



# CITY OF HAYWARD

Hayward City Hall  
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## Cover Memo

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**DATE:** July 20, 2021

**TO:** Mayor and City Council

**FROM:** Maintenance Services Director

### **SUBJECT**

Engineer's Report MD-1: Adopt a Resolution to Approve the Final Engineer's Report, Confirm the Maximum Base Assessment Rate, Confirm the Fiscal Assessment Rate, Confirm the Assessment Diagram, Order the Levy and Collection of Fiscal Assessment; and Adopt a Resolution to Approve Funding Recommendations and Appropriate Revenue and Expenditure Budgets for Maintenance District No. 1 - Storm Drainage Pumping Station and Storm Drain Conduit - Pacheco Way, Stratford Road and Ruus Lane, for Fiscal Year 2022

### **RECOMMENDATION**

That the Council adopts two resolutions (Attachment II and III):

1. Approving the Engineer's Report,
2. Confirming the Maximum Base Assessment (MBA) amounts,
3. Confirming the Fiscal Assessment Rate,
4. Confirming the Assessment Diagram,
5. Ordering the Levy and Collection of the Fiscal Assessment,
6. Approving the Funding Recommendation, and
7. Appropriating Revenue and Expenditure budgets for Maintenance District No. 1 for Fiscal Year 2022.

### **SUMMARY**

This report is being provided, as required by the Hayward Municipal Code, to approve the Final Engineer's Report, to include the FY 2022 annual assessment and budget. The Council approved the Preliminary Engineer's Report on July 13, 2021.

Maintenance District No. 1 (MD 1) was formed in 1995 as a financial funding mechanism to fund the ongoing operation, maintenance, repair, and replacement of a Storm Water Lift Station (SWLS) in perpetuity. The SWLS was built by the developer as a condition of development for construction of the Stratford Village neighborhood. The SWLS is the only privately built SWLS in the City, built only to service the Stratford Village neighborhood. Following construction of the flood control facility, the Alameda County Flood Control District (County) was asked to take over ownership and maintenance of the facility

since the County operated similar facilities within the City and the County. The agreement signed by both parties calls for the City to act as an intermediary, using MD 1 funds to reimburse the County for annual expenses and supply MD 1 funds annually for a capital replacement fund.

The FY 2022 assessment charged to the 174 property owners is being recommended to be levied at the maximum amount allowed by law (\$243.92), which is the same as the previous year. MD 1's account balance is negative, and staff will be analyzing options to remedy the deficit account balance. The negative account balance can be contributed to the following factors:

1. MD 1 was formed without the inclusion of an annual inflation factor in its Maximum Base Assessment Rate calculation.
2. Maintenance & Operation (M&O) charges from the County are inconsistent, and in recent years have gotten larger.
3. The Countywide System Upgrade's charge to MD 1 is \$503,980.
4. Proposition 218 Election did not pass.

## **ATTACHMENTS**

Attachment I	Staff Report
Attachment II	Resolution I
Attachment III	Resolution II
Attachment IV	Engineer's Report
Attachment V	FY 2022 Assessment Roll