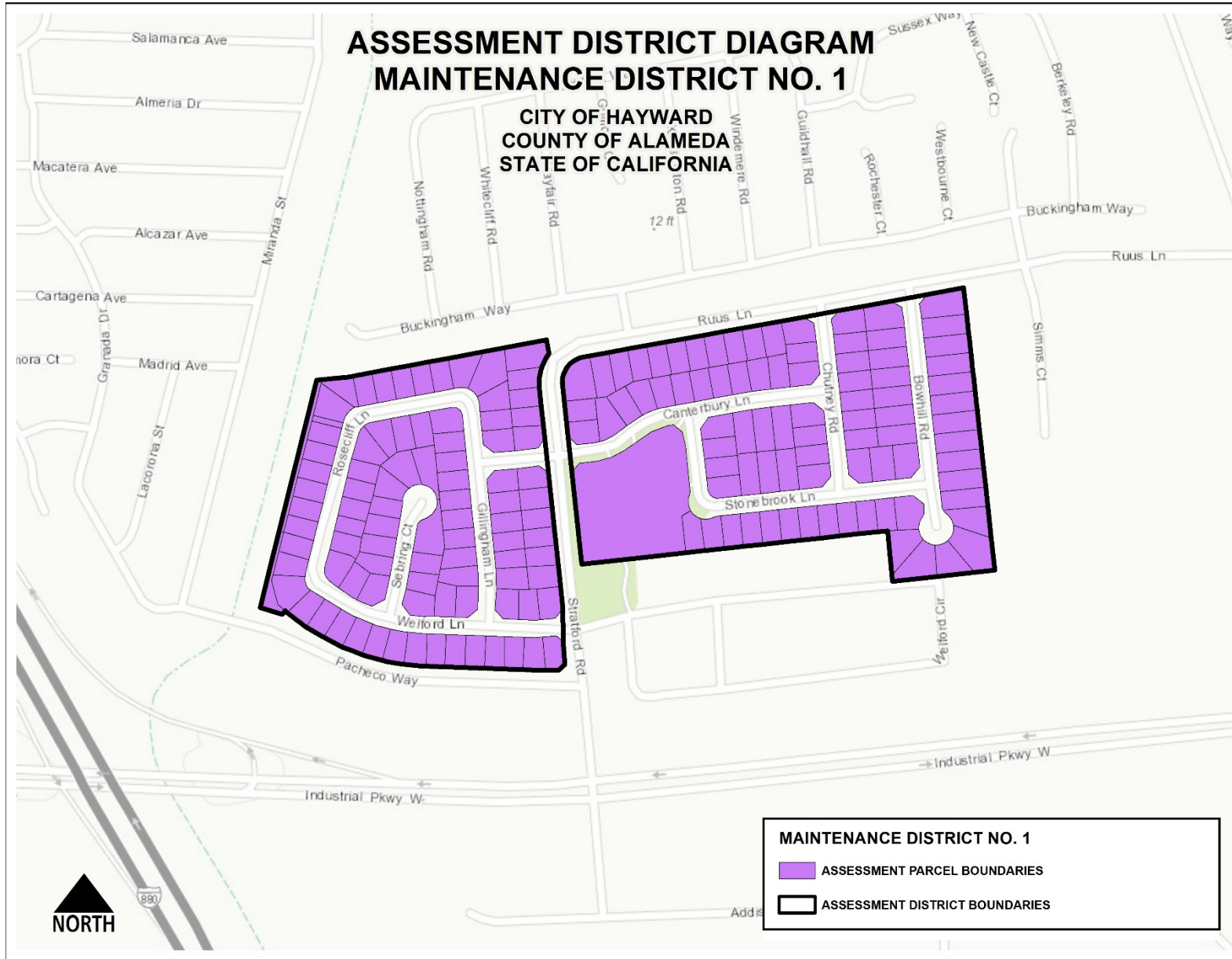


ASSESSMENT DIAGRAM

The boundary of the City of Hayward's Maintenance District No. 1 is on file in the Office of the Hayward City Clerk and is incorporated in this report in Appendix "B".

A detailed description of the lines and dimensions of each lot or parcel within the Assessment District are those lines and dimensions shown on the maps of the Assessor of the County of Alameda for Fiscal Year 2020.

For additional information as to the bearings, distances, monuments, easements, etc. of subject subdivisions, reference is hereby made to Final Tract Maps No. 6472, 6560, 6682 and 6683 filed in the Office of the Recorder of Alameda County.



ASSESSMENT ROLL

A list of names and addresses of the owners of all parcels within the City of Hayward's Maintenance District No. 1 is shown on the last equalized Property Tax Roll of the Assessor of the County of Alameda, which is hereby made a part of this report. This list is keyed to the Assessor's Parcel Numbers as shown on the Assessment Roll on file in the Office of the Hayward City Clerk.

The proposed collection rate and the amount for Fiscal Year 2020 apportioned to each lot or parcel, as shown on the latest roll at the Assessor's Office, are on file in the Office of the City Clerk. The description of each lot or parcel is part of the records of the Assessor of the County of Alameda and these records are, by reference, made a part of this report.

The total assessment amount proposed to be collected for Fiscal Year 2020 is \$42,442.08.