



DATE: June 5, 2018

TO: Mayor and City Council

FROM: Maintenance Services Director

SUBJECT Adopt a Resolution of Intention to Preliminarily Approve the Engineer's Report and Levy Assessments for Fiscal Year 2019 for Maintenance District No. 1 – Storm Drainage Pumping Station and Storm Drain Conduit Located at Pacheco Way, Stratford Road and Ruus Lane, and Set June 19, 2018, as the Public Hearing Date for Such Actions

RECOMMENDATION

That the City Council adopts the attached resolution (Attachment II).

SUMMARY

Maintenance District No. 1 (MD 1) was established in 1995 to fund the operation, maintenance, repair, and replacement of a storm drain pumping facility near Stratford Road and Ruus Lane. The City subsequently signed an agreement with the Alameda County Flood Control and Water Conservation District (Flood Control District) to transfer ownership of the facility to the District, and for the District to operate and maintain the facility. The City acts as an intermediary, whereas the City established the maintenance district and receives the annual assessment revenue, and then annually reimburses the Flood Control District for their operation, maintenance, repair and replace services. Based on staff's review of the district's financial position, staff is recommending no change to the FY 2019 assessment rate from the previous year, set at \$243.92.

BACKGROUND

On May 23, 1995, the City Council ordered the formation of MD 1 to provide for the maintenance, operation, and capital replacement for storm drainage improvements. The Storm Water Lift Station (SWLS) was constructed to pump storm water run-off for the district. 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 of Stratford Road and Ruus Lane. Pacheco Way does not drain into this basin system nor does the industrial property to the south. The total number of lots in the drainage basin is 174.

Because the Flood Control District operated similar facilities within the City, the District was asked to take over ownership and maintenance of the pumping station facility. The agreement signed by both parties calls for the City to reimburse the Flood Control District for annual expenses and make an annual capital replacement fund contribution. The storm drain pumping facility includes a masonry building that houses the Supervisory Control and Data Acquisition (SCADA) System and generator, and includes a total of four pumps.

In compliance with Section 10-10.25 of the Hayward Municipal Code, an annual Engineer's Report is required to be submitted to the City Council. The report is attached (Attachment III), and includes:

- (1) a description of the improvements to be operated, maintained, and serviced;
- (2) the FY2019 recommended budget;
- (3) the FY 2019 recommended assessment rate; and
- (4) map of the benefit zone (assessment diagram).

DISCUSSION

Annual costs for the storm water pumping facility can vary from year to year, based upon the level of maintenance and/or repair performed by the Flood Control District. The Flood Control District, based on its experience as operator, annually provides a budget estimate for operational costs for the next fiscal year. Based upon revenues required to maintain operations and contribute to the District's capital replacement fund, staff is recommending that the maximum base amount established in May 1995 (\$243.93) continue to be charged in FY 2019. A total of \$42,442 will be assessed over 174 parcels, which is sufficient for maintaining levels of service and for contributing to the capital reserve account maintained by the Flood Control District.

FISCAL IMPACT

Staff has evaluated the City's operating fund balance (FY 2019 end of year estimate of \$18,015) and the Flood Control District's capital reserve fund balance (FY 2019 end of year estimate \$102,902) and concurs that the combined fund balances will be adequate for FY 2019. There is no anticipated fiscal impact to the City's General Fund associated with this action, all expenses will be paid using funds held in reserve by MD 1.

STRATEGIC INITIATIVES

This is a routine operational item and does not relate to any of the three Council Strategic Initiatives.

PUBLIC CONTACT

To provide community engagement, City staff 1) mailed a notice to property owners to let them know of their recommended FY 2019 assessment rate, and to alert them to three meetings where

they could provide input (May 22, June 5, and June 19); 2) held a community engagement meeting on May 22; and 3) provided an online survey to measure maintenance satisfaction¹.

NEXT STEPS

Following this Council meeting, the City of Hayward is proposing to hold a public hearing on June 19, 2018, to provide an opportunity for any interested person to be heard. After the public hearing, the City Council may adopt a resolution setting the annual assessment amount 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 2019 tax roll. Payment of the assessment for 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.

If the City Council adopts the attached resolution of intention, it will hold a noticed public hearing on June 19, 2018, to consider approving the Engineer's Report and order the levy of assessments for FY 2019.

Prepared by: Denise Blohm, Management Analyst II, Maintenance Services Department

Recommended by: Todd Rullman, Maintenance Services Director

Approved by:



Kelly McAadoo, City Manager

¹ www.hayward-ca.gov/benefitzone