



CITY OF
HAYWARD
HEART OF THE BAY

CITY COUNCIL AGENDA
JUNE 2, 2015

MAYOR BARBARA HALLIDAY
MAYOR PRO TEMPORE GREG JONES
COUNCIL MEMBER FRANCISCO ZERMEÑO
COUNCIL MEMBER MARVIN PEIXOTO
COUNCIL MEMBER AL MENDALL
COUNCIL MEMBER SARA LAMNIN
COUNCIL MEMBER ELISA MÁRQUEZ

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CITY COUNCIL MEETING FOR JUNE 2, 2015
777 B STREET, HAYWARD, CA 94541
WWW.HAYWARD-CA.GOV

Conference Room 2B – 5:30 PM

1. CITY COUNCIL REPORTS, REFERRALS, AND FUTURE AGENDA ITEMS;
PUBLIC COMMENTS
 2. CLOSED SESSION
 3. Conference with Labor Negotiators
Pursuant to Government Code 54957.6
 - Lead Negotiators: City Manager David; City Attorney Lawson; Assistant City Manager McAdoo; Finance Director Vesely; Public Works-Engineering & Transportation Director Fakhrai; Human Resources Director Collins; Senior Human Resources Analyst Lopez; Assistant City Attorney Vashi; Community and Media Relations Officer Holland; Jack Hughes, Liebert Cassidy and WhitmoreUnder Negotiation: All Groups
 4. Adjourn to City Council meeting
-

**CITY COUNCIL MEETING
Council Chambers – 7:00 PM**

CALL TO ORDER Pledge of Allegiance Council Member Jones

ROLL CALL

CLOSED SESSION ANNOUNCEMENT

PRESENTATIONS

- Proclamation - Elder Abuse Awareness Month
- Certificate of Commendation – Moreau Catholic High School’s Mock Trial Team

PUBLIC COMMENTS

The Public Comment section provides an opportunity to address the City Council on items not listed on the agenda or Work Session or Information Items. The Council welcomes your comments and requests that speakers present their remarks in a respectful manner, within established time limits, and focus on issues which directly affect the City or are within the jurisdiction of the City. As the Council is prohibited by State law from discussing items not listed on the agenda, your item will be taken under consideration and may be referred to staff.

ACTION ITEMS: *(The Council will permit comment as each item is called for the Consent Calendar, Public Hearings, and Legislative Business. In the case of the Consent Calendar, a specific item will need to be pulled by a Council Member in order for the Council to discuss the item or to permit public comment on the item. Please notify the City Clerk any time before the Consent Calendar is voted on by Council if you wish to speak on a Consent Item.)*

CONSENT

1. Approval of Minutes of the Special Joint City Council/Redevelopment Successor Agency Meeting on May 19, 2015
[Draft Minutes](#)
2. Adoption of Ordinance of the City of Hayward Levying Special Tax Within Community Facilities District No. 3 – South Hayward BART TOD Project
[Staff Report](#)
[Attachment I Summary of Notice](#)
3. Industrial Boulevard Pavement Rehabilitation Project – Approval of Plans and Specifications and Call for Bids
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5. Resolution Designating Funding Match for Federal Transportation Investment Generating Economic Recovery (TIGER) Discretionary Grant if Awarded
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6. 22470 Foothill Boulevard - Agreement Regarding Parking Covenant between the City and Dunn-Edwards Corporation for a Portion of Municipal Lot #6
[Staff Report](#)
[Attachment I](#)
[Attachment II](#)
7. Terms and Conditions for Fire Department Mutual Aid Reimbursement
[Staff Report](#)
[Attachment I](#)

June 2, 2015



NON-ACTION ITEMS: *(Work Session and Informational Staff Presentation items are non-action items. Although the Council may discuss or direct staff to follow up on these items, no formal action will be taken. Any formal action will be placed on the agenda at a subsequent meeting in the action sections of the agenda.)*

WORK SESSION

- 8. Proposed FY 2016 Operating Budget (Report from Finance Director Vesely)
[Staff Report](#)

 - 9. Recommended FY 2016-FY 2025 Capital Improvement Program (Report from Director of Public Works - Engineering and Transportation Fakhrai)
[Staff Report](#)

 - 10. Recommended FY2016 and FY2017 Water and Sewer Service Rates and Connection Fees (Report from Utilities and Environmental Services Director Ameri)
[Staff Report](#)
[Attachment I - Proposed FY2016 Water Rate Comparisons with Nearby Agencies](#)
[Attachment II - Water Fund Working Capital Balances](#)
[Attachment III - Wastewater Fund Working Capital Balances](#)
-

The following order of business applies to items considered as part of Public Hearings and Legislative Business:

- *Disclosures*
 - *Staff Presentation*
 - *City Council Questions*
 - *Public Input*
 - *Council Discussion and Action*
-

LEGISLATIVE BUSINESS

- 11. Establish a Poet Laureate Program and Appoint Bruce Roberts as Poet Laureate for the City of Hayward (Report from Mayor Halliday)
[Staff Report](#)
[Attachment I Resolution Poet Laureate](#)
[Attachment II About the Author Bruce Roberts](#)

CITY MANAGER’S COMMENTS

An oral report from the City Manager on upcoming activities, events, or other items of general interest to Council and the Public.



COUNCIL REPORTS, REFERRALS, AND FUTURE AGENDA ITEMS

Oral reports from Council Members on their activities, referrals to staff, and suggestions for future agenda items.

ADJOURNMENT

NEXT SPECIAL MEETING – 7:00 PM, Tuesday, June 9, 2015

PUBLIC COMMENT RULES: *The Mayor may, at the beginning of the hearing, limit testimony to three (3) minutes per individual and five (5) minutes per an individual representing a group of citizens or organization. Speakers will be asked for their name before speaking and are expected to honor the allotted time. Speaker Cards are available from the City Clerk at the meeting.*

PLEASE TAKE NOTICE *that if you file a lawsuit challenging any final decision on any public hearing or legislative business item listed in this agenda, the issues in the lawsuit may be limited to the issues that were raised at the City's public hearing or presented in writing to the City Clerk at or before the public hearing.*

PLEASE TAKE FURTHER NOTICE *that the City Council has adopted Resolution No. 87-181 C.S., which imposes the 90 day deadline set forth in Code of Civil Procedure section 1094.6 for filing of any lawsuit challenging final action on an agenda item which is subject to Code of Civil Procedure section 1094.5.*

******Materials related to an item on the agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office, City Hall, 777 B Street, 4th Floor, Hayward, during normal business hours. An online version of this agenda and staff reports are available on the City's website. Written comments submitted to the Council in connection with agenda items will be posted on the City's website. All Council Meetings are broadcast simultaneously on the website and on Cable Channel 15, KHRT. ******

Assistance will be provided to those requiring accommodations for disabilities in compliance with the Americans with Disabilities Act of 1990. Interested persons must request the accommodation at least 48 hours in advance of the meeting by contacting the City Clerk at (510) 583-4400 or TDD (510) 247-3340.

Please visit us on:



June 2, 2015





**MINUTES OF THE SPECIAL JOINT CITY COUNCIL/REDEVELOPMENT
SUCCESSOR AGENCY MEETING OF THE CITY OF HAYWARD**
City Council Chambers
777 B Street, Hayward, CA 94541
Tuesday, May 19, 2015, 7:00 p.m.

The Special Joint City Council/Redevelopment Successor Agency meeting was called to order by Mayor/Chair Halliday at 7:00 p.m., followed by the Pledge of Allegiance led by Council/RSA Member Márquez.

ROLL CALL

Present: COUNCIL/RSA MEMBERS Zermeño, Mendall, Jones, Peixoto, Lamnin,
Márquez
MAYOR/CHAIR Halliday
Absent: None

COUNCIL REPORTS, REFERRALS, AND FUTURE AGENDA ITEMS

Council Member Zermeño asked staff to review chain link fences at A Street and Grand Avenue and consider if they can be aesthetically improved. Mr. Zermeño also disclosed that he was a member of the Eden Youth and Family Center Board of Directors.

Council Member Mendall asked staff to bring back a work session on a “youth-centric” business area. There was Council consensus for staff to bring back an item to Council or to the Council Economic Development Committee.

CLOSED SESSION ANNOUNCEMENT

City Attorney Lawson announced that the Council met in closed session regarding three items: 1) conference with Legal Counsel pursuant to Government Code 54956.9 regarding two anticipated litigation cases; 2) conference with labor negotiators pursuant to Government Code 54957.6 regarding all groups; and 3) conference with property negotiators pursuant to Government Code 54956 regarding Tennyson/Ruus Multiservice Center – 680 West Tennyson Road, Hayward. There were no reportable items.

PRESENTATIONS

Mayor Halliday indicated this year was the 32nd Annual Clean-up Days Campaign and announced the City of Hayward’s Earth Day Poster and Essay Contest Awards noting there were 764 entries from 29 Hayward schools. Mayor Halliday and Council Member Jones presented the awards to students for grades Kindergarten through High School. Winners of poster and essay contest received gift certificates. Teachers of poster and essay contest winners were also recognized and presented with gift cards.

PUBLIC COMMENTS

Ms. Wynn Greich, Hayward resident, addressed three topics: article in the newspaper regarding the City Manager's compensation; articles regarding the pesticides' effect on kids; and the health effects of fluoride and copper leaching out of water pipes.

The following SEIU Local 1021 members spoke about current concessions; noted they have been without a contract for two years; mentioned the City Manager's compensation and asked for honest negotiations and a fair contract.

Ms. Linda Reid, Hayward resident and employee
Ms. Felicia Sandoval, Hayward resident and employee
Ms. Leah Mendes, Hayward employee
Mr. Jose Medina, Hayward resident and employee

Mr. Kim Huggett, Hayward Chamber of Commerce President, reported on the successful Downtown Hayward BIKE Rodeo and Cyclepath Vintage BMX Show and Street Jam event.

Mr. Michael Urioste, Hayward resident, expressed concern he was not notified of the work session item related to Maple Court. City staff noted that the proposal was a preliminary concept review.

Human Resources Director Collins spoke about the salary survey for SEIU Local 1021.

Ms. Sophia Espinosa, member of the Hayward Coalition for Healthy Youth and Hayward Youth Commission, requested that Council establish protocols for training individuals who sell and serve alcohol in order to reduce associated problems.

Ms. Monica Ackerman, Hayward Coalition for Healthy Youth representative, announced a Coalition meeting on May 21, 2015, at the Eden Youth and Family Center.

Mr. Benjamin Goulart, Hayward resident, spoke about selected project sites of study noting he was concerned about the drawbacks of traffic impacts and high-rise apartment buildings.

Mr. S. J. Samiul aka citizen Sam, Hayward resident, praised staff for the improved plumbing system; recommended placing brochures in the bulletin kiosk and relocating it toward the main entrance; suggested relocating the Police building near City Hall; and acknowledged volunteers and City staff.

Mr. Jim Drake, Hayward resident, asked Council Member Mendall and staff about their stand on fluoride and chloramine being added to the water. Council Member Mendall noted the water additives were not done by a Council action but by the vote of citizens.

Ms. Angela Osayande, SEIU Local 1021 representative, spoke about the salary survey for SEIU Local 1021, and urged the Council to encourage the negotiating team to come to an agreement.

Mayor Halliday noted the negotiating team and SEIU Local 1021 representatives had met on numerous occasions to try to reach a fair contract, and noted that the latest City proposal from May 8, 2015, was on the City's website and encouraged employees to review it.



**MINUTES OF THE SPECIAL JOINT CITY COUNCIL/REDEVELOPMENT
SUCCESSOR AGENCY MEETING OF THE CITY OF HAYWARD**
City Council Chambers
777 B Street, Hayward, CA 94541
Tuesday, May 19, 2015, 7:00 p.m.

CONSENT

Consent Item No. 9 was removed for discussion.

1. Approval of Minutes of the City Council Meeting on April 28, 2015

It was moved by Council Member Mendall, seconded by Council Member Jones, and carried unanimously, to approve the minutes of the City Council Meeting on April 28, 2015.

2. Approval of Minutes of the City Council Meeting on May 5, 2015

It was moved by Council Member Mendall, seconded by Council Member Jones, and carried unanimously, to approve the minutes of the City Council Meeting on May 5, 2015.

3. Adopt a Resolution of Intention to Preliminarily Approve the Engineer's Report and Assessments for Fiscal Year 2016; Reconfirm Base Maximum Annual Assessment Rates for Zones 1, 2, 4 and 5; and Set July 7, 2015, as the Public Hearing Date for Such Actions for Consolidated Landscaping and Lighting District No. 96-1, Zones 1 through 13

Staff report submitted by Development Review Engineer Nguyen, dated May 19, 2015, was filed.

It was moved by Council Member Mendall, seconded by Council Member Jones, and carried unanimously, to adopt the following:

Resolution 15-066, "Resolution Preliminarily Approving Engineer's Report, Declaring Intention to Levy Assessments for Fiscal Year 2016 for Consolidated Landscaping and Lighting District No. 96-1, Zones 1-13, and Setting July 7, 2015, as the Public Hearing Date"

4. Adopt a Resolution of Intention to Preliminarily Approve the Engineer's Report and Levy Assessments for Fiscal Year 2016; Reconfirm Maximum Annual Assessment Amount for Maintenance District No. 1 – Storm Drainage Pumping Station and Storm Drain Conduit Located at Pacheco Way, Stratford Road and Ruus Lane, and Set July 7, 2015, as the Public Hearing Date for Such Actions

Staff report submitted by Consultant Joe Francisco, dated May 19, 2015, was filed.

It was moved by Council Member Mendall, seconded by Council Member Jones, and carried unanimously, to adopt the following:

Resolution 15-067, “Resolution of Intention Preliminarily Approving the Engineer’s Report; Declaring Intention to Levy Assessments for Fiscal Year 2016; and Setting July 7, 2015, as the Public Hearing Date Concerning Maintenance District No. 1 – Storm Drainage Pumping Station and Storm Drain Conduit – Pacheco Way, Stratford Road, and Ruus Lane”

5. Adopt a Resolution of Intention to Preliminarily Approve the Engineer's Report and Levy Assessments for Fiscal Year 2016 for Maintenance District No. 2 – Eden Shores Storm Water Facilities and Water Buffer, and Set July 7, 2015, as the Public Hearing Date for Such Actions

Staff report submitted by Development Review Engineer Nguyen, dated May 19, 2015, was filed.

It was moved by Council Member Mendall, seconded by Council Member Jones, and carried unanimously, to adopt the following:

Resolution 15-068, “Resolution of Intention Preliminarily Approving Engineer’s Report; Declaring Intention to Levy Assessments for Fiscal Year 2016; and Setting July 7, 2015, as the Public Hearing Date Concerning Maintenance District No. 2 – Eden Shores Storm Water Facilities and Water Buffer”

6. Adopt a Resolution of Intention to Execute Renewal of a Joint Exercise of Powers Agreement (JPA) for Six Months through the End of 2015 for the Hayward Area Shoreline Planning Agency (HASPA)

Staff report submitted by Senior Planner Golubics, dated May 19, 2015, was filed.

It was moved by Council Member Mendall, seconded by Council Member Jones, and carried unanimously, to adopt the following:

Resolution 15-069, “Resolution Authorizing the City Manager to Execute Renewal of the Hayward Area Shoreline Planning Agency Joint Exercise of Powers Agreement between the City of Hayward, East Bay Regional Park District, and Hayward Area Recreation and Park District for Another Six Months”

7. Approval of Network Infrastructure System Replacement Agreement

Staff report submitted by Information Technology Manager Saputo, dated May 19, 2015, was filed.



**MINUTES OF THE SPECIAL JOINT CITY COUNCIL/REDEVELOPMENT
SUCCESSOR AGENCY MEETING OF THE CITY OF HAYWARD**
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777 B Street, Hayward, CA 94541
Tuesday, May 19, 2015, 7:00 p.m.

It was moved by Council Member Mendall, seconded by Council Member Jones, and carried unanimously, to adopt the following:

Resolution 15-070, “Resolution Authorizing the City Manager to Negotiate and Execute an Agreement with LookingPoint to Provide New Network Infrastructure System and Ancillary Equipment and Execution of a Five-Year Lease Agreement for Said Infrastructure with Cisco Capital”

8. Cast Iron Water Pipeline Replacement Project: Award of Construction Contract

Staff report submitted by Associate Civil Engineer Schurman, dated May 19, 2015, was filed.

It was moved by Council Member Mendall, seconded by Council Member Jones, and carried unanimously, to adopt the following:

Resolution 15-071, “Resolution Awarding the Contract for the Cast Iron Water Pipeline Replacement Project, Project No. 07005, to California Trenchless, Inc.”

9. Conversion of Existing Gravity Thickener to New Primary Clarifier at Water Pollution Control Facility: Award of Contract and Appropriation of Funds

Staff report submitted by Senior Utilities Engineer England, dated May 19, 2015, was filed.

Mr. Ken Kreischer, with Western Water Constructors, Inc., opposed staff’s recommendation to award the contract to Mountain Cascade because it failed to list subcontractors and was not qualified to perform the work.

Mr. Josh McGarva, with Western Water Constructors, Inc., opposed awarding the contract to Mountain Cascade because it failed to list subcontractors and was not qualified to do the work. Mr. McGarva urged Council that more consideration be given before awarding the contract.

Mr. David Hicks, Vice President of Estimating with Mountain Cascade, provided and referred to a document entitled Engineered Metal Buildings that addressed the concerns raised and noted his company was qualified to perform the work.

Director of Utilities and Environmental Services Ameri said staff had reviewed the bid protest submitted by Western Water Constructors and found the information provided to be inconsequential and not material to the award of contract.

It was moved by Council Member Jones, seconded by Council Member Zermeño, and carried unanimously, to adopt the following:

Resolution 15-075, “Resolution Awarding Contract to Mountain Cascade Inc., for the Conversion of Existing Gravity Thickener to New Primary Clarifier Project at Water Pollution Control Facility, Project No. 07515”

Resolution 15-076, “Resolution Amending Resolution 14-098, As Amended, the Budget Resolution for Capital Improvements Projects for Fiscal Year 2015, Relating to Appropriation of Funds from the Sewer System Improvements Fund (612) to the Conversion of Existing Gravity Thickener to New Primary Clarifier Project at Water Pollution Control Facility, Project No. 07515”

10. Recycled Water Project: Authorization for City Manager to Submit a Revised Application for State Water Resources Control Board Revolving Fund Loan

Staff report submitted by Senior Utilities Engineer England, dated May 19, 2015, was filed.

It was moved by Council Member Mendall, seconded by Council Member Jones, and carried unanimously, to adopt the following:

Resolution 15-072, “Resolution Authorizing the City Manager to Sign and File a State Revolving Fund Loan Financial Assistance Application in an Amount Not to Exceed \$12,000,000 for Capital Improvement Project #07507 – Recycled Water Treatment and Distribution Facilities”

11. Consideration of Resolutions in Support of SB 546 (Leno) and an Amended SB 26 (Hernandez): Providing Greater Transparency of Costs Associated with the Affordable Care Act

Staff report submitted by Administrative Analyst I Stefanski, dated May 19, 2015, was filed.

It was moved by Council Member Mendall, seconded by Council Member Jones, and carried unanimously, to adopt the following:

Resolution 15-073, “Resolution in Support of SB 546 (Leno) Health Care Coverage: Rate Review”

Resolution 15-074, “Resolution in Support of SB 26 (Hernandez) California Health Care Cost and Quality Database, with Amendments”



**MINUTES OF THE SPECIAL JOINT CITY COUNCIL/REDEVELOPMENT
SUCCESSOR AGENCY MEETING OF THE CITY OF HAYWARD**
City Council Chambers
777 B Street, Hayward, CA 94541
Tuesday, May 19, 2015, 7:00 p.m.

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12. Authorization for City Manager to Reject all Bids for Lease-Purchase Financing of a Fire Apparatus; and Negotiate on the Open Market for Lease-Purchase Financing

Staff report submitted by Deputy Director of Finance Claussen, dated May 19, 2015, was filed.

It was moved by Council Member Mendall, seconded by Council Member Jones, and carried unanimously, to authorize the City Manager to reject all bids received as a result of Request for Proposal (RFP) Bid # 1524-031225 for the Lease-Purchase Financing of a Fire Apparatus; and authorize the City Manager to negotiate on the open market for the best possible lease-purchase financing.

13. Approval of Revised Long Range Property Management Plan

Staff report submitted by Administrative Analyst I Stefanski, dated May 19, 2015, was filed.

It was moved by Council/RSA Member Mendall, seconded by Council/RSA Member Jones, and carried unanimously, to adopt the following:

Redevelopment Successor Agency Resolution 15-02, "Resolution of the City Council of the City of Hayward, Acting as the Governing Board of the Hayward Successor Agency, A Separate Legal Entity, Approving Revisions to the Multi-Asset Long-Range Property Management Plan Pursuant to Health and Safety Code Section 34191.5"

14. Approval of an Amendment to a Professional Services Agreement with AMEC Foster Wheeler Environment and Infrastructure, Inc. (AMEC FW EI) for Environmental Remediation Efforts at the Cinema Place Property

Staff report submitted by Administrative Analyst Stefanski, dated May 19, 2015, was filed.

It was moved by Council/RSA Member Mendall, seconded by Council/RSA Member Jones, and carried unanimously, to adopt the following:

Redevelopment Successor Agency Resolution 15-03, "Resolution Approving an Amendment to a Professional Services Agreement with AMEC Foster Wheeler Environment and Infrastructure Inc."

Council Member Jones noted he was advised by the City Attorney to recuse from participating in the

Work Session due to the close proximity of the proposal to his business and he left the Council Chambers at 8:40 p.m.

WORK SESSION

15. Economic Development Preliminary Concept Review: Maple & Main Mixed-Use Development

Staff report submitted by Economic Development Specialist Nguyen, dated May 19, 2015, was filed.

City Manager David announced the report and introduced Economic Development Manager Hinkle who provided a synopsis of the report. Mr. Blake Peters, with Bay Area Property Developers, presented residential development projects and provided a conceptual architecture for Maple and Main Apartments. Mr. Soong Kim, with Humphrey and Partners Architects, explained the plan and conceptual design for the Maple and Main Apartments. Mr. Tom Merschel, with Bay Area Property Developers, was available to respond to questions.

Discussion ensued among Council Members, City staff and Bay Area Property Developers about the proposed mixed-use development located at the corner of Maple and Main Street.

Council Members generally supported the proposed conceptual plan and offered the following comments for the developers and staff: if the two commercial buildings are retained, they will need to be upgraded to fit the mixed-use development concept; consider unbundle parking; the five-story building might be too high; the high quality rental can be compensated with more ground commercial space; offer more variety such as studios and two-bedroom units; be mindful of amenities such as pools that might require a lot of water usage; design should address mitigation measures for traffic flow and parking; improve the architectural design and present variations of color scheme for the proposed development; the proposal needs to be sustainable; consider green elements and open space; and meet with retailers in the area and outreach to the community surrounding the proposed project.

INFORMATION ITEMS

There were none.

CITY MANAGER'S COMMENTS

There were none.

COUNCIL REPORTS, REFERRALS, AND FUTURE AGENDA ITEMS

Mayor Halliday commented favorably of the Law Enforcement Action Readiness Summit sponsored by the Alameda County Chiefs of Police and Sheriff's Association, the Hayward-South Alameda County Chapter of the NAACP and Palma Ceia Baptist Church, which was held at Mount Eden High School on May 16, 2015.



**MINUTES OF THE SPECIAL JOINT CITY COUNCIL/REDEVELOPMENT
SUCCESSOR AGENCY MEETING OF THE CITY OF HAYWARD**
City Council Chambers
777 B Street, Hayward, CA 94541
Tuesday, May 19, 2015, 7:00 p.m.

ADJOURNMENT

Mayor/Chair Halliday adjourned the meeting at 10:01 p.m.

APPROVED:

Barbara Halliday
Mayor, City of Hayward
Chair, Redevelopment Successor Agency

ATTEST:

Miriam Lens
City Clerk, City of Hayward
Secretary, Redevelopment Successor Agency

DATE: June 2, 2015
TO: Mayor and City Council
FROM: City Clerk
SUBJECT: Adoption of Ordinance of the City of Hayward Levying Special Tax Within Community Facilities District No. 3 – South Hayward BART TOD Project

RECOMMENDATION

That the City Council adopts the Ordinance introduced on May 26, 2015.

BACKGROUND

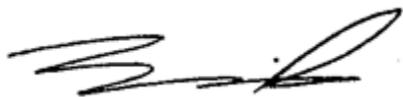
The Ordinance was introduced by Council Member Peixoto at the May 26, 2015 meeting of the City Council with the following vote:

AYES:	Council Members:	Zermeño, Jones, Mendall, Peixoto, Lamnin, Márquez Mayor Halliday
NOES:	Council Members:	None
ABSENT:	Council Members:	None
ABSTAIN:	Council Members:	None

The summary of the Ordinance was published in the Hayward Daily Review on Saturday, May 30, 2015. Adoption at this time is therefore appropriate.

Prepared and Recommended by: Miriam Lens, City Clerk

Approved by:



Fran David, City Manager

Attachments:

Attachment I Summary of Ordinance Published 5/30/2015

PUBLIC NOTICE OF AN INTRODUCTION OF ORDINANCE
BY THE CITY COUNCIL OF THE CITY OF HAYWARD

ORDINANCE OF THE CITY OF HAYWARD LEVYING SPECIAL TAX WITHIN
COMMUNITY FACILITIES DISTRICT

CITY OF HAYWARD
Community Facilities District No. 3
(South Hayward BART TOD Project)

WHEREAS, the City Council (the “Council”) of the City of Hayward (the “City”) hereby finds and declares that:

1) On April 21, 2015, this Council adopted a resolution entitled “Resolution of Intention to Establish Community Facilities District” (the “Resolution of Intention”), and has conducted proceedings (the “Proceedings”) to establish “City of Hayward Community Facilities District No. 3 (South Hayward BART TOD Project)” (the “CFD”) pursuant to the Mello-Roos Community Facilities Act, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the “Act”) to finance certain municipal services (the “Services) as provided in the Act;

2) Pursuant to notice as specified in the Act, and as part of the Proceedings, the Council has held a public hearing under the Act relative to the determination to proceed with the formation of the CFD and the rate and method of apportionment of the special tax (“Special Tax”) to be levied within the CFD to finance the Services, and at such hearing all persons desiring to be heard on all matters pertaining to the formation of the CFD and the levy of the Special Tax were heard, substantial evidence was presented and considered by this Council and a full and fair hearing was held;

3) Upon the conclusion of the hearing, this Council adopted its "Resolution of Formation of Community Facilities District" (the “Resolution of Formation), pursuant to which it completed the Proceedings for the establishment of the CFD, the authorization of the levy of the Special Tax within the CFD and the calling of an election within the CFD on the propositions of levying the Special Tax and establishing an appropriations limit within the CFD, respectively; and

4) On May 26, 2015, a special election was held among the landowner voters within the CFD at which such voters approved such propositions by the two-thirds vote required by the Act, which approval has been confirmed by resolution of this Council.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HAYWARD as follows:

Section 1. By the passage of this Ordinance, the Council hereby authorizes and levies the Special Tax within the CFD pursuant to the Act, at the rate and in accordance with the rate and method of apportionment of Special Tax set forth in the Resolution of Formation which rate and

method is by this reference incorporated herein. The Special Tax is hereby levied commencing in fiscal year 2015-16 and in each fiscal year thereafter to pay for the Services for the CFD, as contemplated by the Resolution of Formation and the Proceedings and all costs of administering the CFD.

Section 2. The City's Finance Manager or designee, or an employee or consultant of the City, is hereby authorized and directed each fiscal year to determine the specific Special Tax to be levied for the next ensuing fiscal year for each parcel of real property within the CFD, in the manner and as provided in the Resolution of Formation.

Section 3. Exemptions from the levy of the Special Tax shall be as provided in the Resolution of Formation and the applicable provisions of the Act. In no event shall the Special Tax be levied on any parcel within the CFD in excess of the maximum Special Tax specified in the Resolution of Formation.

Section 4. All of the collections of the Special Tax shall be used as provided in the Act and in the Resolution of Formation, including, but not limited to, the payment of costs of the Services, the payment of the costs of the City in administering the CFD, and the costs of collecting and administering the Special Tax.

Section 5. The Special Tax shall be collected in the same manner as ordinary ad valorem taxes are collected and shall have the same lien priority, and be subject to the same penalties and the same procedure and sale in cases of delinquency as provided for ad valorem taxes; provided, however, that the Council may provide for other appropriate methods of collection by resolution(s) of the Council. In addition, the provisions of Section 53356.1 of the Act shall apply to delinquent Special Tax payments. The Finance Manager of the City is hereby authorized and directed to provide all necessary information to the auditor/tax collector of the County of Alameda in order to effect proper billing and collection of the Special Tax, so that the Special Tax shall be included on the secured property tax roll of the County of Alameda for fiscal year 2015-16 and for each fiscal year thereafter until no longer required to pay for the Services or until otherwise terminated by the City.

Section 6. If for any reason any portion of this ordinance is found to be invalid, or if the Special Tax is found inapplicable to any particular parcel within the CFD, by a court of competent jurisdiction, the balance of this ordinance and the application of the Special Tax to the remaining parcels within the CFD shall not be affected.

Section 7. The Mayor shall sign this Ordinance and the City Clerk shall cause the same to be published immediately after its passage at least once in a newspaper of general circulation circulated in the City.

Section 8. This Ordinance shall take effect 30 days from the date of final passage.

Introduced at the meeting of the Hayward City Council held May 26, 2015, the above-entitled Ordinance was introduced by Council Member Peixoto.

This Ordinance will be considered for adoption at a regular meeting of the Hayward City Council, to be held on June 2, 2015, at 7:00 p.m., in the Council Chambers, 777 B Street, Hayward, California. The full text of this Ordinance is available for examination by the public in the Office of the City Clerk.

Dated: May 30, 2015
Miriam Lens, City Clerk
City of Hayward

DATE: June 2, 2015

TO: Mayor and City Council

FROM: Director of Public Works – Engineering & Transportation

SUBJECT: Industrial Boulevard Pavement Rehabilitation Project – Approval of Plans and Specifications and Call for Bids

RECOMMENDATION

That Council adopts the attached resolution (Attachment I) that approves the plans and specifications for the Industrial Boulevard Pavement Rehabilitation Project and calls for bids to be received on June 30, 2015.

BACKGROUND

On June 25, 2013, Council authorized staff to apply to the Metropolitan Transportation Commission (MTC) for the Cycle 2 One Bay Area Grant (OBAG) federal funding for local street and road rehabilitation in the amount of \$1,335,000, which is the City’s share of the \$15.2 million allocated to Alameda County. Federal funds require a match of at least 11.47% of the total project cost. To be eligible for federal funding, the street must be on the federal aid system. The Industrial Boulevard Pavement Rehabilitation project will improve the section of Industrial Boulevard between Clawiter Road to 659 feet south of Depot Road (See Attachment II).

DISCUSSION

The project consists of making full-depth asphalt concrete spot repairs, strengthening the base layer, placing hot mix asphalt overlay, placing new striping and markings, and improving the median landscape. Curb ramps will also be installed at the curb returns located within the limits of the project in order to satisfy the requirements of the Americans with Disabilities Act (ADA).

This project will utilize a Cold In-place Recycling (CIR) stabilization method, which is an environmentally friendly and cost effective treatment. The CIR method recycles and reuses six inches of existing pavement material. Then, a two inch layer of new asphalt is placed on top. CIR eliminates the need for purchasing and transporting new aggregates, thus decreasing fuel consumption, and ultimately reducing greenhouse gas emissions, which is consistent with the goals of the City’s Climate Action Plan. The total lane miles of pavement to be improved with this project will be 1.3 lane miles. The City is responsible for the maintenance of 657 lane miles of roadway.

In addition to the pavement improvement, the median island will need to be improved. Past overlays in this section of the roadway have reduced the median curb height, which requires the need to reconstruct the median island curb. This project will also make improvements to the landscaping by adding permeable pavers, low-water usage trees, drought tolerant shrubs, and succulents. Additionally, the irrigation system will use subsurface driplines, bubblers, and a Calsense irrigation controller to manage water use.

Since this project is partly funded with federal funds, the federal Disadvantaged Business Enterprise (DBE) program applies. The DBE has transitioned to a race-conscious DBE program which will apply to this project. Contract goals must now include all DBE groups whose members are certified as socially and economically disadvantaged. This project will have a contract goal of 12% DBE participation.

This project is categorically exempt from environmental review under section 15301 (c) of the California Environmental Quality Act Guidelines for the operation, repair, maintenance, or minor alteration of existing facilities. Additionally, the Local Assistance Branch of Caltrans concurs that this project is categorically excluded from the National Environmental Policy Act.

FISCAL IMPACT

The estimated project costs are as follows:

Construction Contract	\$1,314,000
Construction - Administrative Change Orders	40,000
Design and Administration	80,000
Construction Inspection and Testing	75,000
Total	<u>\$1,509,000</u>

The Adopted FY 2015 Capital Improvement Program includes \$1,509,000 for the Industrial Boulevard Pavement Rehabilitation project in the Street System Improvements Fund.

PUBLIC CONTACT

Because of the temporary inconvenience that is expected to be caused by the improvement work after the construction contract is awarded, staff will post and distribute a preliminary notice explaining the project to residents and businesses along the section of Industrial Boulevard. After the construction work has been scheduled, a detailed notice indicating the date and time of work for each segment of the street will be distributed to all affected residents and businesses.

COMPLETE STREETS

The existing accommodations such as transit facilities, bicycle facilities, sidewalk and street lighting will be maintained. This project will reconstruct existing curb ramps that are not

meeting ADA standards. These measures are consistent with the City's recently adopted Complete Streets Policy, where consideration is to be given to all users of the street, in addition to vehicular traffic.

SCHEDULE

Open Bids	June 30, 2015
Award Contract	July 21, 2015
Begin Work	August 17, 2015
Complete Work	November 30, 2015

Prepared by: Yaw Owusu, Assistant City Engineer

Recommended by: Morad Fakhrai, Director of Public Works – Engineering & Transportation

Approved by:



Fran David, City Manager

Attachments:

- Attachment I: Resolution
- Attachment II: Location Map

HAYWARD CITY COUNCIL

RESOLUTION NO. 15-

Introduced by Council Member _____

RESOLUTION APPROVING PLANS AND SPECIFICATIONS FOR THE INDUSTRIAL BOULEVARD PAVEMENT REHABILITATION PROJECT, PROJECT NO. 05265, AND CALL FOR BIDS

BE IT RESOLVED by the City Council of the City of Hayward as follows:

WHEREAS, those certain plans and specifications for the Industrial Boulevard Pavement Rehabilitation, Project No. 05265, on file in the office of the City Clerk, are hereby adopted as the plans and specifications for the project; and

WHEREAS, the City Clerk is hereby directed to cause a notice calling for bids for the required work and material to be made in the form and manner provided by law; and

WHEREAS, sealed bids therefor will be received by the City Clerk’s office at City Hall, 777 B Street, 4th Floor, Hayward, California 94541, up to the hour of 2:00 p.m. on Tuesday, June 30, 2015, and immediately thereafter publicly opened and declared by the City Clerk in Conference Room 2A, located on the 2nd Floor of City Hall, Hayward, California.

NOW, THEREFORE, BE IT RESOLVED, that the City Council will consider a report on the bids at a regular meeting following the aforesaid opening and declaration of same.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the project is categorically exempt under section 15301(c) of the California Environmental Quality Act Guidelines for the operation, repair, maintenance, or minor alteration of existing facilities and CalTrans has determined that the project is categorically excluded from the National Environmental Policy Act.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2015

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

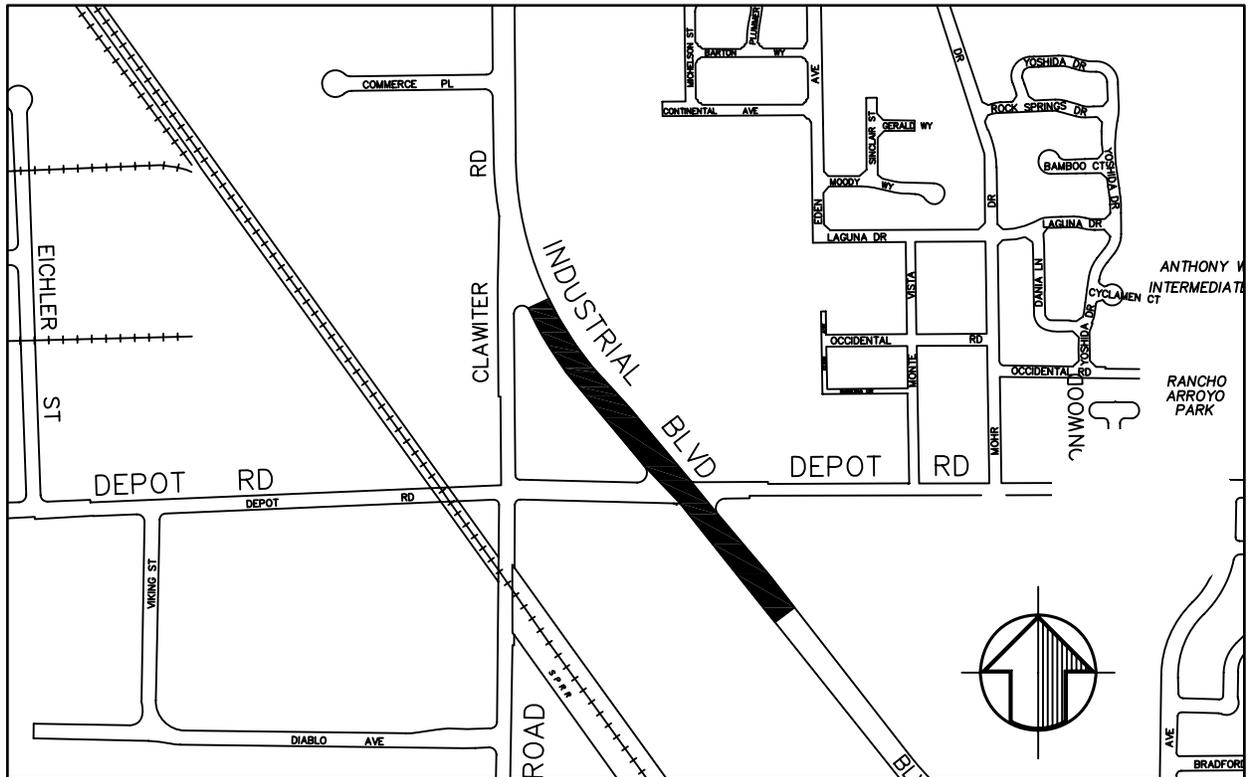
ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward



**OBAG - PAVEMENT REHABILITATION
INDUSTRIAL BLVD
FROM CLAWITER RD TO 659 FEET SOUTH OF DEPOT RD
PROJECT LIMITS MAP**

DATE: June 2, 2015

TO: Mayor and City Council

FROM: Director of Public Works – Engineering & Transportation

SUBJECT: Hayward Promise Neighborhood Street Improvement Project – Approval of Plans and Specifications and Call for Bids

RECOMMENDATION

That Council adopts the attached resolution approving plans and specifications for the Community Development Block Grant (CDBG) for Hayward Promise Neighborhood Street Improvement Project (PNSIP) and calls for bids to be received on June 30, 2015.

BACKGROUND

Since 1975, the City of Hayward has administered CDBG funds received from the U.S. Department of Housing and Urban Development (HUD). In May of 2014, HUD selected the City of Hayward CDBG program for a complete and comprehensive financial monitoring and reconciliation spanning thirty-eight years of program activity from 1976 to 2014. The HUD monitoring process resulted in unspent funds. The unspent CDBG fund balance is \$1,387,328.

On October 21, 2014, City Council approved a substantial amendment to the CDBG FY 2014-15 Annual Action Plan for the PNSIP, which would reconcile the funds from 1976 to 2014. HUD requires that the City utilize these newly reconciled CDBG funds toward a shovel-ready project that can be initiated and completed within twelve months (no later than December 31, 2015), thus expending these funds efficiently and effectively for the public benefit while avoiding timeliness spending issues. To this end, HUD has provided prior review and approval for a project to implement significant street improvements in a low-income eligible census tract located in the Jackson Triangle, also known as the Hayward Promise Neighborhood. After extensive staff review, no other projects were deemed eligible and/or shovel ready pursuant to the HUD guidelines and requirements.

DISCUSSION

The Hayward PNSIP includes residential streets within the HUD qualified census tract. The following streets were selected for improvement based on CDBG requirements: Cody Road, Culp Avenue, Custer Road, Frederick Avenue, Joyce Street, Lander Avenue, Landley Way, Mardie Street, Muir Street, Sublett Drive, Sycamore Avenue, Thomas Avenue, and Tioga Road have been selected for pavement improvement as shown in Attachment II.

The project will use an environmentally friendly and cost effective treatment method that recycles and reuses existing pavement material. The total lane miles of pavement to be improved with this project will be 3.5 miles. The City is responsible for the maintenance of 657 lane miles of roadway. The project is categorically exempt from environmental review under Section 15301 (c) of the California Environmental Quality Act Guidelines for the operation, repair, maintenance, or minor alteration of existing facilities.

FISCAL IMPACT

The estimated project costs are as follows:

Construction Contract	\$1,080,328
Administrative Change Order	\$109,000
Design and Administration	\$78,000
Construction Engineering, Inspection and Testing	<u>\$120,000</u>
Total:	\$1,387,328

As stated earlier, Council approved a substantial amendment to the Community Development Block Grant FY 2014/15 Annual Action Plan for this project on October 21, 2014. Once approved, staff finalized project specifications and prepared the bid documents. As a result of this amendment, the CDBG FY 2014/15 Annual Action Plan includes \$1,387,328 for this project.

PUBLIC CONTACT

Because of the temporary inconvenience that is expected to be caused by the pavement work, immediately after the construction contract is awarded, a preliminary notice explaining the project will be posted and distributed to all residents and businesses along the affected streets. After the construction work has been scheduled, signs on barricades will be posted seventy-two hours prior to commencement of work indicating the date and time of work for each street. Residents will be advised to park their vehicles on side streets outside of the work area during the period when the streets are being treated.

COMPLETE STREETS

This project considers all users of the public right-of-way in addition to motorists. This project will construct new curb ramps, bring existing ramps into compliance with ADA, and restripe existing crosswalks. These measures are consistent with the City’s adopted Complete Streets Policy, where consideration is to be given to all users of the street, in addition to vehicular traffic.

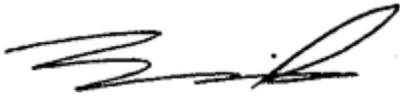
SCHEDULE

Open Bids	June 30, 2015
Award Contract	July 21, 2015
Begin Work	August 18, 2015
Complete Work	October 13, 2015

Prepared by: Yaw Owusu, Assistant City Engineer

Recommended by: Morad Fakhrai, Director of Public Works – Engineering & Transportation

Approved by:



Fran David, City Manager

Attachments:

Attachment I: Resolution

Attachment II: Location Map

HAYWARD CITY COUNCIL

RESOLUTION NO. 15-_____

Introduced by Council Member _____

RESOLUTION APPROVING PLANS AND SPECIFICATIONS FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT FOR THE HAYWARD PROMISE NEIGHBORHOOD STREET IMPROVEMENT PROJECT, PROJECT NO. B0001, AND CALL FOR BIDS

BE IT RESOLVED by the City Council of the City of Hayward as follows:

WHEREAS, those certain plans and specifications for the Hayward Promise Neighborhood Street Improvement Project, Project No. B0001, on file in the office of the City Clerk, are hereby adopted as the plans and specifications for the project; and

WHEREAS, the City Clerk is hereby directed to cause a notice calling for bids for the required work and material to be made in the form and manner provided by law; and

WHEREAS, sealed bids therefor will be received by the City Clerk’s office at City Hall, 777 B Street, 4th Floor, Hayward, California 94541, up to the hour of 2:00 p.m. on Tuesday, June 30, 2015, and immediately thereafter publicly opened and declared by the City Clerk in Conference Room 2A, located on the 2nd Floor of City Hall, Hayward, California.

NOW, THEREFORE, BE IT RESOLVED, that the City Council will consider a report on the bids at a regular meeting following the aforesaid opening and declaration of same.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the project is categorically exempt under section 15301(c) of the California Environmental Quality Act Guidelines for the operation, repair, maintenance, or minor alteration of existing facilities.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2015

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

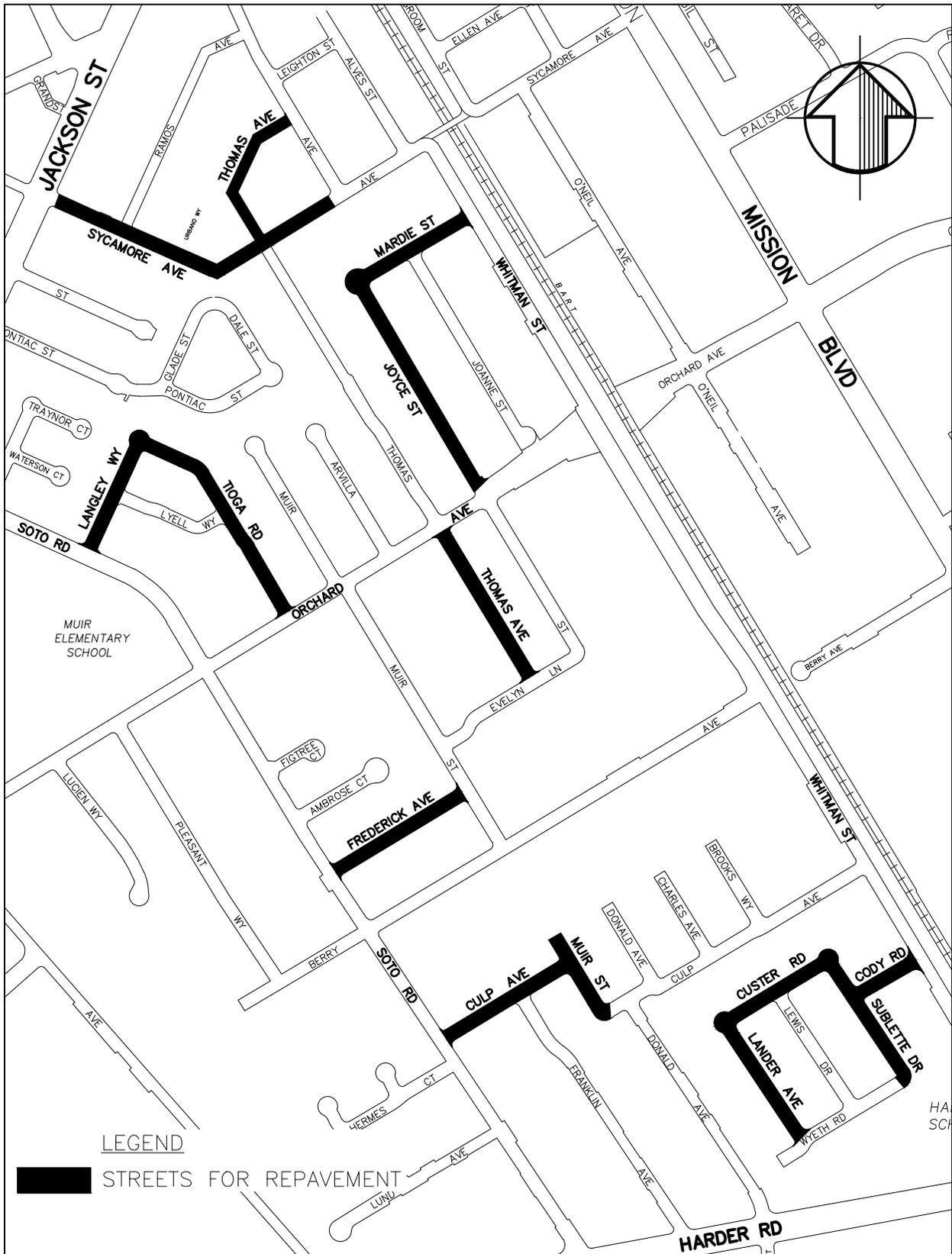
ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward



LOCATION MAP
HAYWARD PROMISE NEIGHBORHOOD
STREET IMPROVEMENT PROJECT

DATE: June 2, 2015

TO: Mayor and City Council

FROM: Director of Public Works – Engineering & Transportation

SUBJECT: Resolution Designating Funding Match for Federal Transportation Investment Generating Economic Recovery (TIGER) Discretionary Grant if Awarded

RECOMMENDATION

That Council adopts the attached resolution (Attachment I) authorizing and directing the City Manager to commit Local Area Transportation Improvement Program (LATIP) funding as the local funding match the TIGER grant requires for Phases 2 and 3 of the Route 238 Corridor Improvement Project.

BACKGROUND

On November 27, 2007, Council approved Phase 1 of the Route 238 Corridor Improvement Project and certified the Final Environmental Impact Report (FEIR) for the project. Subsequently, Caltrans relinquished portions of State Routes 92, 185, and 238 to the City within the Phase 1 project limits. During the relinquishment discussions, the City and Caltrans agreed that Caltrans would relinquish, and the City would accept, most of the remainder of these state highways within the City’s boundaries after the Phase 1 project was completed and after sufficient LATIP funding might be available to improve these additional highway segments. Construction of the Phase 1 project is now complete.

Funding for Phase 1 came primarily from the Measure B Half-Cent Sales Tax, the City’s Capital Improvement Program, California Public Utilities Commission Rule 20A Program, private development, and LATIP funds.

Phases 2 and 3 of the project will improve Mission Boulevard from Industrial Parkway to the southern City limit and from A Street to the northern City limit, respectively. An additional \$21.9 million of LATIP funds are available for the Phase 2 and Phase 3 project. No Rule 20A allocations or other funding sources are currently available for this project.

On October 28, 2014, City Council approved an agreement with BKF Engineers for professional services to begin design work for Phases 2 and 3.

On March 3, 2015, City Council approved Resolution 15-032 authorizing the City Manager to negotiate and execute agreements and take any other actions necessary to generate funding for the Route 238 Corridor Improvements Projects – Phases 2 and 3. Following this approval, staff began the application process for the Federal TIGER grant.

DISCUSSION

On February 11, 2015, representatives from the offices of U.S. Senator Boxer, U.S. Senator Feinstein, U.S. Congressman Swalwell, and the Federal Highway Administration (FHWA - Sacramento Office) were given an overview and tour of the Route 238 Corridor projects and a preview of the benefits that would come from approval of the planned \$12 million grant proposal. These additional funds should be sufficient to complete the Route 238 Phases 2 & 3 projects. Final applications for TIGER grant funds are due on June 5, 2015 with an announcement on the successful proposals expected to be made by December 2015. This is a very competitive program with grants awarded to only 72 of the 797 eligible applicants in 2014.

In an effort to submit the most competitive application, it is required that the City Council pass the attached resolution reiterating the City's commitment to providing the already available \$21.9M in match funding from the LATIP if the Department of Transportation selects this project to receive the TIGER grant.

ECONOMIC IMPACT

The TIGER grant funding has the opportunity to expedite the completion of Phases 2 and 3 of the Route 238 Corridor Project. The improvements to Phase 1 of this project are sparking developer interest in Hayward. The remaining improvements to one of the East Bay's more traveled corridors will continue to bolster development interest and investment in Hayward, generating jobs and tax revenue while rejuvenating an entire corridor and renewing Hayward pride.

FISCAL IMPACT

The total remaining project cost for Phases 2 and 3 is about \$34M. The TIGER grant will provide \$12M in funding. The local match will be \$21.9M from the LATIP. There will be no impact to the City's General Fund.

The LATIP provides funding for select infrastructure improvement projects in Alameda County, with funds originating from the proceeds of the sale of Caltrans properties and excess "Right of Way" from the now defunct Route 238 Bypass Projects. The California Transportation Commission (CTC) administers the LATIP. The LATIP provided approximately \$8.1M in funding for Phase 1 of this project. Since the completion of Phase 1, the CTC has allocated the additional \$21.9M for the completion of Phases 2 and 3 of this project.

NEXT STEPS

Staff will submit the grant application before the June 5, 2015 deadline. If the City is selected to receive the grant, staff will return to Council for final approval to accept the grant.

SCHEDULE

The following preliminary schedule has been established for this project:

TIGER Grant Application Deadline	June 5, 2015
Begin Phase 2 Construction	Spring 2016
Complete Phase 2 Construction	Winter 2017

Prepared by: John Stefanski, Administrative Analyst

Recommended by: Morad Fakhrai, Director of Public Works –
Engineering & Transportation

Approved by:



Fran David, City Manager

Attachments: Attachment I: Resolution

HAYWARD CITY COUNCIL

RESOLUTION NO. 15-_____

Introduced by Council Member _____

RESOLUTION AUTHORIZING AND DIRECTING THE CITY MANAGER TO COMMIT LOCAL AREA TRANSPORTATION IMPROVEMENT PROGRAM (LATIP) FUNDING AS THE LOCAL FUNDING MATCH FOR THE FEDERAL TRANSPORTATION INVESTMENT GENERATING ECONOMIC RECOVERY (TIGER) DISCRETIONARY GRANT IF AWARDED

WHEREAS, the funding from this TIGER grant has the opportunity to expedite the completion of Phases 2 and 3 of the Route 238 Corridor Project; and

WHEREAS, the improvements to Phase 1 of this project are sparking developer interest in Hayward; and

WHEREAS, the remaining improvements to Phases 2 and 3 which will be made possible by this grant will continue to bolster development interest and investment in Hayward, generating jobs and tax revenue while a rejuvenating an entire corridor and renewing Hayward pride; and

WHEREAS, the City has \$21.9M in Local Area Transportation Improvement Program (LATIP) funding available as the matching requirement for the TIGER grant.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that the City Manager is hereby authorized and directed to commit the \$21.9M in LATIP funding as the local funding match to the Federal TIGER Discretionary Grant if the City is awarded the grant.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2015

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward

DATE: June 2, 2015

TO: Mayor and City Council

FROM: Economic Development Manager

SUBJECT: 22470 Foothill Boulevard - Agreement Regarding Parking Covenant between the City and Dunn-Edwards Corporation for a Portion of Municipal Lot #6

RECOMMENDATION

That the City Council adopt a resolution authorizing the City Manager to negotiate and execute a Parking Covenant Agreement between the City of Hayward and Dunn- Edwards Corporation relating to a portion of Municipal Lot #6.

BACKGROUND

As part of the City's Economic Development Program, staff has been working with [Dunn-Edwards](#), one of the largest employee-owned paint manufacturers in the Southwestern United States, on the potential purchase of 22470 Foothill Boulevard (former CopyMat location) with the intent to improve the building and operate a Dunn-Edwards paint store and decorating showroom. The brokers in the transaction reached out to the City expressing the interest of Dunn-Edwards in purchasing the property; however, the subject property does not provide on-site parking, which is a factor that would not allow Dunn-Edwards to move forward in purchasing and improving the subject property.

The site at 22470 Foothill Boulevard is viewed as a valuable site in downtown Hayward as it is a highly visible corner property at A Street and Foothill Boulevard. The site has been vacant since April 2014 when the CopyMat relocated to B Street. The site has been actively marketed and Dunn-Edwards recently has entered into a purchase agreement with the current property owner.

In 2011, the City was presented with a similar circumstance with the Big 5 Sporting Goods project that is along the same block as the proposed Dunn-Edwards. In order to resolve the parking concerns of the retailer, the City entered into a parking covenant that granted non-exclusive rights for parking and an assurance of provision of parking during the lease terms for Big 5. The assurances allowed for thirty parking spaces and access drive isles. Municipal parking lot #6 provides public parking for China Bistro and Big 5 Sporting Goods and directly connects with the proposed Dunn-Edwards location (see Attachment II).

DISCUSSION

Staff is recommending that the Council authorize the City Manager to negotiate a parking agreement that would allow Dunn-Edwards non-exclusive rights for parking and assurances for twenty-five parking spaces in Municipal Lot #6 for parking, and driveways connecting to Russell Way and East A Street. Given the parking lot meets existing parking demands, which includes the subject property, it is anticipated that the remaining spaces in the parking lot would be adequate and would not cause any operational issues for existing businesses.

The City would continue to repair, maintain, and operate the municipal parking lot. The agreement specifies that the parking lot continue to be available for use by the general public primarily for parking while shopping at retail establishments within walking distance of the lot. With the existing Big 5 agreement and the proposed Dunn-Edwards agreement the closest fifty-five parking stalls adjacent to the commercial buildings fronting Foothill Boulevard would remain as parking until the expiration of the agreement, proposed as January 31, 2036 ; which is also the current end date of the Big 5 agreement.

Dunn-Edwards has requested two parking spaces be designated for small delivery trucks associated with store operations and be allowed to park these trucks overnight. City staff has evaluated the proposed overnight parking and given the trucks would fit in standard spaces no issues or concerns were identified and staff supports the request. In addition, the agreement would include provisions for Dunn-Edwards address paint spills and abandoned paint within the parking lot as that would be a service above and beyond City maintenance services.

Because the proposed covenant would require the City to keep parking available to Big 5 and Dunn-Edwards there could be a potential impact on future development opportunities of the municipal lot. However, municipal lots play a primary role in providing parking to downtown businesses and the elimination of parking would be unlikely without providing it elsewhere within the City parking program. The City is currently evaluating the long-term downtown parking program as part of the Downtown Specific Plan.

FISCAL AND ECONOMIC IMPACT

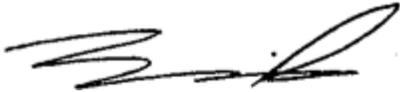
There are no anticipated immediate fiscal impacts to the General Fund as a result of entering into the Parking Agreement Covenant. The City would continue to maintain and provide signage for the municipal parking lot according to its normal maintenance operations and is under no obligation to repair or maintain the lot on a more frequent basis. In the event that a system of paid parking is introduced in the downtown area, there could be costs associated with developing a validation program for Dunn-Edwards and Big 5 patrons, as well as a potential reduction of revenues due to the validation program.

Staff believes that any cost would be offset by the revenues generated directly from this proposed retailer, in addition to the potential positive impact of having a new retail service for the Hayward community. As a regional retailer, Dunn-Edwards Paints will add jobs to the Hayward workforce, increase property value through improvements, provide sales tax, and improve a

vacant corner at a highly visible Hayward intersection. The anticipated annual sales tax revenue would range from \$12,000- \$20,000.

Prepared by: Micah Hinkle, Economic Development Manager
Ramona Thomas, Economic Development Specialist

Approved by:



Fran David
City Manager

Attachments:

Attachment I: Draft Resolution
Attachment II: Site/Vicinity Map

HAYWARD CITY COUNCIL

RESOLUTION NO. 15-

Introduced by Councilmember _____

RESOLUTION AUTHORIZING THE CITY MANAGER TO
NEGOTIATE AND EXECUTE AN AGREEMENT WITH DUNN-EDWARDS CORPORATION
REGARDING PARKING COVENANTS RELATING
TO THE CITY'S MUNICIPAL PARKING LOT #6

WHEREAS, THE City of Hayward owns Municipal Parking Lot #6, which is located behind the property at 22470 Foothill Boulevard and intersects the City's right-of-way, Russell Way and "A" Street, which provides public parking for surrounding businesses; and

WHEREAS, in 2013, the City of Hayward entered into a parking covenant agreement with Big 5 Sporting Goods located at 22400 Foothill Boulevard to provide non-exclusive parking spaces in Municipal Parking Lot #6 until January 31st, 2036; and

WHEREAS, Dunn-Edwards Corporation, a Delaware corporation, is in contract to purchase 22470 Foothill Boulevard and would need a guarantee of access to parking spaces in order to proceed with purchasing the property; and

WHEREAS, the proposed agreement would allow assurances of availability of twenty-five non-exclusive parking spaces and access in the City's Municipal Parking Lot #6 for customers, employees, and delivery vehicle parking of Dunn-Edwards until January 31st, 2036; and

WHEREAS, the City will continue to be responsible for maintenance of the lot and terms have been developed to ensure that the City and Dunn-Edwards provide sufficient parking for local retail patrons; and

WHEREAS, the attraction of this regional retailer to Foothill Boulevard will provide for additional goods and services for the Hayward community and will be a source of sales tax revenue to the City.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that the City Manager is hereby authorized and directed to negotiate and execute on behalf of the City of Hayward an agreement relating to parking covenants on the City's Municipal Parking Lot #6 between the City of Hayward and Dunn-Edwards Corporation in a form approved by the City Attorney.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2015

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward



DATE: June 2, 2015
TO: Mayor and City Council
FROM: Fire Chief
SUBJECT: Terms and Conditions for Fire Department Mutual Aid Reimbursement

RECOMMENDATION

That Council adopts the attached resolution (Attachment I) that identifies the terms and conditions for the Fire Department’s response away from their official duty station and assignment to an emergency incident.

BACKGROUND

The Hayward Fire Department responds to mutual aid fires in the State of California as part of the California Master Mutual Aid Agreement. The City receives reimbursement from the California Office of Emergency Services (CalOES) for personnel and indirect costs as outlined in the California Fire Assistance Agreement.

At the 2015 annual fire reimbursement training seminar, it was announced that agencies needed to adopt and have a Council resolution on file in order to receive portal-to-portal pay. Portal-to-portal time is considered from the time of request for mutual aid until the time the apparatus and crew return to their home agency and are ready for service.

Failure to adopt a resolution will result in the City’s inability to bill and receive reimbursement for travel time and rest periods, ultimately limiting the City’s reimbursement for only time spent at the incident.

DISCUSSION

The Hayward Fire Department submits a current salary survey to the CalOES Rescue Division to determine reimbursement rates for each sworn firefighting classification on an annual basis. The salary survey calculates the average hourly rate for all sworn personnel.

The Department submits for reimbursement from CalOES for all Fire Management Assistance Grant (FMAG) approved fires when the department is called for mutual aid. In addition to the reimbursement for personnel costs, the Department is reimbursed for fire apparatus use and other indirect costs.

FISCAL IMPACT

Adoption of this resolution will allow the City to continue to be reimbursed for all time assigned to an emergency incident, including travel time and rest periods. Otherwise, these costs, which are essentially subsidizing emergency response for another agency or jurisdiction, would be additional, non-reimbursed expenses that would be charged to the City’s General Fund.

PUBLIC CONTACT

Due to the nature of this recommendation, no public contact was required or necessary.

Prepared by: Todd Strojny, Administrative Analyst II

Recommended by: Garrett Contreras, Fire Chief

Approved by:



Fran David, City Manager

Attachments:

Attachment I: Resolution

HAYWARD CITY COUNCIL

RESOLUTION NO. 15-_____

Introduced by Council Member _____

RESOLUTION IDENTIFYING THE TERMS AND CONDITIONS FOR THE FIRE DEPARTMENT RESPONSE AWAY FROM THEIR OFFICIAL DUTY STATION AND ASSIGNMENT TO AN EMERGENCY INCIDENT

BE IT RESOLVED by the City Council of the City of Hayward as follows:

WHEREAS, the Hayward Fire Department is a division of the City of Hayward, a municipal corporation organized under the laws of the State of California and located in the County of Alameda, State of California; and

WHEREAS, it is the City Council's desire to provide fair and legal payment to all of its employees for time worked; and

WHEREAS, the City has in its employ, Fire Department response personnel including: Fire Chief, Deputy Chief, Battalion Chief, Fire Captain, Apparatus Operator, and Firefighter; and

WHEREAS, the City will compensate its employees portal-to-portal while in the course of their employment and away from their official duty station and assigned to an emergency incident, in support of an emergency incident, or pre-positioned for emergency response; and

WHEREAS, the City will compensate its employees in accordance with the current and applicable Memorandum of Understanding between the City and the Hayward Fire Fighters Local 1909 and the Hayward Fire Chiefs Association while in the course of their employment and away from their official duty station and assigned to an emergency incident, in support of an emergency incident, or pre-positioned for emergency response.

NOW, THEREFORE, BE IT RESOLVED by the City Council that personnel shall be compensated according to the applicable Memorandum of Understanding between the City and the Hayward Fire Fighters Association Local 1909, the Hayward Fire Chiefs Association, and/or other directive that identifies personnel compensation in the workplace.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the Hayward Fire Department will maintain a current salary survey or acknowledgement of acceptance of the "base rate" on file with the California Governor's Office of Emergency Services, Rescue Division.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that personnel will be compensated (portal-to-portal) beginning at the time of dispatch to the return to jurisdiction when equipment and personnel are in service and available for agency response.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2015

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward



DATE: June 2, 2015
TO: Mayor and City Council
FROM: Director of Finance
SUBJECT: Proposed FY 2016 Operating Budget

RECOMMENDATION

That Council comments on the FY 2016 Operating Budget and any follow-up items from the Saturday, May 30, budget work session.

BACKGROUND

The Proposed FY 2016 Operating Budget was presented to City Council on May 26, 2015 and the Council held a special all-day budget work session on Saturday, May 30 to discuss aspects of the proposed budget. Tonight, the Council has the opportunity to further discuss the operating budget and any follow-up issues generated by the May 30 work session. Council will continue to consider the annual budget over the next several weeks prior to adopting the FY 2016 budget on June 23, 2015. Opportunities for public input and comment on the proposed budget are:

- May 30: all-day Special Session of Council, including departmental presentations
- June 2: Work Session on FY 2016 Proposed Operating Budget
- June 2: Work session on proposed FY 2016 Capital Improvement Program budget
- June 9: Work Session on FY 2016 Proposed Operating Budget – focus on budget policies and benefit liabilities
- June 16: Public hearing on proposed operating & capital budgets at regular Council meeting
- June 23: Adoption of the operating & capital budgets at regular Council meeting

The highlights of the Proposed FY 2016 Operating Budget can be found in the City Manager’s Budget Message & Budget Overview in the front of the budget document.

Prepared and Recommended by: Tracy Vesely, Director of Finance

Approved by:

Fran David, City Manager

Attachment: http://www.hayward-ca.gov/CITY-GOVERNMENT/DEPARTMENTS/FINANCE/documents/2015/FY16_Proposed_Operating_Budget.pdf

DATE: June 2, 2015

TO: Mayor and City Council

FROM: Director of Public Works – Engineering & Transportation

SUBJECT: Recommended FY 2016-FY 2025 Capital Improvement Program

RECOMMENDATION

That Council reviews and comments on the Recommended FY 2016-FY 2025 Capital Improvement Program (CIP).

BACKGROUND

On May 13, the [Recommended FY 2016-FY 2025 Capital Improvement Program \(CIP\)](#) was reviewed and discussed with the Council Budget and Finance Committee. On May 14, the Planning Commission held a public hearing and found that the document was in conformance with the General Plan. The highlights of this year’s proposal can be found in the City Manager’s letter in front of the document.

DISCUSSION

As noted in the City Manager’s letter, the FY 2016-FY 2025 budget for the CIP is \$507 million with \$304 million in unfunded needs. The CIP continues to focus on many projects related to improving the City’s infrastructure, such as sidewalks, streets, water, sewer, and the Airport. In addition, a strong emphasis continues towards the goal of upgrading the City’s overall appearance, which includes working with residents to identify areas that are in need of improvement.

As indicated above, the Budget and Finance Committee reviewed the CIP in May and provided consensus support and the Planning Commission found the document was in conformance with the General Plan. Several corrections have been made to the front part of the document to align summaries with fund totals.

PUBLIC CONTACT

A notice advising residents about the Planning Commission’s public hearing on the CIP was published in the paper more than the requisite ten days in advance. In addition, the agenda for this work session was posted in City Hall, as well as the Library.

Prepared by: Karyn Neklason, Administrative Analyst II

Recommended by: Morad Fakhrai, Director of Public Works – Engineering & Transportation

Approved by:

A handwritten signature in black ink, appearing to read 'Fran David', written over a horizontal line.

Fran David, City Manager

DATE: June 2, 2015

TO: Mayor and City Council

FROM: Director of Utilities & Environmental Services

SUBJECT: Recommended FY2016 and FY2017 Water and Sewer Service Rates and Connection Fees

RECOMMENDATION

That the Council reviews this report and provides comment and direction to staff.

SUMMARY

Staff has prepared cost of service analyses for providing water and sewer service to Hayward residents and businesses in order to calculate appropriate water rates and sewer service charges for FY2016 and FY2017. This report provides an overview of cost of service issues, revenue requirements, and recommended FY2016 and FY2017 water and sewer service rates. Staff is bringing the proposed rates to Council at this time to obtain Council's comments and to implement appropriate and necessary public noticing procedures prior to a public hearing, currently scheduled for July 21. The recommended adjustments would take effect on October 1 of each year.

The recommended water rate adjustments would result in an increase of no more than 15% in FY2016, followed by an increase of 9% in FY2017. The proposed increases would include adjustments to both the water usage rates and the fixed service fees, the latter of which have not changed since October 2011. The proposed adjustments are necessary primarily to pay for anticipated increases in the cost of purchasing water from San Francisco Public Utilities Commission (SFPUC) over the next two years. Staff is also proposing a change in the method by which water use charges are calculated for residential properties with 2-4 dwelling units to make the methodology consistent with larger multi-family properties and the cost per dwelling unit more aligned with that of a single-family home. This change will affect about 600 accounts, some of which will see smaller increases in water costs in the first year.

Regarding sewer service charges, staff is proposing increases of 3% in residential rates in each of the two years, with non-residential increases in the range of 0% to 6%, depending on the nature of the wastewater discharge. These modest increases will allow the City to keep pace with the cost of sewer service delivery.

Staff has also prepared an analysis of water and sewer connection fees. Although the analysis indicates that increases in both fees are warranted, in the interest of maintaining the economic

recovery and fostering business development, staff is not recommending such adjustments in the next two years. Staff is, however, proposing a change in the fee structure for single-family residential water connections, whereby the fees would be assessed based on the actual size of the required water service, which is a departure from the averaging methodology currently in use.

As the City Council may be aware, a recent court decision in Southern California may impact tiered water rates. On April 20, 2015, the state's Fourth District Court of Appeal issued a decision specifically related to the tiered rates in the city of San Juan Capistrano. The court ruled that tiered rate structures designed to encourage water conservation, such that high users pay a progressively higher fee, violate Proposition 218 (enacted in 1996) *if they are not tied to actual costs of service*. At this time, this ruling is binding throughout California, unless and until one of a limited number of actions is taken. One such action would be another District Court of Appeal in California issuing a different ruling, in which case, the California Supreme Court may decide the issue. Another possible action could result in the ruling being depublished, which means it would only apply to the parties in question unless and until another case is filed. Either of these processes could take some time. The proposed water usage rates have been calculated in accordance with Proposition 218 provisions as staff understands them; however, because neither of the actions discussed above has taken place, it is unclear at this time what impact the recent decision will have on the City or other water agencies around the state.

BACKGROUND

Water rates are established to pay for the costs of delivering water to customers and are determined through an assessment of revenue requirements and anticipated water purchase volumes. Bimonthly water bills consist of two parts: 1) the fixed service fee, which pays for services that do not vary with the volume of water purchased, such as meter reading and debt service; and 2) the water usage fee, which pays for costs associated with water consumption, such as the purchase of water from SFPUC and energy related expenses. The City Council approved water usage rate adjustments in July 2013 for FY2014 and FY2015, which resulted in average increases of 6% in each year. The second of the two adjustments went into effect on October 1, 2014. The fixed service fee was last adjusted in October 2011, when the bimonthly fee for a 5/8" meter (the standard size in most single-family residential homes) increased from \$9 to \$12. Similar percent increases were implemented for other meter sizes.

Sewer service charges are established to pay for the cost of collecting, treating and disposing of wastewater. Rate calculations follow the guidelines developed by the State Water Resources Control Board, by which the costs of providing service are equitably distributed among customer classes based on their use of the system. Sewer service charges are billed as standard fixed amounts for residential customers and as a cost per hundred cubic feet (ccf) of water consumed for non-residential customers, based on the nature and strength of the discharged wastewater. The City last adjusted sewer service rates on October 1, 2014, which resulted in a 3% increase in residential rates.

Water connection fees are fees paid by those wishing to connect a new facility to the public water system to defray the expenses paid by customers over the recent years for development and improvement of the systems, which make it possible for new development to receive water service. The fees also cover an incremental cost of future expansion and improvements necessary to accommodate new development. The connection fees are developed using accepted procedures to ensure that costs are allocated fairly to new development. Water connection fees were last adjusted

by 6.4% in October 2013. At that time, a standard single-family residential water connection fee was established, which applies to most single-family homes regardless of the required water meter size.

DISCUSSION

WATER RATES

The proposed water rates are impacted by a number of factors including continued significant increases in wholesale water rates, current consumption trends and projections, modest increases in costs for operating and maintaining the distribution system, and costs associated with capital investments in water supply development, water conservation and infrastructure replacement. Based on anticipated overall costs of providing service during the next two years, staff is recommending water rate adjustments in FY2016 and FY2017 that will result in average increases for the majority of customers of up to 15% and 9% respectively. The adjustments are comprised of increases in both the water usage charges, which are based on the quantity of water delivered to the customer as measured by a water meter, and the fixed service fee, which is unchanged from bill to bill. The requested increases would have been higher if not for the measured use of some of the Water Fund working capital balance. Staff is recommending that a relatively small portion of the fund balance be used in FY2016 to keep the rate increases at a moderate level without unduly risking the Fund's solvency.

Factors Affecting Water Rates

Wholesale Water Purchase Cost

The current cost of purchasing water from SFPUC, the City's sole water supplier, is \$2.93 per hundred cubic feet (ccf). (Note: one ccf is equivalent to about 750 gallons). Last year, SFPUC projected a 17% increase in FY2016, followed by a 0.03% adjustment in FY2017, bringing the per-ccf rate in those years to \$3.45 and \$3.46 respectively. With significant decreases in water consumption by its wholesale customers, including Hayward, along with the cost of ongoing improvements to the Regional Water System, SFPUC recalculated rates going forward and has adopted a 28% increase effective July 1, 2015, and anticipates a 1% increase next year, bringing the per-ccf rates in FY2016 and FY2017 to \$3.75 and \$3.78 respectively. It is possible, if the low usage trend continues, that next year's SFPUC increase could be far in excess of the current estimate. This is an increasingly likely scenario given the recent State mandate on across-the-board water use reductions. In addition to payments to SFPUC, the overall cost of purchasing water also includes a separate annual payment of about \$2.3 million for prepayment of capital debt. This surcharge, which is administered by the Bay Area Water Supply and Conservation Agency (BAWSCA), is payable by wholesale agencies until 2034 and adds over 9% to the wholesale cost.

The following table compares the cost of purchasing water in this current year with projected costs in the next two years, including the fixed service fees charged by SFPUC. The table illustrates that the projected overall increased cost for purchasing water over the next two years is about \$5.4 million.

**Anticipated Wholesale Water Purchase Costs
in FY2015, FY2016 and FY2017**

Rate/Quantity Assumptions	SFPUC Water Cost	SFPUC Service Fee	BAWSCA Debt Surcharge	Total
Current FY2015 6,656,800 ccf	\$19,500,000	\$200,000	\$2,600,000	\$22,300,000
Proposed FY2016 6,656,800 ccf	\$25,000,000	\$200,000	\$2,300,000	\$27,500,000
Anticipated FY2017 6,656,800 ccf	\$25,200,000	\$200,000	\$2,300,000	\$27,700,000

As a reminder, the rising SFPUC rates are largely attributable to implementation of the \$4.8 billion Hetch Hetchy Water System Improvement Program, which is well underway, coupled with decreasing water consumption. SFPUC wholesale customers, including Hayward, have supported SFPUC’s efforts to improve the reliability and structural integrity of the regional water system, with the understanding that the costs would be recovered in the wholesale rates.

Water Consumption

Water consumption is a key component of the City’s water usage fee calculation and difficult to forecast with certainty, given the impact of unknown and unknowable factors such as weather conditions, business activity, and the effect of cost increases on customer’s water use. Hayward, like other area water agencies, has experienced a steep decline in water consumption during the ongoing drought and as a result of generally more efficient water use communitywide. Last year, SFPUC requested a 10% voluntary reduction in water use beginning in January 2014, and Hayward customers have responded. To date, in FY2015, Hayward water use is 7.8% below usage for the same period last year and 7.1% below 2013 usage. Significant reductions were seen in prior years as well.

As Council is aware, drought conditions continued into the fourth year, prompting the Governor to mandate water use reductions averaging 25% over 2013 State-wide consumption, and for SFPUC to request continued 10% reductions from its wholesale customers in the Bay Area. Based on the recently adopted State framework regulations implementing the Governor’s executive order, and given Hayward’s already very low per capita water usage, the City is required to reduce water use by 8% below its 2013 consumption. Hayward is among fifteen water agencies out of over 400 throughout the State with this relatively low cutback requirement. As less water is purchased, the unit cost of water increases because many of the costs, chief among them the cost of regional system improvements, remain the same.

With the ongoing drought, recent directives by the State, and heightened awareness of the need for water use efficiency, staff has been conservative in estimating future water consumption. No increases in total City-wide water consumption are projected through FY2017 despite current economic development and residential construction. Staff believes this is a reasonable assumption even with the required 8% reductions in per-capita use, because the level of business and residential

development projected in the next few years may result in increases in the *total* volume of water consumed, even though the *per-capita* consumption will decrease with enhanced conservation.

While the water consumption plays a critical role in determining appropriate rates, and contributes to the need for the proposed adjustments, it is important to note that the reduced usage has a positive aspect as well. In using less water, customers are purchasing and paying for less water than they were previously.

Operating, Maintenance and Replacement Costs

While some increases in operating, maintenance and replacement costs are normal and unavoidable, staff has implemented efficiencies to keep expenses as low as possible and additional measures are taken to reduce costs whenever the opportunity arises. For example, all requests for overtime for non-emergency work continue to be reviewed carefully and require management approval. Vacant positions are scrutinized to determine the criticality before a decision is made on whether and when to fill them. Employee concessions have played a significant role in lowering staff costs and thereby the overall cost and rate impacts on customers. Staff also continues to implement, to the extent possible, energy conservation and other operating cost efficiencies.

At the same time, it is important to ensure that the water system remains robust, well maintained, and capable of delivering water where and when it is needed under normal operating conditions and during emergencies. The Water Fund, as a self-sufficient enterprise, is obligated to meet all operational cost obligations without impacting the General Fund. Overall, the estimates are that operating, maintenance and replacement costs, excluding the cost of water purchases, will increase by about 5% in FY2016 and remain fairly unchanged in FY2017.

Investments in Water Conservation, Advanced Metering Infrastructure (AMI) and Water Supply Development

Hayward has had a long-standing commitment to efficient water use and conservation, and there is currently an even more pressing need to step up efforts given the current water supply situation and increasing State oversight. A large component of this effort is implementation of advanced metering infrastructure (AMI), which will give consumers real-time water usage data and excess usage alerts. This technology has proved effective in reducing water use significantly, but it is expensive and costs for full implementation could be in the range of \$15 million. The reason for this high cost is that all of the City's more than 33,000 water meters currently in use must be replaced in order to accommodate the use of the new technology. By reducing water use and waste, this project would significantly contribute to preserving water supplies. Further, in order to address the Council's sustainability priorities and to increase water supply reliability, staff is developing a recycled water program for irrigation and other industrial uses. Since there is a direct link between higher water use and the need for increased conservation and development of additional sources, it is appropriate to allocate some of these costs to the water rates at higher usages.

Use of Fund Balance Reserves

Fund balance reserves have several purposes, including emergency cash needs and cash flow. At times, the reserves can also provide a mechanism for smoothing out otherwise large spikes in wholesale rates. SFPUC's wholesale rate fluctuations are indifferent to the impact on retail

customers, and reserves can be used at the local level to moderate the variances. In the past, financial consultants have indicated that reserves equal to about 50% of annual expenditures are appropriate for a water system of Hayward's size. With Council's support for rate adjustments in past years and implementation of cost efficiencies, the Water Fund ended FY2014 with a fund balance of nearly \$26.9 million. As it was designed to do, in part, the fund balance enables the Water Fund to bear some of the impact of upcoming wholesale rate adjustments and operating cost increases. The Fund balance will be discussed more fully in the Fiscal Impact section of this report.

Proposed Water Rates

Water Service Fees

The fixed bimonthly service fee pays for costs that do not vary with water purchases, such as meter reading, customer service, debt service and the like. Water service fees were last adjusted in October 2011. The current fee for a 5/8" meter, typical of most homes, is \$12 per bimonthly billing period, or \$6 per month. In order to keep pace with increasing costs, staff recommends adjusting the bimonthly fee to \$14 in FY2016, with a further increase in FY2017 to \$16. Similar percentage increases are proposed for larger meters.

Hayward has for many years offered a low income water service fee to single-family residential customers who meet certain income thresholds. It is currently set at a bimonthly rate of \$2.00. This much lower rate, as compared to a regular residential service, reflects the fact that it was initially established when service fees in general were much less. The discounted rate was set relative to the regular service fee, and the City did not change the low income fee as regular fees increased. Staff recommends that the low income service fee be set proportionate to the regular 5/8" service fee, starting at 25% in FY2016 and increasing to 35% in FY2017. For a standard 5/8" water service, this would result in increases in these two years to \$3.50 and \$5.60 respectively.

The following table summarizes the current and proposed bimonthly service fees for all meter sizes in use.

Current and Proposed Bimonthly Service Fees

Meter Size	Current Fee	Proposed Fee FY2016	Proposed Fee FY 2017
5/8" Low Income	\$2.00	\$3.50	\$5.60
5/8"	\$12.00	\$14.00	\$16.00
3/4"	\$16.30	\$19.05	\$21.75
1"	\$24.70	\$28.90	\$32.95
1.5"	\$54.10	\$63.30	\$72.15
2"	\$95.20	\$111.40	\$127.00
3"	\$240.30	\$281.15	\$320.50
4"	\$476.00	\$556.90	\$634.90
6"	\$839.70	\$982.45	\$1,120.00
8"	\$1,162.40	\$1,360.00	\$1,550.50

Hayward has traditionally maintained a low service fee to provide customers with greater control over their water bills. Because the highest portion of the bill is based on water usage, customers can manage their costs through efficient water usage. Even with the proposed adjustments, Hayward's

fixed fee is still very low when compared to nearby water agencies, as illustrated in the following table.

Comparison of Current and Proposed Bimonthly Service Fees

Agency	Bimonthly Service Fee (5/8" Meter)
Alameda County Water District	\$41.54
Contra Costa Water District	\$34.24
Dublin San Ramon Services District	\$33.54
EBMUD	\$32.12
Hayward (Proposed FY2016)	\$14.00
Hayward (Current)	\$12.00

Water Usage Rates

Water usage charges pay for services related to purchasing and distributing water and are based on actual metered usage. Water usage rates pay the costs of purchasing water, system operation and maintenance, replacement, water conservation programs and water supply development.

Tier rates are set in accordance with commonly accepted rate setting principles and practices whereby the costs of providing service are commensurate with the rate. The cost of service study for FYs 2016 and 2017 allocates costs appropriately among the fixed service fee and the water usage rates, and further assigns costs within individual usage tiers. Normal baseline costs that do not vary with water consumed are allocated equally. Costs that are directly attributable to higher usage, such the cost of conservation programs needed to achieve water use reductions and preserve water supplies, are allocated to the higher-use tiers. Additionally, some costs associated with meeting peak demand, typically associated with increased use for landscape irrigation during summer months, are likewise appropriately assigned to higher use tiers.

Currently, residential water use is billed according to a four-tier structure, with separate rate schedules for single-family and multi-family customers, and non-residential water use is billed on a two-tier structure. In order to better align rates with the cost of service, staff recommends reducing to three the number of tiers for residential water use and retaining the existing two-tier rate structure for non-residential accounts.

Staff is also recommending changes to the method by which residential customers in 2-4 dwelling unit housing are charged for water usage. The impacts of the recommended rates for each customer classification are reviewed in the following sections.

Single-Family Residential

Single family residential properties comprise close to 40% of the City’s overall water consumption and thus the tier structure and associated rates for this customer sector is critical to meeting overall revenue requirements. The proposed single-family rates, which include modifications to the tier structure, are designed to recover the appropriate costs from this customer sector. The recommended tier structure modifications reflect current water consumption data, which indicates that water use is

significantly declining. In recent years, overall average annual single-family water use has decreased from 18 ccf, which is about 225 gallons per day (gpd) to 16 units, or the equivalent of 200 gpd. Similarly, a number of customers who have typically used significant quantities for landscaping irrigation have converted to more efficient systems and drought tolerant plantings. Based on the cost of service, staff recommends removing the last tier, which was for water usage exceeding 60 units per billing period and has been applicable to very few customers.

The following table summarizes the current tier structure and rates. As a reminder, one ccf of water is equivalent to about 750 gallons.

Current Single-Family Residential Water Rates

Usage	Rate (per ccf)
1 – 8 ccf	\$4.75
9 – 25 ccf	\$5.70
26 – 60 ccf	\$6.95
Over 60 ccf	\$7.50

The next table summarizes the proposed tier structure and rates for FY2016 and FY2017. In combination with the proposed service fee increase, the overall increases to most residential customers will average 15% in the first year and 9% in the following year.

Proposed Single-Family Residential Water Rates

Usage	Proposed Rate FY2016 (per ccf)	Proposed Rate FY2017 (per ccf)
1 – 8 ccf	\$5.42	\$5.80
9 - 25 ccf	\$6.58	\$7.14
Over 25 units	\$7.75	\$8.41

The following table shows the impact of the proposed increase on customers with various water usages. As the table illustrates, most residential customers who use low or moderate amounts of water will see increases of 15%. As a result of eliminating the top tier, a few customers who use larger quantities may experience a slightly lower *percentage* increase, although the dollar amount of their increases will be higher than lower-use customers. The water usage is described in both ccf and gallons per day (gpd).

Examples of Changes in Bimonthly Billings to Single-Family Residential Customers

Water Usage	Current	Proposed FY2016	% Change	Proposed FY2017	% Change
8 ccf (100 gpd)	\$50.00	\$57.36	15%	\$62.40	9%
16 ccf (200 gpd)	\$95.60	\$110.00	15%	\$119.52	9%
25 ccf (310 gpd)	\$146.90	\$169.22	15%	\$183.78	9%
50 ccf (625 gpd)	\$324.95	\$368.02	13%	\$399.78	9%

2-4 Dwelling Unit Residential

In FY2014, the Council approved changes in the method by which water bills for multi-family dwelling units are calculated in order to create a more equitable pricing structure. The revised method factors in the number of dwelling units in order to bring the per-dwelling-unit cost more in line with that of a single-family residential unit. Given the complexities and variables, there are no perfect solutions but the change has improved the situation, made the rates more equitable, and was well received by affected customers.

Staff is now proposing that this same concept be applied to 2-4 dwelling unit properties, which are currently charged for all metered water consumption at the same rate as single family accounts. In some cases, this results in a disproportionate amount of water being charged at the higher tiers. As with the multi-family structure, the proposed change entails four basic steps to calculate bimonthly billings:

1. Divide metered consumption by the number of dwelling units;
2. Apply a three-tier rate structure to the per-dwelling-unit usage to determine the water usage charge per dwelling unit;
3. Multiply the water usage charge by the number of dwelling units; and
4. Add the service fee to the water usage charge to determine the total water bill.

As with the multi-family rate structure, the goal in developing the 2-4 dwelling unit rate structure, and individual tier rates within, was to make the per-dwelling-unit cost more commensurate with that of a single-family residential customer for the same water usage. The challenge in this effort is the fact that single-family customers pay a bimonthly service fee of at least \$12, while most 2-4 dwelling-unit properties have a shared meter. Thus, the per-dwelling-unit service fee is typically lower, generally in the \$6 range.

This lower per-dwelling-unit service fee is too low to capture all of the fixed costs that are in the service fee, such as expenses related to outstanding debt. In order to compensate for this difference, staff has developed a proposed three-tier rate structure as shown in the following table.

Proposed 2-4 Dwelling Unit Water Rates			
	Current Rate (per ccf)	Proposed FY2016 (per ccf)	Proposed FY2017 (per ccf)
1 – 8 ccf		\$5.93	\$6.43
9 – 25 ccf	Per single-family rate structure	\$6.61	\$7.15
26 – 60 ccf		\$7.85	\$8.52
Over 60 ccf		Same as 26 – 60 ccf	Same as 26 – 60 ccf

The initial impact of the proposed structure on affected accounts is varied and depends on factors such as water usage and meter size. In general, 2-unit properties will not see very much benefit from this and their water bills increases will be in the 5% to 14% range. Properties with 3 or 4 dwelling units will typically benefit from a smaller percent increase or slight decrease in the first year, as compared to other customer classes, with increases ranging from 0% to 11%. Because the number of 2-4 unit

accounts is relatively small, about 600 altogether, the impact of this change on the Water Fund is not significant.

The following table compares bimonthly charges for a selection of impacted accounts, with similar per-unit water usage, under the existing and recommended rate structures.

Comparison of 2-4 Dwelling Unit Bimonthly Water Bills-Current and Proposed Rate Structure

Dwelling Units	Water Usage (Total and Per Dwelling Unit)	Current	FY2016 (Current Structure)	% Change	FY2016 (New Structure)	% Change
2	36 ccf (18 ccf/dwelling unit)	\$223.35	\$254.47	14%	\$241.08	8%
3	54 ccf (18 ccf/dwelling unit)	\$348.45	\$398.97	13%	\$354.62	2%
4	72 ccf (18 ccf/dwelling unit)	\$484.45	\$526.77	9%	\$473.21	-2%

Multi-Family Residential

As noted in the previous section, two years ago, the Council approved changes to the method by which multi-family residential customer water usage fees are calculated. Staff is recommending that the number of tiers be reduced to three, combining the middle two tiers into one. As can be seen in the following table, the middle tiers contain relatively small quantities and further analysis indicated that cost recovery goals could still be achieved with a more streamlined structure. The first table displays the current rate structure and rates and is followed by the recommended changes.

Current Multi-Family Residential Water Rates

Usage (per dwelling unit)	Rate (per ccf)
1 – 8 ccf	\$5.60
9 – 16 ccf	\$5.75
16 – 20 ccf	\$5.90
Over 20 ccf	\$6.35

Proposed Multi-Family Residential Water Rates

Usage (per dwelling unit)	Proposed Rate FY2016 (per ccf)	Proposed Rate FY2017 (per ccf)
1 – 8 ccf	\$6.41	\$6.97
9 – 20 ccf	\$6.64	\$7.23
Over 20 ccf	\$7.33	\$7.94

Multi-family properties will average increases of about 15% in the first year, followed by 9% increases. The following table provides examples for some typical apartment buildings in Hayward.

Examples of Changes in Bimonthly Billings to Multi-Family Residential Customers

Dwelling Units	Water Usage (Total and per Dwelling Unit)	Current	Proposed FY2016	% Change	Proposed FY2017	% Change
5	40 ccf (8 ccf/dwelling unit)	\$249	\$285	15%	\$312	9%
20	300 ccf (15 ccf/dwelling unit)	\$1,796	\$2067	15%	\$2254	9%
50	1,000 ccf (20 ccf/dwelling unit)	\$5,815	\$6659	15%	\$7253	9%
150	3750 ccf 25 ccf/dwelling unit	\$22,436	\$25,698	15%	\$27,968	9%

Non-Residential (Includes Irrigation Accounts)

As the highest water use sector within the City, non-residential water rates have a critical role in helping the City meet its revenue requirements. These customers are billed at two tiers, with the first tier applied to the first 200 ccf of water, or about 2,500 gpd, with the higher usage charged at the second tier. Many businesses, such as small restaurants, commercial operations and the like, are able to meet their water needs in the first tier. Higher usage is associated with more impact on water supplies, and thus the need for implementation of City-wide water conservation and water supply enhancements to meet the needs of users with high consumption.

The following table summarizes the existing and proposed rates for non-residential customers.

Current and Proposed Non-Residential Water Rates

Usage	Current	Proposed FY2016	Proposed FY2017
1 – 200 ccf	\$5.75	\$6.41	\$6.95
Over 200 ccf	\$6.85	\$7.64	\$8.29

Typically, under the proposed rates, businesses will experience average increases of about 12% in the first year, followed by 9% increases in the second. Although it is impossible to describe the impact of the proposed rates on each business in Hayward, the following table illustrates some example water rate changes for various typical businesses.

Examples of Changes in Non-Residential Bimonthly Billings

Business/Usage	Current	Proposed FY2017	% Change	Proposed FY2017	% Change
Restaurant (200 ccf)	\$472	\$527	12%	\$572	9%
Supermarket (600 ccf)	\$3,985	\$4,449	12%	\$4,833	9%
Food Processor (1,400 ccf)	\$9,465	\$10,561	12%	\$11,465	9%
Industrial Park (4,000 ccf)	\$27,420	\$30,595	12%	\$33,212	9%
Chemical Mfg (7,900 ccf)	\$54,371	\$60,667	12%	\$65,858	9%

Comparisons with Other Water Agencies

Attachment to this report I shows how Hayward’s current and proposed water rates compare to other nearby agencies. While this comparison is provided in keeping with a long-standing practice and the Council’s desire to know how the City’s rates compare with neighboring agencies, some factors should be kept in mind when considering this information. First and foremost, none of the agencies in this immediate area are completely reliant on SFPUC water and therefore are unaffected, or affected to lesser degree, by the significant wholesale water rate increases that have been and will continue to be implemented by SFPUC. For example, EBMUD does not pay a commodity charge, per se, for raw water, and Alameda County Water District (ACWD) receives only 30% of its supply from SFPUC. This factor causes a gap between the rates that Hayward must charge and those of our two neighboring agencies. Staff has included rates from two Peninsula agencies that are 100% reliant on SFPUC water for Council’s information.

System size also plays a role in rate setting. EBMUD is eight times larger than the Hayward Water System and ACWD is more than twice Hayward’s size. Both agencies should and do benefit from economies of scale on many factors, resulting in lower per-bill expenses.

It is also important to keep in mind that many agencies are currently considering rate adjustments and may not yet have published proposed rates. In this drought situation, many communities will see higher bills, along with potential penalties for excessive use. Staff will update the comparisons as the public hearing gets closer.

Finally, but just as important, a water agency’s rate should be considered in light of the system’s performance, its operational robustness, and its flexibility to operate in both normal and emergency situations. The significant investment made by Hayward in upgrading, maintaining, and making the system ready for emergencies, is to some extent, reflected in the rates.

SEWER SERVICE CHARGES

Staff is recommending increases in residential sewer rates in FY2016 and FY2017 of 3% in each year. The current monthly charge for a single-family residential property is \$28.09. The proposed increase would bring this charge to \$28.93 in FY2016 and \$29.80 in FY2017. Similar percent increases are proposed for multi-family and mobile home community customers, as well as for the two lower single-family rates known as economy and lifeline. These two reduced rates, which make single-family sewer charges commensurate with water use, encourage water conservation and reward customers who use low amounts of water. Hayward is among very few agencies in the state to have

achieved this. The rates are automatically applied to single-family bills when water usage during a billing period is 0-5 ccf (lifeline) or 6-10 ccf (economy).

Non-residential customers would see increases over the two-year period ranging from 0% to 6%, depending on the characteristics of their wastewater discharge. Staff uses actual and anticipated sampling data to measure the impact of significant industrial users and calculates appropriate rates based on their contribution to the wastewater system. Appropriate fees for other business customers, such as restaurants, are based on water consumption and standard waste strengths.

Factors Affecting Sewer Rates

Operating, Maintenance and Replacement Costs

The sewer service rate adjustments result primarily from the rising cost of providing wastewater collection, treatment and disposal services. The allocated costs on which the recommended rates are based are about 6% higher than costs incorporated into the current rates. This is primarily related to staffing for system maintenance, as well as the need for larger transfers to the Wastewater System Capital Replacement Fund for needed infrastructure replacement and rehabilitation projects at the Water Pollution Control Facility. Staff anticipates that the 3% increases in each of the next two years will be sufficient based on estimated costs through FY2017.

Changes in Industrial Wastewater Discharge

Another critical factor that affects sewer rates is ongoing changes in the industrial wastewater characteristics and volume. Some industries are discharging less wastewater due to water conservation, or making changes to their pretreatment processes such that the discharged wastewater has less waste strength. Given that most costs are fixed and not affected by flow volume and strength, these changes have the effect of shifting more of the cost to other customers in order to achieve the overall revenue target.

Proposed Sewer Service Charges

The following table summarizes current and proposed monthly residential sewer service fees.

Customer	Current	Proposed FY2016	% Change	Proposed FY2017	% Change
Single-Family	\$28.09	\$28.93	3%	\$29.80	3%
Multi-Family	\$25.00	\$25.75	3%	\$26.52	3%
Mobile Home	\$19.66	\$20.25	3%	\$20.86	3%
Economy	\$16.45	\$16.94	3%	\$17.45	3%
Lifeline	\$8.22	\$8.47	3%	\$8.72	3%

The next table summarizes current and proposed non-residential wastewater component costs, as well as examples of impacts on businesses.

Non-Residential Sewer Service Fees

	Current	Proposed FY2016	% Change	Proposed FY2017	% Change
Wastewater Component Costs					
Volume (per ccf of water)	\$2.23596	\$2.43387	4.2%	\$2.53178	4.2%
Carbonaceous Biochemical Oxygen Demand (per pound)	\$0.64920	\$0.63152	-2.7%	\$0.61383	-2.8%
Suspended Solids (per pound)	\$0.74470	\$0.74862	0.5%	\$0.75254	0.5%
Examples of Non-Residential Fees (per ccf of water)					
Restaurant	\$6.32	\$6.36	1%	\$6.39	0.5%
Commercial Laundry	\$4.75	\$4.80	1%	\$4.85	1%
Commercial Office	\$4.30	\$4.37	2%	\$4.43	1%
Beverage Bottling	\$4.89	\$4.92	1%	\$4.95	1%
Fabricated Metal	\$2.67	\$2.77	4%	\$2.87	3%

Comparisons with other Wastewater Agencies

As shown in the table below, the proposed FY2016 rates would continue to place Hayward in the mid-range compared to other nearby agencies. Many of the caveats discussed in the water rate comparisons would apply to sewer rates as well, with the exception of commodity costs.

Comparison of Current and Proposed Single-Family Sewer Service Fees

Agency	Monthly Single-Family Sewer Service Fee
City of Oakland	
Collection (Oakland) – \$22.24	\$44.64
Treatment (EBMUD) - \$22.40	
City of San Leandro	\$32.27
Dublin San Ramon Services District	\$31.86
Union Sanitary District	\$29.75
City of Hayward (Proposed)	\$28.93
City of Hayward (Current)	\$28.09
Castro Valley Sanitary District	\$25.25
Oro Loma Sanitary District	\$17.16

CONNECTION FEES

Staff is not proposing increases to sewer and water connection fees in the next two years. However, staff recommends that the Council approve changes to the way in which residential water connection fees (also known as water facilities fees) are assessed in order to distribute the cost of infrastructure improvements more equitably among new customers and commensurate with the demand they place on the water system. Staff is further proposing that, in connection with this change, the water connection fee for 1” meters be implemented in two stages over the next two years.

Effective January 2011, new fire code regulations mandated the installation of fire sprinklers, which typically require a 1” meter in newly constructed residential units, whereas previously most homes required a less expensive 5/8” meter, and in some cases, a 3/4” meter. For ease of administration and to avoid burdening new homes with the cost of a larger meter needed solely to meet fire code requirements, the Council approved a uniform residential water connection fee of \$8,106 for all new homes requiring a meter of 1” or smaller, regardless of the size needed to meet normal domestic water demand. This standard fee was essentially the weighted average of existing and recently installed 5/8”, 3/4” and 1” meters. At that time, the majority of meters installed in residential units were 5/8” in size, and thus the greatest weight was given to the connection fee for this meter size in the calculating the standard fee.

Staff reviewed recent data regarding domestic water demand in new homes and noted a sizable shift in the size of meters needed to serve residential properties. A much larger percentage of new homes require 3/4” meters in order to meet normal domestic water demand, while a very small number of new homes meet the criteria for a 5/8” meter. In addition, a growing number of new homes require a 1” meter to meet normal demand. The reason for this shift is directly related to the increased number of fixtures that are commonly found in new homes. A recalculation of the weighted average based on service connections over the past few years indicates that the standard fee would be appropriately set in the neighborhood of \$11,000.

While using an average figure for all single-family residential homes has the advantage of ease of administration and uniformity, this method also results in the subsidization of one group of customers by another. Staff believes that the most equitable approach at this time is to assess single-family residential water connection fees in accordance with the meter size needed to meet domestic water demand, apart from fire sprinkler use. In other words, the fee would be assessed in accordance with the meter size needed to meet the water demand if the fire sprinkler were not required. Based on recent experience, this change would most often result in a fee commensurate with a 3/4” service, currently \$9,730. In rare cases, a 5/8” meter would be sufficient at a fee of \$6,484, while in some instances, a 1” meter would be required at a cost of \$16,210. Thus, if Council concurs with staff’s recommendations, residential water connection fees would range from \$6,484 to \$16,210, with the majority of service connections requiring a fee of \$9,730.

Staff further recommends that, given the steep difference between the current standard fee of \$8,106 and the fee for a 1” meter, the fee for this size only be phased in over two years. This would bring the cost in FY2016 to \$12,158 and to \$16,210 in FY2017 for new homes with enough fixtures to result in the need for this larger meter size.

The following table summarizes the changes that would occur in residential water connection fees if Council approves staff’s recommendation.

Residential Water Connection Fees Under Current and Proposed Methodology					
Meter Size Needed for Normal Domestic Use	Current	FY2016	% Change	FY2017	% Change
5/8”	\$8,106	\$6,484	-20%	\$6,484	0%
3/4”	\$8,106	\$9,730	20%	\$9,730	0%
1”	\$8,106	\$12,158	50%	\$16,210	33%

As noted above, under staff's recommendation, the most common residential connection fee will be \$9,730, in that most homes can be served by a 3/4" meter, except that the fire sprinkler requirements result in the installation of a larger meter. This fee is still very competitive in comparison to other nearby agencies, as illustrated in the following tables.

**Comparison With Nearby Agencies
of Current and Proposed Residential 3/4" Water Connection Fees**

Agency	3/4" Meter
City of Dublin	
Dublin San Ramon Services District (Distribution) - \$18,368	\$55,613
Zone 7 Water (Supply) - \$37,245	
Contra Costa Water District	\$28,450
EBMUD	\$27,830
Hayward (Proposed)	\$9,730
Alameda County Water District	\$8,605
Hayward (Current)	\$8,106

**Comparison With Nearby Agencies
of Current and Proposed Residential 1" Water Connection Fees**

Agency	1" Meter
City of Dublin	
Dublin San Ramon Services District (Distribution) - \$30,612	\$92,687
Zone 7 Water (Supply) - \$62,075	
Contra Costa Water District	\$47,416
EBMUD	\$46,480
Hayward (Proposed in FY2017)	\$16,210
Alameda County Water District	\$8,605
Hayward (Current)	\$8,106

ECONOMIC IMPACT

The economic impact of the proposed water and sewer rates has been discussed in the previous sections with examples provided. While staff recognizes that the rate adjustments will affect customers, it is critical that the City maintain reliable and robust utilities systems in the interest of economic viability and quality of life. As noted earlier, staff is recommending judicious use of fund balances to keep the rate adjustments at a reasonable level and in line with the surrounding business market.

FISCAL IMPACT

The Water and Wastewater Funds maintain a working capital balance, or fund balance, in order to manage emergencies, maintain positive cash flows, and, at times, smooth out needed rate adjustments so that the City is not forced to implement a significant increase in a single year, which can result in customer discontent and burdens.

Water Fund

While there is no simple formula that can apply to all water agencies, the City has been advised by various financial consultants in the past that reserves equal to 50% of annual expenditures are appropriate targets for the Water Fund. While this percentage is a good goal, it is not always practical to maintain, particularly when mitigating the effect of significant wholesale water rate increases.

Under current water use projections, the recommended rates are expected to generate about \$43 million and \$47.2 million in total revenue in FY2016 and FY2017 respectively, including interest and miscellaneous fees, and result in a year-end fund balance of \$24.3 million in FY 2016, a decrease of about \$800,000 from the projected FY2015 year-end balance. Even with the proposed rate adjustments, the Water Fund will be in a relatively small deficit position during the next three years due in large part to the implementation of the AMI system. The ten-year Water Fund forecasts indicate that the Fund will return to a positive cash flow in FY 2019. At this time, rate adjustments in the 3% to 6% range are anticipated in at least the four years following the proposed adjustments, after which it may be possible to reduce the percent increase or hold rates at the same level for a period of time. The proposed and projected rate increase will enable the water fund to achieve this goal of maintaining reserves at about 50% of annual expenditures. Attachment II depicts year-end working capital balances in the recent past and projected through FY2020.

Wastewater Fund

For the Wastewater Fund, given the stringent regulations and the treatment plant operation, a more appropriate reserve fund target is 100% of annual expenditures, a challenging target to meet without significant rate adjustments. Although the current and projected working capital balances do not always meet the targets, staff believes that they are sufficient to maintain reliable utilities operations.

The proposed rates are expected to generate about \$19.2 million and \$19.8 million in FY2016 and FY2017 respectively, including interest and miscellaneous fees. Staff anticipates an \$800,000 deficit in FY2016, with an ending fund balance of \$12.4 million. Revenues are expected to meet expenditures in FY2017, ending the year with a fund balance of \$15.1 million. As with the Water Fund, the working capital balance was built up strategically over the past years to minimize the need for sewer rate adjustments at a time when significant water rate adjustments were anticipated. The ten-year Sewer Fund forecasts indicate that a further 3% rate adjustment will be needed in FY2018 and then every other year afterwards. Based on these projections, the fund would remain in a positive situation. Attachment III illustrates the working capital balances in the recent past through projected through FY2020.

PUBLIC CONTACT

With the City Council’s concurrence with the proposed rates, staff will implement the legal noticing requirements of Proposition 218, which mandates written notice of the proposed rates to all affected property owners at least forty-five days in advance of the public hearing. In instances where a party other than the property owner is the account holder of record, notice will also be sent to that party. The notice describes the proposed increases and lists current and proposed rates. The notice will also discuss the property owners’ right to protest the rates. Council may not take action on the rates if a majority of affected property owners file written protests. Staff will also post the information on the City’s website and publish the required notice in the newspaper.

NEXT STEPS

Council is scheduled to consider the rate adjustments and hold a public hearing at its July 21 meeting. If adopted, the rate adjustments would be effective on October 1, 2015 and October 1, 2016. Council has traditionally used October 1 as an effective date, rather than July 1 when the wholesale rate adjustment takes effect, in order to avoid increasing rates during the time that water use is highest.

Prepared and Recommended by: Alex Ameri, Director of Utilities & Environmental Services

Approved by:

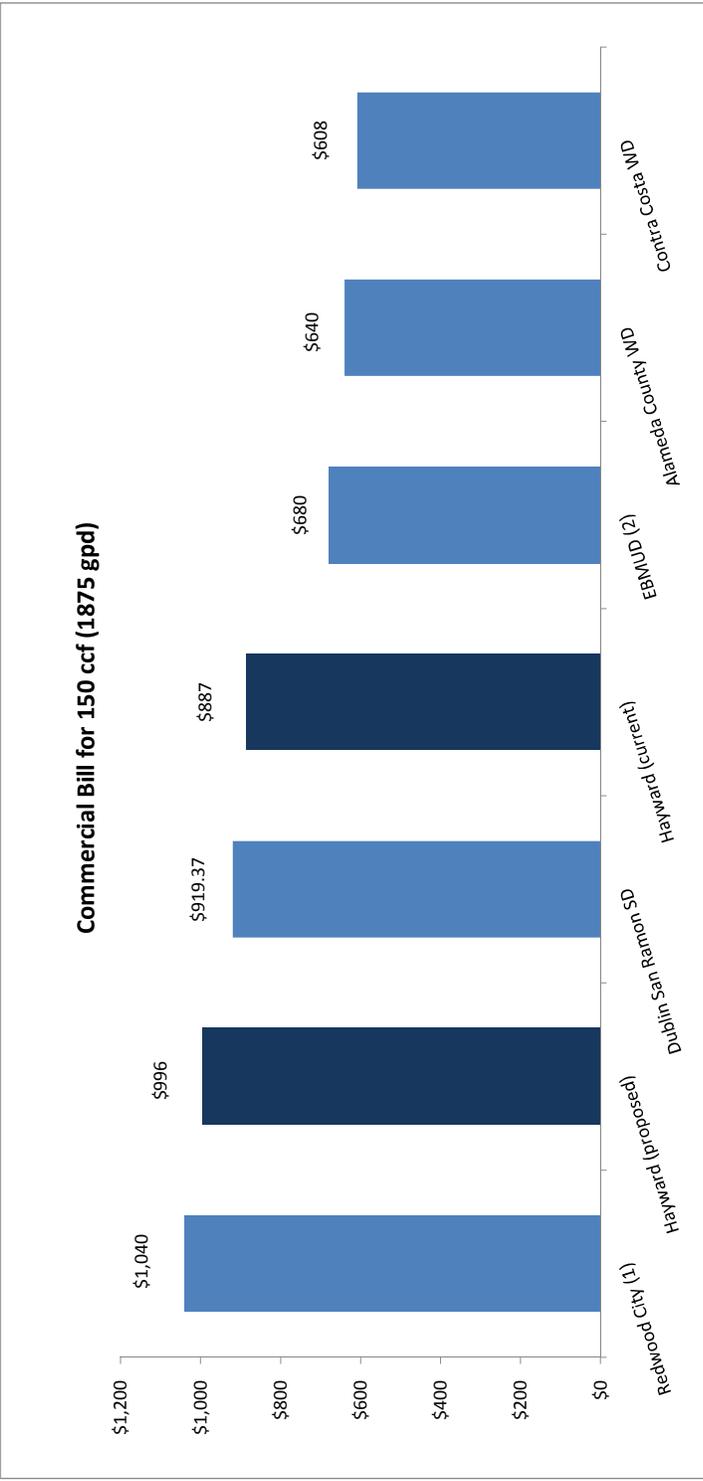
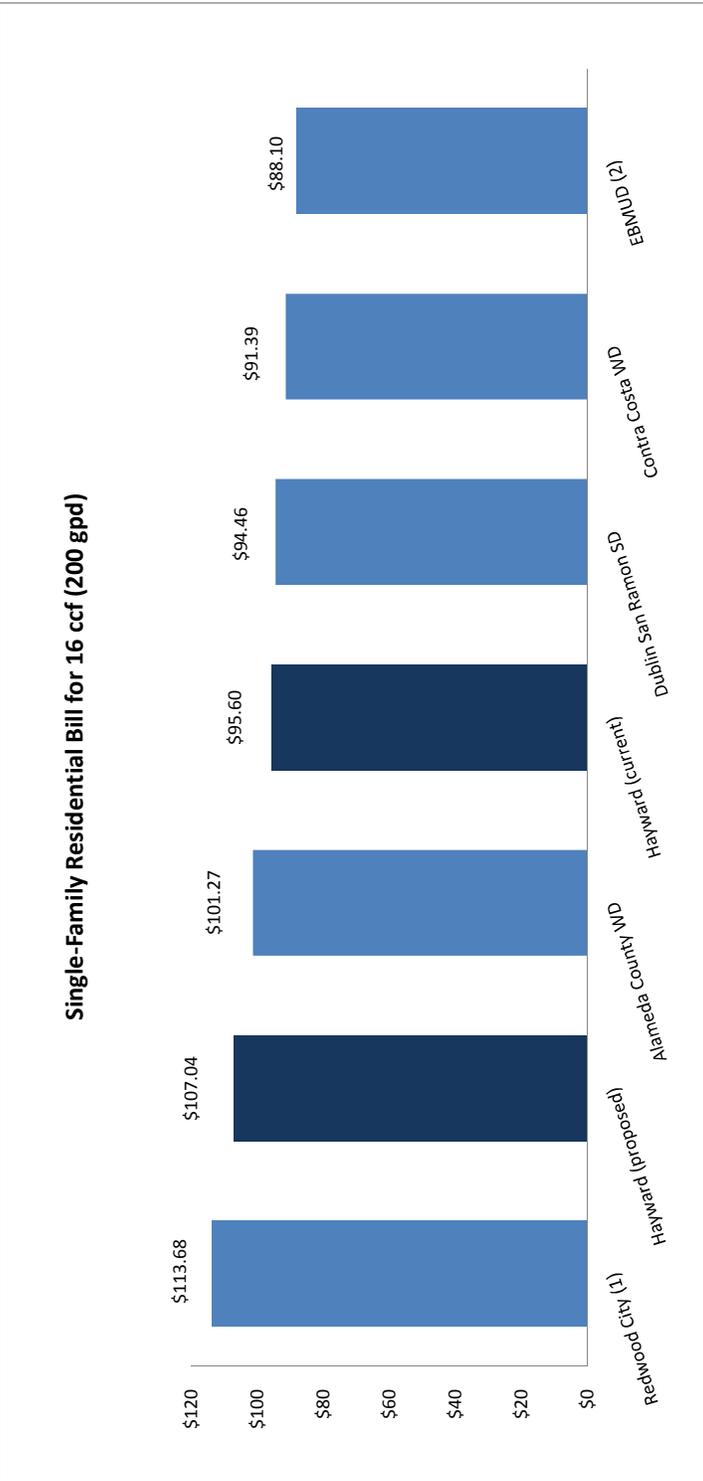


Fran David, City Manager

Attachments:

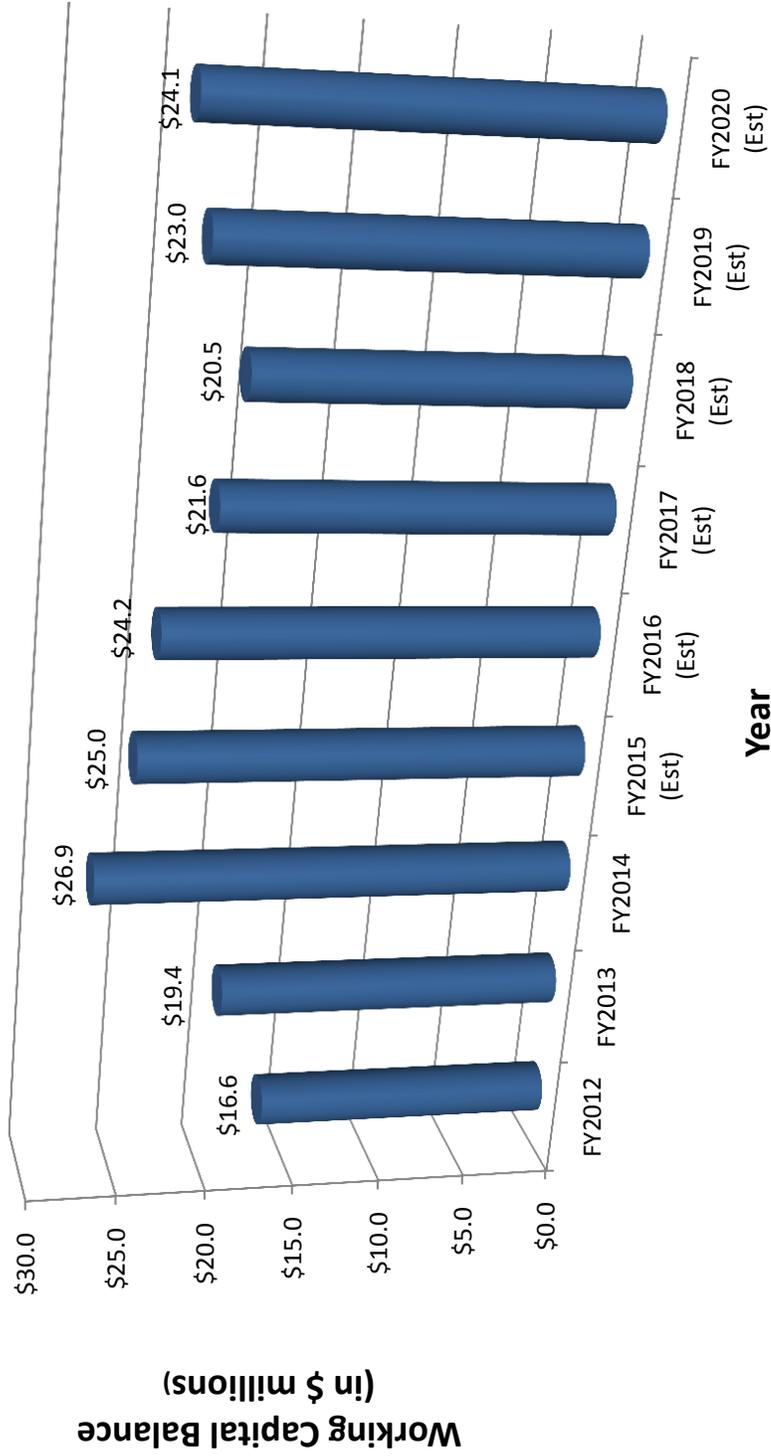
- Attachment I Proposed FY2016 Water Rate Comparisons with Nearby Agencies
- Attachment II Water Fund Working Capital Balances
- Attachment III Wastewater Fund Working Capital Balances

Bimonthly Water Bill Comparisons

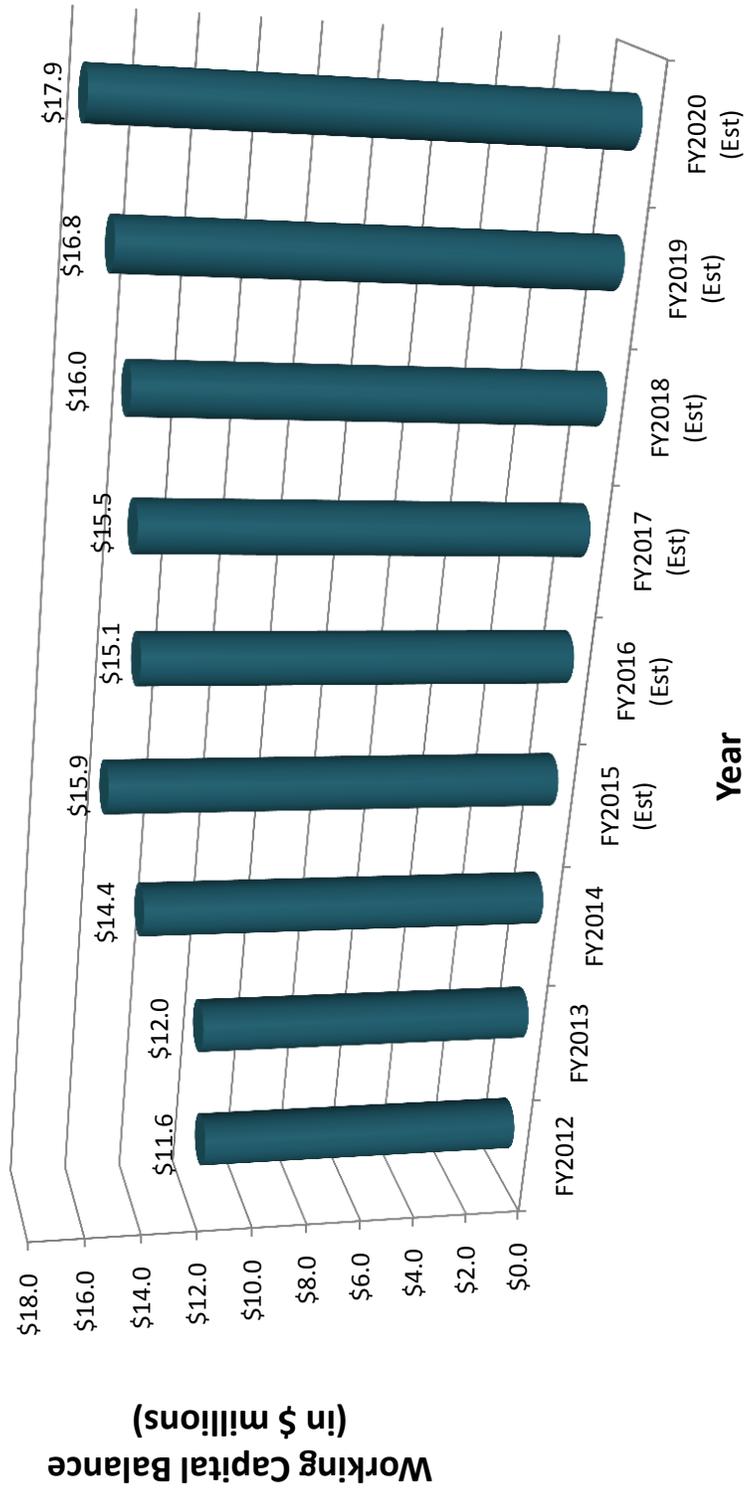


(1) Current Rates - increase unknown
 (2) Proposed Rates - not yet adopted

Water Fund Working Capital Balances



Wastewater Fund Working Capital Balances



DATE: June 2, 2015

TO: Mayor and City Council

FROM: Mayor

SUBJECT: Establish a Poet Laureate Program and Appoint Bruce Roberts as Poet Laureate for the City of Hayward.

RECOMMENDATION

That City Council approves the attached resolution (Attachment I) to establish a Poet Laureate Program and Appoint Bruce Roberts as the First Poet Laureate for the City of Hayward.

BACKGROUND

A poet laureate is a poet officially appointed by a government or conferring institution, who is often expected to compose poems for special events and occasions. A Poet Laureate’s responsibility is to increase the public’s awareness of the benefits of poetry. A poet Laureate’s duties could include developing a poem dedicated to the City of Hayward, read poetry works at public events and special occasions, and raise awareness of the power of poetry along with other forms of literature, to uplift and inspire people.

The title Poet Laureate was first used in England during the 17th century when Ben Johnson was named Poet Laureate in 1616. In the United States, the poet laureate tradition began in 1937 when the Library of Congress appointed Joseph Auslander as “Poet Laureate Consultant in Poetry.” California was the first American state to have a poet laureate. The unofficial position of poet laureate was established with the appointment of Ina Donna Coolbrith on June 30, 1915. The official position of Poet Laureate of California was created by Assemblymember Fran Pavley (D-Agoura Hills) under Assembly Bill 113, and was signed in 2001 by Governor Gray Davis. While the unofficial position carried a lifetime appointment, current laureates are appointed to two-year terms. Now forty of the fifty states have laureates, and a number of cities have appointed official poet laureates.

DISCUSSION

This will be the first appointment of an official Poet Laureate for the City of Hayward. While normally, an appointed Poet Laureate would be paid a respectful stipend, I am suggesting that this first appointment be made without compensation or financial recognition as a pilot program. And, that within the next year, Council determine if this is a position they wish to permanently establish. If so, then I would ask that staff develops a process by which such an appointment can be made with

the approval of the entire Council; and that there be consideration and identification of some financial recognition or other token remuneration associated with the appointment.

As part of this pilot effort, I have asked, and he has graciously accepted, Mr. Bruce Roberts to be our First Official Poet Laureate for the City of Hayward. In keeping with the “pilot” nature of this effort, Mr. Roberts has agreed to serve without monetary or other material recognition. In selecting Mr. Roberts, I considered the following minimum qualifications and summary duties:

Qualifications

- Hayward Resident.
- Has had poetry published and/or teaches poetry to students at a credentialed school or community class.

Duties

- Write one poem per term dedicated to the City of Hayward.
- Read from Poet Laureates own and other poetry works at public events and special occasions when asked by the Mayor or her representative.
- Promote creation and appreciation of poetry in the City of Hayward.
- Raise awareness of the power of poetry along with other forms of literature, to uplift and inspire people.
- Collaborate with other community writers and artists to promote a culture of literacy and visual and performing arts in the City of Hayward.
- Encourage and motivate young and aspiring writers.
- Introduce local residents with limited exposure to the literary arts to the pleasure and power of the written and spoken word.
- Work with the Hayward Unified School District and other local educational institutions to promote creativity and appreciation of literary arts.

Term of Appointment

- Appointed by the Mayor for a one-year term, serving at the pleasure of the Mayor.

Introduction of Appointee Bruce Roberts

Bruce Roberts is “Made in Hayward,” a product of the old Hayward Hospital, and Hayward schools, including Hayward High and California State University- East Bay (Hayward.)

Mr. Roberts has a Bachelor of Arts degree in English from California State University- East Bay (Hayward), and a Master of Arts in English from the University of California - Santa Barbara. In addition, he has a Life Teaching Credential from Chapman College, and a K-12 Reading Specialist Credential from Cal State-East Bay (Hayward).

Mr. Roberts taught English and history at Cesar Chavez Middle School in Union City, CA for thirty-five years, and also taught English night classes at Chabot Community College for twenty years. Since his retirement six years ago, he's kept busy acting at the Little Theater next door to the Senior Center, singing in senior homes with the Gerry Winn singers, writing press releases for the Hayward Arts Council, and serving on the Board of the Hayward Education Foundation. He also wrote and published a book titled "Hayward Hometown Poetry"; and writes Theater reviews for Synchronized Chaos, an online literary magazine.

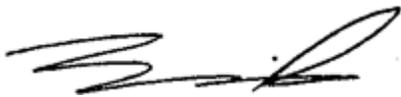
FISCAL IMPACT

There are no significant fiscal or administrative impacts because the proposed Poet Laureate position is a one-year pilot program; and Mr. Roberts has graciously agreed to serve voluntary and unpaid.

Prepared by: Colleen Kamai, Executive Assistant

Recommended by: Kelly McAdoo, Assistant City Manager

Approved by:



Fran David, City Manager

Attachments:

- Attachment I Resolution
- Attachment II Bruce Roberts Bio

HAYWARD CITY COUNCIL

RESOLUTION NO. 15-

Introduced by Council Member _____

RESOLUTION TO ESTABLISH A POET LAUREATE PROGRAM AND APPOINT BRUCE ROBERTS AS POET LAUREATE FOR THE CITY OF HAYWARD

A poet laureate is a poet officially appointed by a government or conferring institution, who is often expected to compose poems for special events and occasions. A Poet Laureate’s responsibility is to increase the public’s awareness of the benefits of poetry. A poet Laureate’s duties could include developing a poem dedicated to the City of Hayward, read poetry works at public events and special occasions and raise awareness of the power of poetry along with other forms of literature, to uplift and inspire people.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Hayward hereby authorizes the creation of the Poet Laureate position as a two-year volunteer unpaid position

BE IT FURTHER RESOLVED that the City Council of the City of Hayward here by appoints Bruce Roberts as Poet Laureate for the City of Hayward starting June 2, 2015 through June 2, 2017.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2015

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward

About the Author

Bruce Roberts is Made in Hayward, a product of the old Hayward Hospital, and Hayward schools—including Hayward High and Cal-State Hayward. His grandfather, Frederic Johnson, was the founding principal of the magnificent Hayward Union High School from 1911 to 1935, and his father, Austin Roberts was once president of CV Rotary, and the Hayward Area Historical Society.

Bruce is a retired middle school English/History teacher, a husband, father, and grandfather. He has written poetry off and on for years, and has even compiled a book, Hayward Hometown Poetry.

He feels that most people don't appreciate poetry because so many poets get wrapped up loving words and unique phrasing that they don't consider their audience. So readers finish a poem and their first response is "HUH?"

Because of this he has tried very hard to make his poems both interesting and

understandable. None of these poems should leave readers going "HUH?"

Many of his poems reflect living life in Hayward for the past 68 years. Many reflect travel, the news, ideas from around the world.

All, however, should provide a vivid glimpse into the ironies of the human condition.

Read ALOUD! Enjoy!

Bruce

Roberts, 2014

Above is an autobio that I have used in shows before. Below are some added facts in case you think they'll be useful.

Born in Hayward Hospital in 1946, went all through Hayward schools, graduating from HHS in 1964.

I have a B.A. in English from Cal State HAYWARD, and an M.A. in English from U.C. Santa Barbara. In addition, I have a Life Teaching Credential from Chapman College, and a K-12 Reading Specialist Credential from Cal-State HAYWARD,

My wife and I have been married for 45 years, with three sons and three granddaughters. Our sons also went to Hayward schools.

I taught English and history at Cesar Chavez Middle School in Union City, CA for 35 years, and also night English classes at Chabot for 20 years.

Since my retirement 6 years ago, I've kept busy acting at the Little Theater next door to the Senior Center, singing in senior homes with the Gerry Winn singers (including shows at the Senior Center), promoting Save the H—a project to commemorate Hayward's beautiful old high school and the giant concrete H on the hill behind Safeway, and writing press releases for the Hayward Arts Council and serving on the board of the Hayward Education Foundation—who gave me a Volunteer of the Year Award last April.

I've also kept busy writing book and theater reviews for Synchronized Chaos, an online literary magazine.

Hobbies are gardening, hiking, tennis, and travel. We just returned from three weeks in the United Kingdom, and then a week in New Orleans for our youngest son's wedding. Fun.

Bruce