

EAST BAY REGIONAL PARK DISTRICT

MEMORANDUM

April 12, 2016

**To: Board of Directors**

**From: Robert E. Doyle, General Manager  
Dr. Ana M. Alvarez, Deputy General Manager  
Debra Auker, Acting AGM, Finance and Management Services**

**Subject: April 18, 2016 Capital Finance Workshop**

This workshop provides an opportunity for the Board to review the status of the District's Capital Financial assets, and discuss financial strategy for the coming year. The structure of this workshop packet is an informational memo that discusses programs, trends, and issues supported by detailed reference exhibits. *Topics that may be of particular interest are highlighted in italics.*

**Summary/Introduction:**

The District is in the fortunate position of having strong positive public support, evidenced by the past success of the District's voter-approved funding measures. The District's positive track record of receiving grants and mitigation funding from a variety of sources is a testament to the District's ability to deliver quality projects to the public that also meet the interests of partnering agencies and organizations.

The capital and project funding sources described in these materials, when paired with the District's strong fiscal policies and conservative base-budget operating practices, form the financial foundation that enables this District to provide a broad mix of excellent, and growing, parks and public services to our constituents, now and into the future.

Our capital finance system is complex. This packet provides updates on the District's several interrelated capital and operating funding programs, organized by funding source, to enable the Board to review our public commitments, the progress towards delivery to date, and strategies for the coming years. The information in this packet, taken as a whole, provides the context for Board discussion and staff compilation of the annual budget priorities for 2017 and beyond.

The delivery of projects is a multi-year, District-wide process that integrates all disciplines (divisions) of the District. This workshop will focus on funding capacity, status of programs, and emerging strategies. The next two workshops: Capital Projects/Trails (May 16) and Land Acquisition (June 20), will provide the Board with information on the status of specific projects, and discuss current and future priorities.

The major challenges faced by the District in 2016 and 2017 are consistent with prior years:

- We must continue to be conservative and deliberate about starting projects that will increase the long-term annual operating expenses of the District. These new ongoing costs must be factored into the District's long-range planning.
- We must responsibly fulfill our ongoing financial, project, and program commitments to the public, voters, and employees. In order to meet these responsibilities we must continue to recruit, train, and retain qualified District staff.
- We must creatively balance the many goals that are funded with our limited annual base budget dollars by finding efficient ways to acquire, hold and open new parklands, steward the natural and cultural resources in our care, attend to the service and safety of our public, maintain our facilities, provide adequate staff facilities, replace or renovate aging infrastructure and see to the many other ongoing responsibilities of the District.

Challenges that we face this year include:

- Increasing the District's level of project productivity although still experiencing major staff transitions and reorganizations.
- Monitoring and managing our capacity, and avoiding the over-commitment of staff resources.
- Implementing systems to expedite high priority projects, and assessing needs to move older/dormant projects forward.
- Increasing levels of public use and the associated impacts on current facilities will need to be identified and remedied to minimize damage to resources and deterioration of park user's experience.
- Completion of capital projects that add new facilities or park access will increase the need for operational staffing.
- Larger and more complex projects lead to longer timelines and higher costs for construction as more stringent planning and permitting requirements extend the design and approval processes.
- Continue to balance the needs for ongoing operating and capital needs, and funding of long-term unfunded liabilities, such as pensions and infrastructure.

## **AGENDA**

12:30 p.m.	Call to Order & Workshop Procedure Opening Comments Outline of April 18, 2016 Workshop	President Siden GM Robert E. Doyle AAGM Debra Auker
12:45 p.m.	Discussion of Funding Categories/Programs: <ul style="list-style-type: none"><li>▪ Financial Summary</li><li>▪ Capital Funding Overview</li><li>▪ Measure AA</li><li>▪ Measure WW</li><li>▪ Measure CC</li></ul>	All
2:00 p.m.	Break – 15 minutes	
2:15 p.m.	Discussion of Funding Categories, Continued: <ul style="list-style-type: none"><li>▪ Grants and Management Services</li><li>▪ Major Infrastructure Renovation &amp; Replacement</li><li>▪ 2012 Promissory Notes</li><li>▪ “Pipeline”</li><li>▪ Maintenance Projects/MAST</li></ul>	All
3:45 p.m.	Workshop wrap-up	AAGM Debra Auker President Siden
4:15 p.m.	Public Comments	
4:30 p.m.	Adjournment	

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*Pages 41 through 250, the Exhibits referenced in this Memo, can be found on the District’s website at: <http://www.ebparks.org/meetings>.*

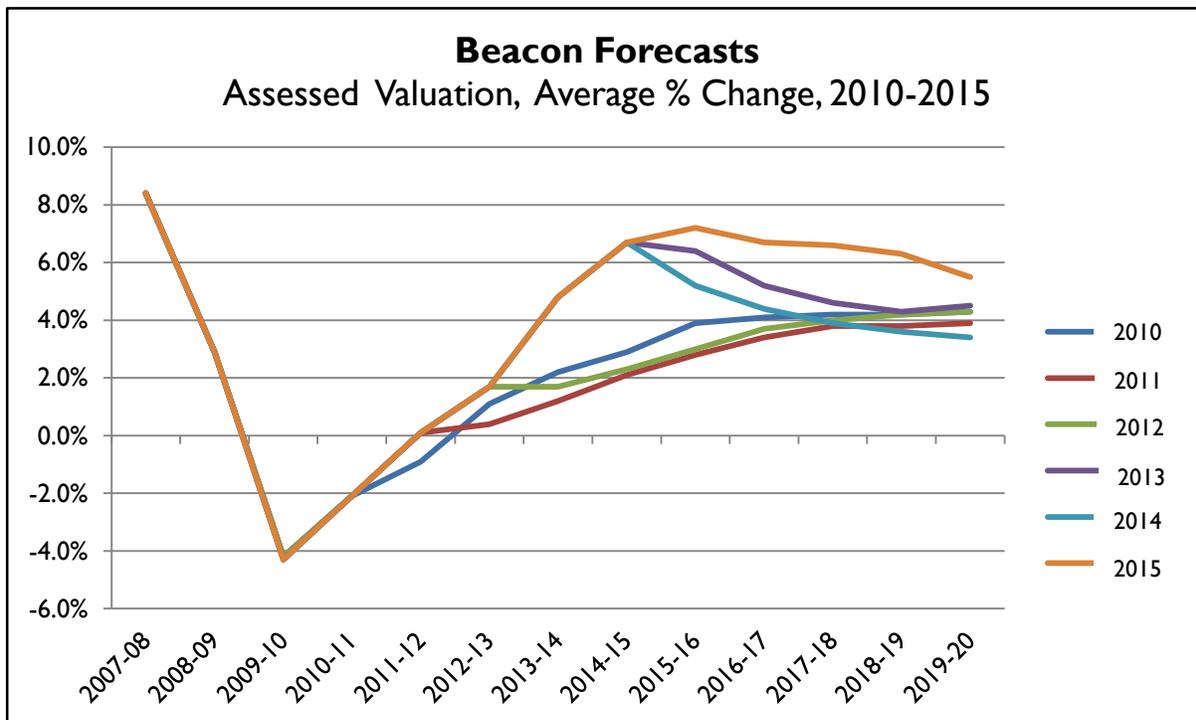
## I. FINANCIAL SUMMARY

The District's financial decisions are guided by policies and practices that encourage sustainable, conservative growth. Over the past several years, the Board has adopted policies related to establishing and maintaining prudent fund balance reserves and funding major facilities and infrastructure replacement needs. Practices, such as the Pipeline schedule, Smoothing Reserve, and major equipment and infrastructure replacement funds, foster stability from year to year by anticipating and funding future operating needs. These policies have assisted the District with the ability to deliver consistently a stable, high level of service through economic downturns.

In order to maintain financial stability the District must continue to examine economic impacts by looking back at history and looking forward. Currently, the District is experiencing modest growth in property tax-based General Fund operating revenues allowing the 2016 operating expenditures to reach its highest levels.

### A. Base Budget Revenues:

The 2015 Beacon Economics report suggests that the District's property tax growth may peak above 7.0% for one or two years before settling back to an annual growth rate of between 4.0% and 5.0%. After accounting for the effects of inflation, the actual growth rate of the District is expected to level off at between 3% and 4% per year over the long term. Beacon's projections over the past five years are indicated in the table below. A 2016 update covering the 2017 budget year will be obtained from Beacon in August following County certification of the tax rolls.



## **B. Base Budget Expenditures:**

Personnel costs are fifty-one percent (51%) of the District-wide base operating budget; and approximately 73% of General Fund expenditures in 2016. Therefore, it is important to closely monitor inflation and allow for the continuing growth in benefit costs. Medical benefit costs have been rising at 8-10% per year, pension costs are expected to rise modestly, and employee wages have historically been linked to CPI increases. In 2017, the District will be in the process of negotiating a new employee labor agreement (MOU) which will impact the District base budget.

In April 2016, all non-safety employees received a 2.75% COLA wage increase and their employee-share withholding for pension costs was increased by 1%, for a net wage gain of 1.75%. The increase was due to the CPI for February being 2.9%, which was above the ceiling of 2.75% set in the employee agreement (MOU). If future wage increases are linked to the CPI the increases could remain near the ceiling levels established in the employee agreement (MOU) based on the expectation that inflation will eventually come back to the 2.5% average of prior years. The District also continues to experience regular increases for supplies and services that will need to be accommodated in our budget strategy.

On the positive side, in the 2016 budget the District funded 19.5 additional full-time-equivalent (FTE) staff positions, bringing the total to 781, including seasonal staff. This is the highest FTE count the District has achieved. Forecasts of our future staffing requirements for planned park and facility openings (Pipeline) indicate that the District's planned growth of new facilities estimated that increase in annual operating expenses will total approximately \$8 million over the next 5 years. At the currently projected revenue growth rates, these expenses should be able to be accommodated within our projected revenue increases. (Additional detail regarding the District's financial forecast may be found in the [2016 Adopted Budget, pages 28 and 29.](#))

## **C. Year-End 2015 / One-time Funding & Mid-Year 2016:**

The District is ending the 2015 budget year 'in the black' as planned, with preliminary General Fund revenue equal to expenditures. The variance above the target fund balance (set by Board policy) is estimated to be about \$8.0 million, after depleted reserves have been replenished. This amount is subject to adjustment per policy and will be adjusted based on the annual audit results, but it is expected that there will be several million dollars of one-time funding available for appropriation to one-time uses.

This positive year end budget result was due largely to three factors:

1. Staff attending to their monthly expenses and ending the year at or under budget.
2. Approximately 6.5% savings in personnel costs due to staff turnover, vacancies and retirements.
3. Over 8% growth in (non-redevelopment) property tax revenues, which was below the 10.5% estimated increase.

These results are preliminary and subject to refinement when the 2015 audit is completed. Final amounts will be reported to the Board as part of the acceptance of the Annual Audit in July. Nearly all of these funds are from "one-time" sources. Therefore, while they can be

committed to one-time projects or expenditures, they are unsuitable to appropriate for increasing permanent staffing or other ongoing base-budget expenditures.

The General Fund's Fund Balance Policy directs that, following year-end, the amount of General Fund fund balance in excess of the target amount as established by the CFO first be directed toward replenishing depleted reserve funds, and then toward fully funding the Infrastructure Renovation and Replacement Fund (553). Any Legal Reserve Fund or Elections Reserve Funds will be replenished as necessary as part of the 2016 Mid-year process. The needs of the Infrastructure Fund will be discussed later in this report.

Each year the mid-year process includes a review of strategic and emergent financial needs across the District, including current operating accounts that are going over budget, major one-time purchases, funding to complete projects in process, funding needed for major program priorities like fire fuels/vegetation management and camping, and expenditures to 'buy down' debt or reduce future operating costs. A number of issues are currently under discussion by staff. An early draft list for consideration of one-time appropriations at mid-year 2016 and/or 2017 may include some of the following:

1. Possible funding or reserves for endowments required as a result of permits issued by state and federal Fish & Wildlife organizations for resource management obligations. Currently over \$900,000 is required just for the fuels/vegetation management plan.
2. Additional funding for fire hazard reduction - fuels/vegetation management program.
3. Environmental mitigation at Anthony Chabot Marksmanship Range.
4. Setting aside funds in an irrevocable trust for employee pensions to reduce the volatility and increasing costs projected over the next 5-10 years.
5. Need for office space renovations at Peralta Oaks Administrative Building to address the lack of space for growth in the District workforce.
6. Continuing to set aside annual funding for the Major Infrastructure Renovation and Replacement Fund 553.

**D. 2017 Budget Strategy:**

The early General Fund base budget strategy for 2017 is to continue with measured growth in staff capacity, incorporate changes recommended due to reorganizations, fund ongoing equipment replacements, maintenance and infrastructure repair at sustainable levels, and fund new "Pipeline" operating expenses as can be accommodated within our financial capability.

Staff will introduce policies and strategies for long-range planning of the base budget and projects funded from the General Fund. As noted above, the impacts of updating the employee labor agreement (MOU) must be included in the overall budget strategy in addition to other ongoing needs.

A recommendation for an annual contribution to the Major Infrastructure Renovation and Replacement fund (Fund 553) will be discussed balancing other needs. Current information suggests an annual amount estimated to be between \$7.5 and \$9.5 million/year as base appropriation would be prudent. The 2016 Budget included an initial \$500,000 as a base (ongoing) contribution and a non-recurring appropriation of \$1 million for paying to this fund. However for the 2017 budget year, it is anticipated that at least half (\$4.0 million) of the recommended contribution will again be appropriated from one-time/year-end opportunity funds.

The Fire Hazard Reduction/Vegetation Management program, funded by Measure CC, FEMA and General Fund appropriations, is expected to be depleting most non-FEMA project funding sources in the next two years. In 2016, \$600,000 in annual base budget funding, with a desire to increase the funding by a minimum of \$100,000 each year, was committed to the program. We remain hopeful that the FEMA funding will remain secure, as it is currently subject to litigation; however, additional annual funding to provide ongoing maintenance under this multi-million dollar program may also be required to continue current levels of effort. Staff will review the overall projected costs for this program and confirm our long term strategy with the Board.

Fortunately, the availability of other major funding: Measure WW, Measure CC, Habitat Conservancy, grants, donations and other non-General Fund monies is resulting in significant opportunities for the District to continue to acquire, protect and preserve important parkland, trails and habitat to meet the long-term needs of our region and to establish new park sites per the updated Master Plan. During the economic downturn, the District has been acquiring lands at favorable rates and land banking them to the extent possible until we can begin to plan, permit, develop, and selectively open properties to public use, as the District can afford the annual operational costs. With the economy recovering it is likely that land costs will increase and the pace of acquisitions may slow.

The balance of this packet provides the Board with reference information on the District's capital resources by funding source and includes summary reports, budget history, and remaining balances, generally as of year-end 2015.

## **II. CAPITAL FUNDING OVERVIEW**

### **A. Funding Sources**

The District is fortunate to have several types of funding for capital projects and programs. Best financial practices direct agencies to utilize the most restricted funding available for any given project, reserving more flexible funding sources for application to other critical needs. The general hierarchy of funding options is to use funding provided from outside sources, then restricted and designated (committed) funds, and discretionary funds last (i.e. General Fund). A list of the District's funding sources for capital needs, in order of preferred use, is provided below:

#### **1. Grant: Project Specific Funding**

Source: Federal and state grants, ECCC HCP.

Justification: Funding is provided for specific projects and has strict timelines attached, therefore this funding source is to be depleted first, along with any matching funds (often General Fund) required by the grant.

#### **2. Grant/Endowments: Type of Work Specific Funding**

Source: State grants, special interests, Regional Parks Foundation, ECCC HCP, FEMA, and interest earned on permanent endowments.

Justification: Funding is provided for specific types of work and has stated expectation attached. This funding is to be used as the primary source for such types of work.

#### **3. Resource Enhancement Mitigation Funds**

Source: Developers/donors, environmental programs. The District is currently holding over \$4 million in mitigation funds for various purposes including specific area acquisitions, resource and habitat projects.

Justification: Funds are restricted and associated with mitigation agreements. These funds are to be used when applicable per the mitigation agreements.

#### **4. Special Revenue Funds**

Source: Landscape & Lighting Assessment Districts (\$3.5 million), Zones of Benefit (\$612,000), Tipping Fees for Coyote Hills (\$1.2 million), Funds associated with agreements from other governments, gift funds, as well as future Community Facilities District funding.

Justification: Funding is provided for specific purpose and has spending rules attached. Some funds have spending timelines and must be used in defined areas. These types of funds are typically earmarked for operating or capital costs.

#### **5. Measure AA Bonds**

Source: The District has over \$10 million in remaining unappropriated Measure AA taxable bond proceeds for acquisition and development projects after the proposed adjustment (*the Local Grant Program for Measure AA is closed*).

Justification: The AA tax measure was approved by the voters of the District in 1988. The last series of AA bonds was issued in 2006. Since these remaining proceeds are from taxable proceeds there is no spending timeline requirement, however they may only be used for capital

acquisition and development purposes. The Board holds the discretion to amend the work plan and expend any remaining AA funds on any capital development or acquisition project within the District.

## **6. Measure WW Bonds**

Source: The District's 75% share of the total \$500 million in Measure WW authorized by the voters amounts to \$375 million, for both acquisition and development combined. Of the District's amount, \$76.1 million has been appropriated, and approximately \$300 million remains unappropriated and available to commit to acquisition and development projects. Measure WW tax-exempt bond proceeds, once issued, are subject to a three-year expenditure plan; therefore timely use of the proceeds is important.

Justification: The tax measure was approved by the voters of the District in 2008. The first two series of WW bonds were issued in 2009 and 2013, raising total proceeds of \$160 million for both Local Grants and District projects. Approximately \$44.6 million in proceeds remain with the trustee, and will be reimbursed when eligible capital acquisition or development expenditures are made. To retain our good financial status with regulators, the District needs to make significant progress toward expending the remaining bond proceeds by the end of 2017.

## **7. Measure CC Excise Tax**

Source: Annually the District receives and appropriates approx. \$3.1 million for capital and operating projects specific to the CC area. The District also has \$1,093,755 remaining as contingency funds in reserve (the total 10% contingency thru 2020 was \$4.7 million). The District is behind in spending the annual appropriations; however, staff is focused on the expenditure plan.

Justification: The special excise tax was approved by voters in Alameda and Contra Costa counties within the Measure CC boundaries in 2004. The tax will sunset in 2020 and the Board recommends renewal of this funding source in 2018.

## **8. 2012 Promissory Notes**

Source: The entire principal balance of \$25 million has been appropriated for in-park service yard improvements, the replacement of the Public Safety headquarters, improvements to the equipment shop and the service yard at Lake Chabot.

Justification: In 2012 the District issued \$25 million in long-term Promissory Notes to be repaid over 25 years with General Fund monies. These note funds were earmarked for capital improvements to District staff facilities, such as service yards, offices and visitor centers which are not eligible for bond financing from Measure AA or WW.

## **9. East Contra Costa County Habitat Conservancy Program (ECCCHCP)**

Source: The District's participation in the East Contra Costa County Habitat Conservation Plan (ECCCHCP) continues to provide a major source of funding for joint acquisitions in East County. The District currently has approximately \$1.3 million in a Special Revenue fund set aside for the management of certain properties purchased with ECCCHCP assistance.

## **10. Funds Committed for Land Acquisition**

Source: The District's Committed Land Acquisition fund is from General Funds, held as committed fund balance in the Project funds.

Justification: These funds carry over from year to year and have been reserved by the Board for use as a last resort for critical projects or matching funds when there is no other available source. As of 12/31/2014, this fund retained a balance of \$6.8 million. Recent uses of the fund included approximately \$20,000 at Brushy Peak/Eddie's Flat and \$500,000 at Deer Valley/Roddy Ranch.

## **11. Major Infrastructure Renovation and Replacement (Fund 553)**

Source: District staff facilities and infrastructure are not generally eligible uses for bonds or grant monies; therefore, the construction and replacement of staff facilities must be undertaken with General Fund resources. As of 2015 the fund has an estimated balance of \$9.0 million. An additional \$11.4 million has been previously appropriated to projects.

Justification: In 2012 the Board approved the renovation and replacement program with an estimated target to fund the program with \$9 million annually. This amount is to be updated and refined based on the asset management and replacement cost study that started in 2014. These funds will be supplemented with other eligible funding sources available for improvements to District facilities and infrastructure.

## **12. General Fund-Opportunity Funds**

Source: The District intentionally engages in conservative annual budgeting practices to yield positive financial results at the end of each year. This provides an annual opportunity to address long-term and one-time needs that cannot be funded on an annual, base-budget basis. Although there can be significant volatility in the amount of opportunity funds made available each year, in most years the actual General Fund revenues exceed actual expenditures by between 5% and 10% of budget. At the end of 2015 staff estimates approximately \$8.0 million in one-time opportunity fund will be available after completion of the annual audit in June. This amount takes into account the replenishment of reserves in the prior year that are required by Board policy.

Justification: District General Fund revenues are generated mainly from general property taxes and can be spent at the discretion of the Board, meaning there are no strings attached or restrictions from other parties. These funds do not have spending timelines and can be used for both operations and capital, and are the most flexible/versatile of all the funding sources. Each year, as part of the Mid-year Budget Review, the prior year's financial results are presented and recommendations made for the use of any opportunity funds (budget savings) or one-time monies received.

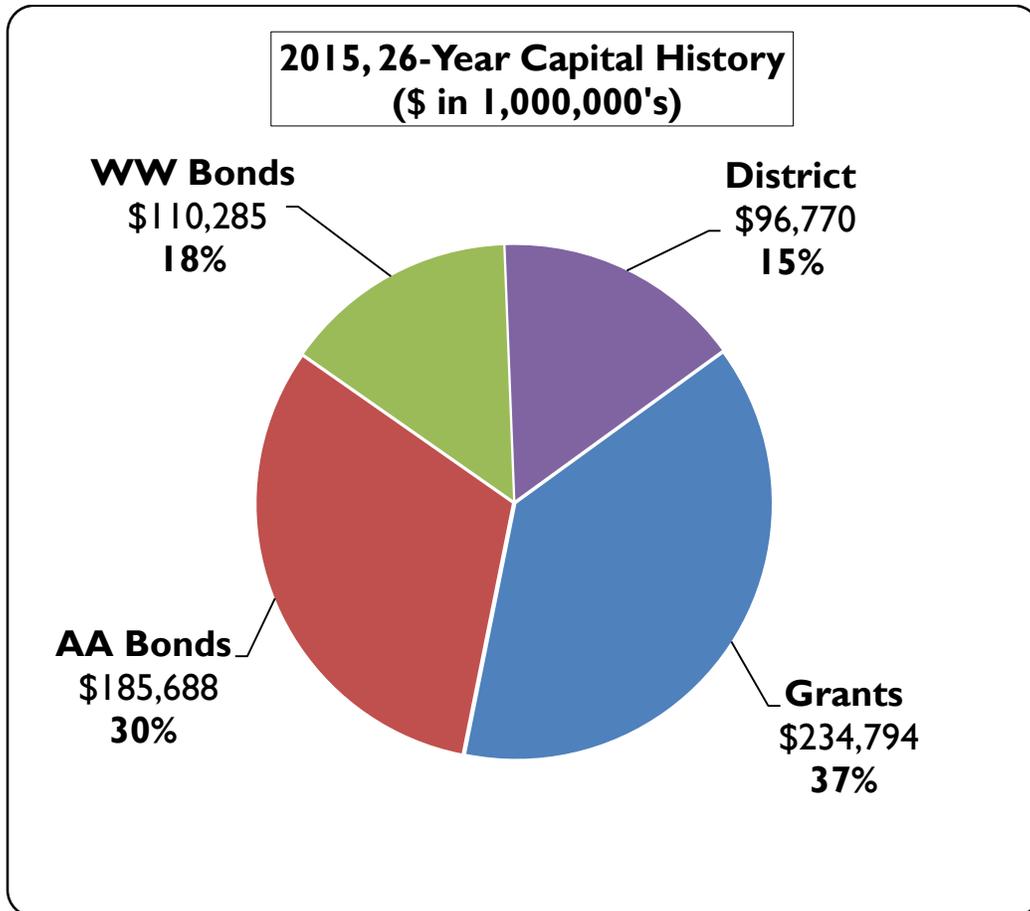
## **13. General Fund-Base Budget Appropriations**

Source: The District adopts an annual budget in December. The majority of all administration and operations of the District are funded by general property taxes in the General Fund. Most all salaries and benefits for the over 781 District employees are paid by these funds. The Base Budget revenues for the coming year are calculated in August and then the allowable growth of the District is calculated to balance expenditure needs with the available funding to construct a balanced budget for each year.

*Justification:* The Base Budget begins with calculating the current costs of providing the same level of service as the prior year and then adding in mandated and required costs. The base budget operational costs must be calculated prior to budgeting for additions to service levels, one-time costs or capital. Items considered as additions to the base include: pipeline staffing, equipment and supplies, replacing minor equipment and vehicles, etc.

**B. 25 Year Capital Funding History**

Since 1988, the District has appropriated over \$628 million in funds for land acquisition, development, resource, and infrastructure projects from all sources. The cumulative totals for appropriations by category are shown in the chart below. Grants include approximately \$136 million for acquisition and \$99 million for development projects. Acquisition and Development Grants received in 2015 are listed in [Exhibit 1a and Exhibit 1b: Grant Funds Received](#). (pp. 41-66) and a summary chart by year is shown on the following page.



<b>Grants Funds Received by Matching or Leveraged by AA &amp; WW Funding</b>			
<b>Year</b>	<b>Total</b>	<b>Acquisition</b>	<b>Development</b>
2015	3,860,506	877,500	2,983,006
2014	12,993,097	9,970,000	3,023,097
2013	6,243,398	1,800,900	4,442,498
2012	6,366,507	5,674,505	692,002
2011	20,033,359	9,332,022	10,701,337
2010	16,225,551	12,542,959	3,682,592
2009	6,845,035	5,374,000	1,471,035
2008	4,126,998	1,600,000	2,526,998
2007	1,670,965	755,000	915,965
2006	984,187	478,744	505,443
2005	4,047,014	1,420,000	2,627,014
2004	5,580,681	200,000	5,380,681
2003	20,029,030	11,031,136	8,997,894
2002	13,666,277	2,290,250	11,376,027
2001	5,008,268	1,945,000	3,063,268
2000	15,149,744	4,183,790	10,965,954
1999	3,466,722	550,000	2,916,722
1998	30,962,285	26,774,496	4,187,789
1997	1,887,150	1,758,000	129,150
1996	5,706,825	4,569,000	1,137,825
1995	1,525,615	823,786	701,829
1994	6,402,072	1,825,463	4,576,609
1993	7,688,943	4,830,449	2,858,494
1992	9,595,749	7,781,731	1,814,018
1991	10,450,805	8,917,587	1,533,218
1990	5,628,846	3,303,525	2,325,321
1989	7,951,792	5,058,957	2,892,835
1988	696,680	194,463	502,217
<b>GRAND TOTAL</b>	<b>\$234,794,101</b>	<b>\$135,863,263</b>	<b>\$98,930,838</b>

### **C. Current Project Appropriations**

The District's 2016 Capital Improvement Plan (CIP) consists of 502 active project appropriations which are formally authorized and listed in detailed format in the District's 2016 Adopted Budget. Cumulative CIP project appropriations to active projects from all sources total \$332.1 million, of which \$194.1 million has been expended in prior years, leaving \$138.0 million from all sources to expend in 2016 and future years. [Exhibit 2a: Active Projects-2016 Budget](#) (pp. 67-82) shows this detail, sorted by park. All project fund appropriations continue from year to year until expended or modified by Board action. This schedule includes all project appropriations, regardless of classification (Acquisition, Development, Maintenance, or Other). [Exhibit 2b: Active Projects by Department](#) (p. 83) summarizes the number of projects and appropriation amounts by responsible department. The schedule of appropriated projects does not include Measure WW or AA funds that are allocated in the measure, but have not yet been appropriated to specific projects.

In preparation for the 2017 budget, staff is now beginning the annual project closure process, during which completed projects are inactivated, accounts reconciled, and variances from budget are corrected through administrative adjustment or Board action as appropriate. This process will unencumber, transfer or appropriate funds to correct the few project over-expenditures that may have occurred. To the extent that a net amount of funding is disencumbered through this process, funds are returned to the originating source fund for future re-appropriation by the Board.

The total number of project accounts has become unwieldy to manage effectively and to present to the Board in a concise manner. During this year, staff will continue reviewing the schedule to determine if there are projects, or project categories, that are "dormant" and should be cancelled and reverted (e.g.: no expenditures for five years or more), or which could be better managed through a consolidated approach, hopefully speeding delivery through streamlining of project management.

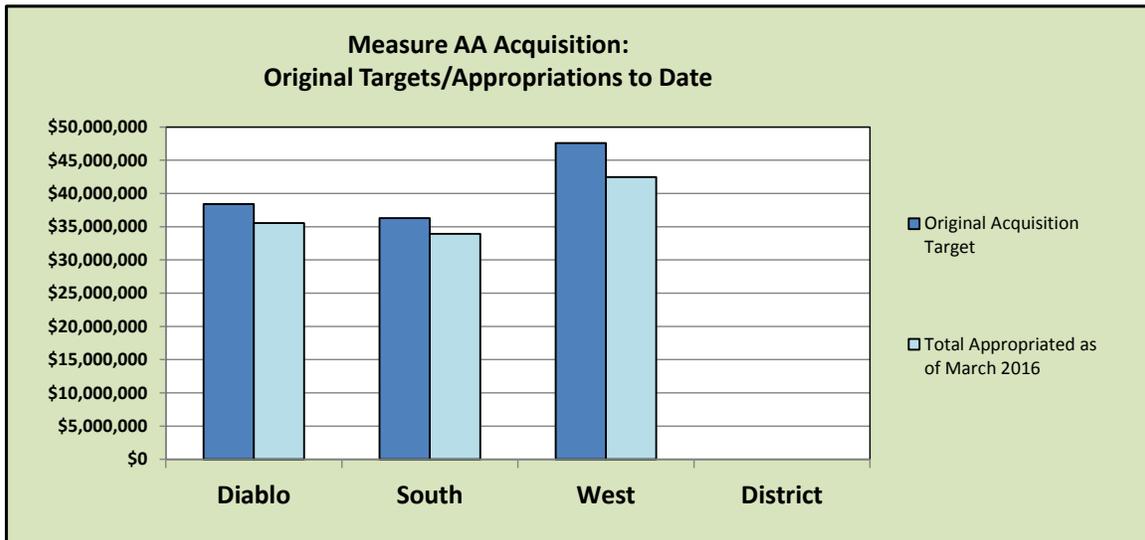
### III. MEASURE AA

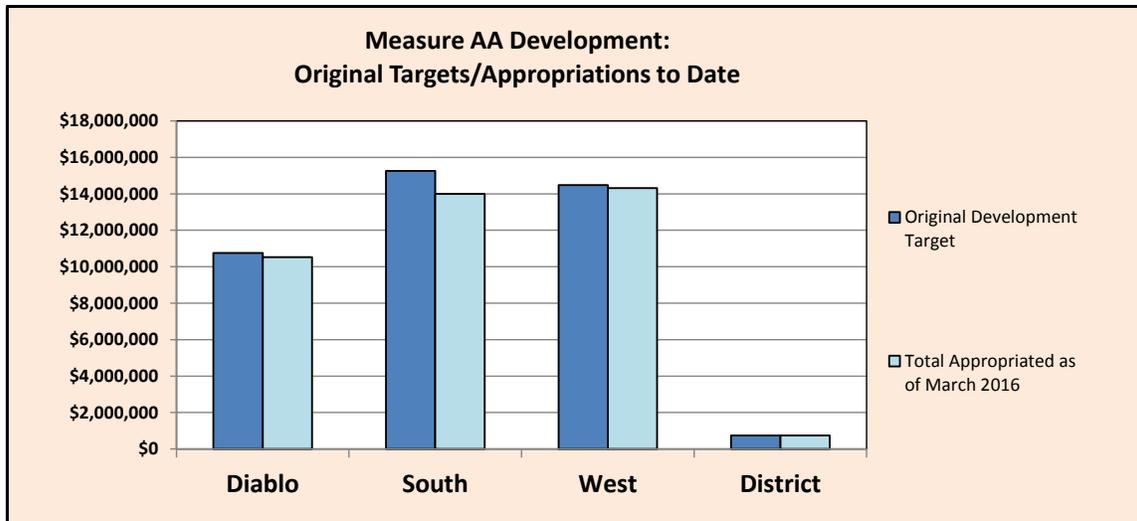
The District has been moving toward closure of the AA program, originally approved by voters in 1988. As of March 17, 2016 the District has appropriated a total of \$180.6 million in Measure AA principal and interest to District projects. As shown in the table on page 14, there is approximately \$12.0 million remaining in the program that has been allocated to project areas but is not yet appropriated for expenditure. Interest earned on these bond funds has been appropriated for either projects or administrative costs. The appropriation of the District's portion of the Measure AA program is 95% complete. Local Grant Program (LGP) appropriations are in addition to the above amounts; however, the LGP program is now complete and closed, and all funding has been disbursed to local agencies.

The Measure AA program continues to wind down, and where feasible, staff seeks to use any eligible remaining AA funding prior to tapping the Measure WW allocations.

#### A. Metropolitan Area Allocations

Measure AA funding was allocated on the basis of the Metropolitan Area population balance in 1988. The metro area appropriations for expenditure all balance within 1% of their original percentage targets. The charts below list the dollar targets and appropriations to date, by acquisition and development amounts, for each metro area.





### B. Measure AA Interest

Interest earned on the Measure AA balance has been split between acquisition and development in the same 75%/25% proportions as the original measure and has been appropriated similarly to the three metro areas. The total net interest earned to date has been \$29.5 million, and \$29.5 million has been appropriated to projects or administrative costs. This leaves no remaining unappropriated interest earned. Very little interest is currently being earned on the remaining balance, just \$1,667 in 2015.

In 2012, the Board concurred that continuing to report and track the minor available interest amounts subdivided by the six categories was not workable, and would therefore consider the remaining interest balance as a whole for appropriation to one or more eligible acquisition or development projects anywhere in the AA project area.

### C. Measure AA - Cash Flow and Spend-down

The District has been working for several years to conclude the AA program, fully utilize the remaining funds and complete and close the AA projects. As of 2009, the full \$225 million in bonds authorized under Measure AA had been issued. As of 2012, essentially all of the tax-exempt bond principal from that final issue has been expended. The remaining funds held by the trustee are a combination of monies that were issued as taxable bonds, and the balance of the interest that has not yet been reimbursed to the District for eligible expenses.

***As has been reviewed in prior years, the Measure AA remaining cash held by the trustee must be reconciled to the project data base to confirm funding for all appropriations and unappropriated balances. Finance staff has recently completed this reconciliation and is proposing budget adjustments to Measure AA interest funded projects and funding source revisions in the amount of \$1.8 million to adjust the project database to the audited bank balance.***

***The current balance of AA funds held by the trustee is \$15.8 million, of which approximately \$5.6 million is budgeted in active projects but has not been reimbursed from proceeds, leaving \$10.2 unappropriated and available for future projects, after the adjustment is approved by the Board of Directors.***

The following two tables show the remaining unappropriated funds by allocation area and metro area. A significant portion of the remaining AA unappropriated principal can be attributed to a few project areas where progress has been impeded due to circumstances beyond the District's control. Because of the character of the taxable bonds, there is not a requirement to expend the funds within a three-year period, but these projects should continue to be monitored and the associated funds considered for re-direction if the projects ultimately prove unattainable so that the Measure AA program can be concluded in a timely manner.

**Measure AA Unappropriated Funds**

<b>DIABLO METRO</b>	<b>TOTAL</b>	<b>ACQ</b>	<b>DEV</b>
Bishop Ranch	78	-	78
Diablo Foothills	1,404,828	1,404,828	-
Las Trampas to 680	1,928	1,928	-
Morgan Territory	442,987	442,987	-
Oakley to Round Valley	292,204	292,204	-
Pittsburgh Wetlands	28,137	-	28,137
Sycamore	656,723	656,723	-
<b>Diablo Metro Allocation Areas</b>	<b>2,826,885</b>	<b>2,798,670</b>	<b>28,215</b>
<b>Diablo Metro Consolidation Account</b>	<b>264,485</b>	<b>56,381</b>	<b>208,104</b>
<b>DIABLO METRO SUBTOTAL</b>	<b>3,091,370</b>	<b>2,855,051</b>	<b>236,319</b>
<b>SOUTH METRO</b>	<b>TOTAL</b>	<b>ACQ</b>	<b>DEV</b>
Coyote Hills	510,346	206,546	303,800
Del Valle to Shadow Cliffs Trail	274,583	274,583	-
Del Valle/Arroyo	218,429	218,429	-
Garin to Mission Peak Trail	302,508	302,508	-
Garin/Dry Creek	6,879	6,879	-
Niles Canyon	4,709	4,709	-
Oyster Bay	784,898	314,587	470,311
Shadow Cliffs	192,557	192,557	-
Shadow Cliffs to Sunol	500,000	500,000	-
<b>South Metro Allocation Areas</b>	<b>2,794,909</b>	<b>2,020,798</b>	<b>774,111</b>
<b>South Metro Consolidation Account</b>	<b>812,751</b>	<b>330,102</b>	<b>482,649</b>
<b>SOUTH METRO SUBTOTAL</b>	<b>3,607,660</b>	<b>2,350,900</b>	<b>1,256,760</b>
<b>WEST METRO</b>	<b>TOTAL</b>	<b>ACQ</b>	<b>DEV</b>
Martin Luther King	1,789,898	1,778,410	11,488
MLK to Oyster Bay Trail	185,999	185,999	-
MLK/Hayward	2,000,000	2,000,000	-
Pt Pinole/Lone Tree Trail	185,897	185,897	-
Richmond Wetlands	231,518	231,518	-
Tilden	589,581	589,581	-
<b>West Metro Allocation Areas</b>	<b>4,982,893</b>	<b>4,971,405</b>	<b>11,488</b>
<b>West Metro Consolidation Account</b>	<b>307,984</b>	<b>160,714</b>	<b>147,270</b>
<b>WEST METRO SUBTOTAL</b>	<b>5,290,877</b>	<b>5,132,119</b>	<b>158,758</b>
<b>TOTAL UNAPPROPRIATED</b>	<b>\$ 11,989,907</b>	<b>\$ 10,338,070</b>	<b>\$ 1,651,837</b>

**Measure AA: Remaining Balances**

<b>REMAINING UN-APPROPRIATED ALLOCATION</b>			
<b>Metro Area</b>	<b>Total Available</b>	<b>Available Acq</b>	<b>Available Dev</b>
Diablo	3,091,370	2,855,051	236,319
South	3,607,660	2,350,900	1,256,760
West	5,290,877	5,132,119	158,758
District	-	-	-
<b>Total</b>	<b>\$11,989,907</b>	<b>\$10,338,070</b>	<b>\$1,651,837</b>

<b>UN-APPROPRIATED INTEREST</b>		
<i>(based on interest income as of 12/31/2015)</i>		
<b>Total Available Interest</b>	<b>Available Acq Interest</b>	<b>Available Dev Interest</b>
\$0	\$0	\$0

<b>TOTAL REMAINING IN MEASURE AA</b>		
<b>Total Measure AA Available</b>	<b>Total Available Acq</b>	<b>Total Available Dev</b>
\$11,989,907	\$10,338,070	\$1,651,837

These unappropriated funds are available for future appropriations. Staff will continue to research ways to consolidate, reconcile and/or recommend spend-down of remainder AA funds as opportunities occur.

To provide flexibility, in October 2011 the Board authorized the consolidation of acquisition and development allocations with less than \$150,000 remaining into single, metro-area acquisition and development designations. To date, the total amount consolidated has been approximately \$2.3 million. As of April 14, 2015, nearly \$1.2 million from these consolidated metro accounts have been appropriated to twelve projects, the detail of which is shown in [Exhibit 3: Use of Consolidated AA Fund Accounts](#) (p. 85).

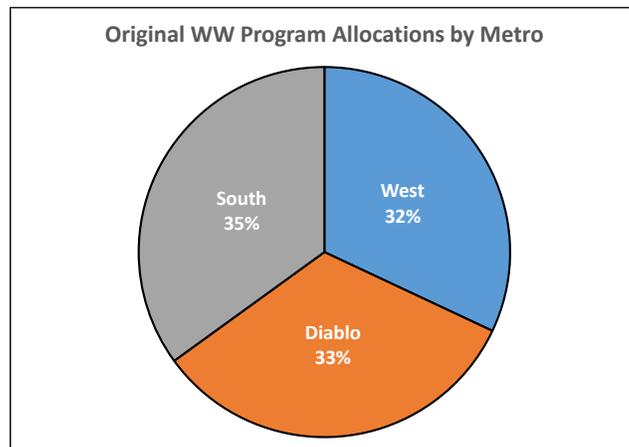
## IV. MEASURE WW

### A. Initial Implementation and Bond Sales

The first series of bonds issued under the Measure WW authority were issued in mid-2009 and the second series in mid-2013. The \$164 million in tax-exempt proceeds issued were sold at extremely low interest rates. In combination with the debt re-structure and \$20 million issue of Measure AA refunding bonds, this has enabled the District to hold the combined 2015/16 debt service on both the AA and WW to \$6.70 per \$100,000 of assessed valuation (AV) and \$8.50 per \$100,000 the year before; well below the District's \$10 per \$100,000 of AV commitment to voters. The 2016/17 tax rate is also expected to meet this benchmark.

### B. Metropolitan Area Allocations

Measure WW funding was allocated on the basis of the Metropolitan Area population balance as known in 2007. The original program allocations, by percentage, are shown in the chart to the right.

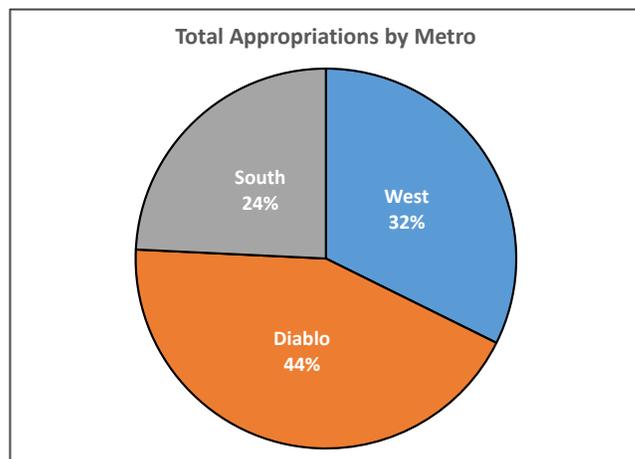


### C. Measure WW Appropriations for District Projects

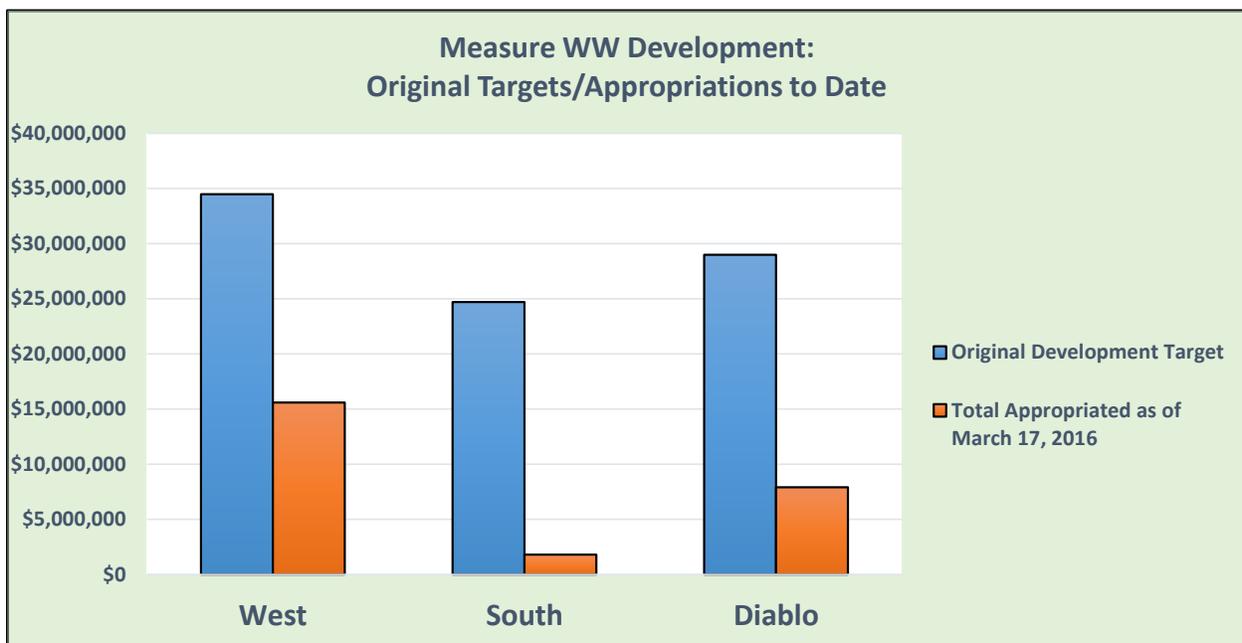
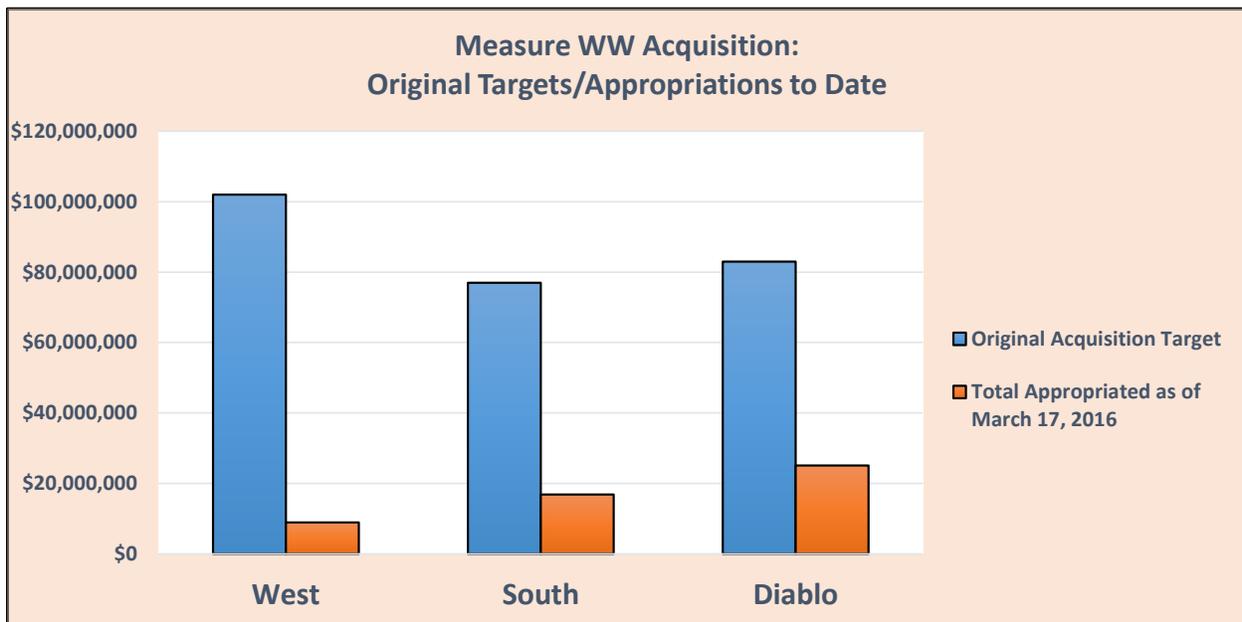
\$76.1 million in appropriations have been approved by the Board of Directors for WW Acquisition projects (\$50.8 million) and WW District Development projects (\$25.3 million).

Details of these appropriations are included in [Exhibit 4a: Measure WW Appropriations as of March 17, 2016](#) (pp. 87-94). In addition,

\$20.8 million has been budgeted to the Land Acquisition "Designated Acquisitions" account, which is the holding account for projects in process that have not yet been transferred and received formal appropriations into separate project areas by the Board. Of the total appropriation of \$76.1 million, \$57.8 million has been expended on both acquisition and development projects to date, with the largest expenses being \$3.9 million for the Big Break Delta Science Center, \$3.1 million towards the purchase of Roddy Ranch in Deer Valley, \$3.5 million for the Robertson property, \$2.1 million for Wiedemann Ranch, and \$2.9 million for the GSA property at Crown Beach.



The charts on the following page display the Measure WW original targets and appropriations as of March 17, 2016, shown by metro area and by acquisition and development. At this stage of the measure, with only 16% of project allocations appropriated, it is premature to forecast a trend or to assign any significant meaning to the pattern of appropriations. With several recent acquisition opportunities in the Diablo area and the availability of matching funds from the ECCC HCP, that area is responsible for 50% of the appropriations to date. These metrics will continue to be brought to the Board in future reports.



**Exhibit 4b: Measure WW Remaining Balances** (pp. 95-97) provides a summary of remaining unappropriated acquisition and development funds designated for each park under Measure WW, and **Exhibit 4c: Measure WW Allocation Area Balances** (pp. 99-166) shows the allocation area detail. Staff will be presenting updates and information at the next two workshops related to current and future District Measure WW capital project and acquisition proposals. The status of Measure WW Land Acquisition priorities will be discussed with the Board at the June 20 Land Acquisition session.

#### **D. Measure WW Local Grant Program**

The District is entering its eighth year of the Measure WW Local Grant Program. Through the end of the 2015 year, 238 projects valued at \$105.2 million or 84% of the total \$125 million program (including the District's administrative fee) have been approved and are being undertaken by local agencies. The full list of projects applied for, accepted and/or not approved (due to incomplete or insufficient applications) is attached as [Exhibit 4d: Measure WW Local Grant Projects by Agency](#) (pp. 167-185).

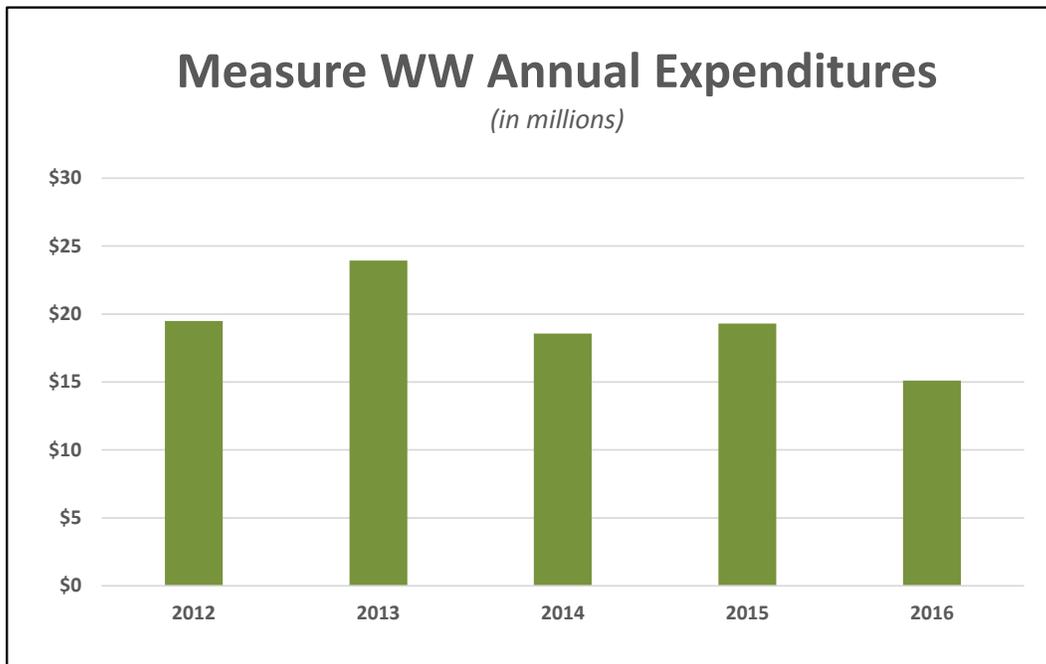
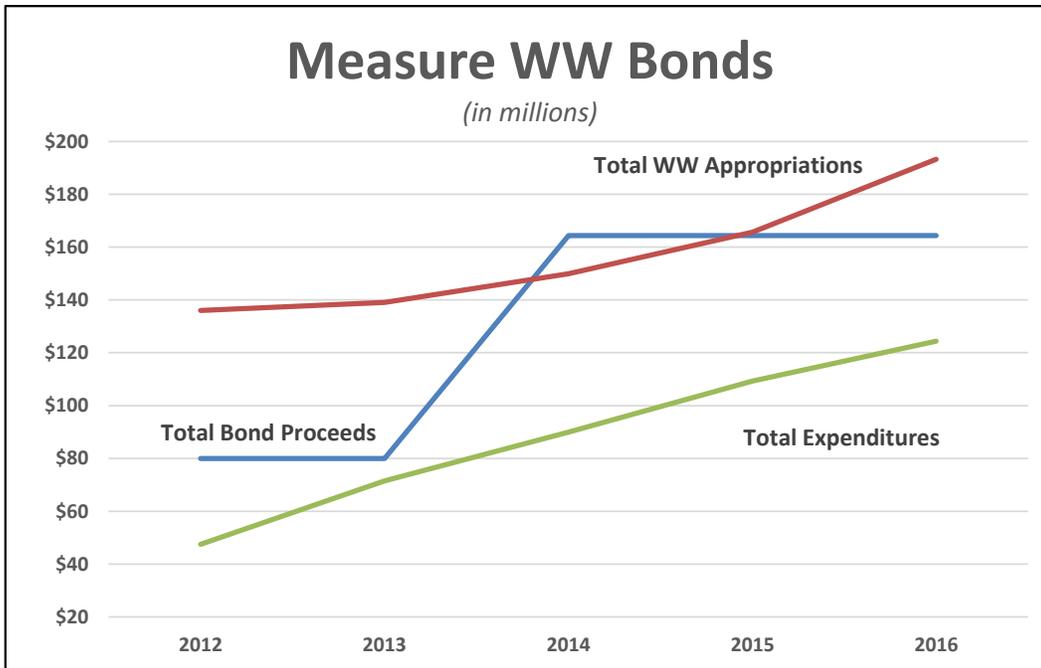
The 2016 grant application period is now complete. Agencies submitted 30 applications totaling \$12.6 million by the March 31 deadline. A list of 2016 applications received, by agency, is attached as [Exhibit 4e: Measure WW 2016 Local Grant Program Project Applications](#) (pp. 187-190). These applications are now being reviewed and, if found to be in good form, will be recommended for approval and appropriation of funds by the Board in May.

The Local Grant program now includes 122 completed projects and the application, review, and reimbursement process has proceeded smoothly. Approximately \$64.9 million has been reimbursed to local agencies during the first seven years of the program.

#### **E. Measure WW Cash Flow**

*The District has issued \$164.4 million in Measure WW bonds to date. At this time, Measure WW appropriations, to District as well as Local Grant projects, total \$180.7 million. The review and appropriation of funding to additional local grant contracts is expected to add approximately \$12.6 million to this amount for a total appropriated amount of \$193.3 million. These appropriations are commitments of the District and the Measure WW program to reimburse local agencies and this District with bond monies for eligible expenditures.*

*These contractual promises (appropriations) of Measure WW funds exceed the amount of the bond sale proceeds of \$164.4 million by approximately \$29 million. However, this is not an immediate concern because, of these appropriated amounts, only \$124.4 million has actually been expended or reimbursed to local agencies, leaving a sufficient balance in the fund to pay anticipated expenses and reimbursements for the next few years, at which time the District will initiate the process to issue a third series of bonds. The tables on the following page reflect the past five years of spending on the Measure WW program.*



**F. Measure WW Interest, Reserve, and Balance**

Measure WW proceeds are invested with the trustee and earning interest; as of 12/31/2015 \$1,170,179 in interest has been earned.

**Interest:** The Board of Directors requested, during the establishment of Measure WW, that interest earned be allocated first to offset any changes in metro-area balance determined by the 2010 Census. Population information was received and compiled in 2011, and metro-area population balances did change as follows:

<u>Increase in Population</u>	<u>Decrease in Population</u>
<ul style="list-style-type: none"> <li>Diablo Metro has <i>increased</i> by 1.2% (from 32.9% to 34.1%)</li> </ul>	<ul style="list-style-type: none"> <li>South Metro has <i>decreased</i> by 0.3% (from 27.8% to 27.5%)</li> </ul>
	<ul style="list-style-type: none"> <li>West Metro has <i>decreased</i> by 0.9% (from 39.2% to 38.3%)</li> </ul>

When applied to the full WW program, the 1.2% increase in population in Diablo Metro represents a total dollar increase of \$4.1 million in that metropolitan sector. Given that the low current rate of interest earnings would appear unlikely to exceed \$4.1 million in the next several years, the Board agreed that the full balance of interest earned to date, and for the foreseeable future, be allocated to the Diablo Metro area until the new target is met, or until the 2020 Census provides an updated target. This allocation will supersede and make unnecessary the prior practice under Measure AA of apportioning interest by the Metro Area percentages on an annual basis. The alternative strategy available, to reduce the previously established allocations in South and West Metro areas below those approved by the voters in 2008, was not deemed prudent or feasible.

#### **G. Reserve**

Measure WW includes a provision for a 7% or \$26.25 million reserve that was not specifically committed by project, park, metro area or acquisition/development. This general allocation, for unanticipated future project needs and opportunities, has utilized for the first time during 2015 for the following Board approved appropriation:

- \$2.0 million for the Point Pinole Atlas Road Bridge project

During discussion by the Board at the 2015 Workshops, staff received guidance regarding the character of projects that the Board might consider for future use of the WW Reserve funds as follows:

- Use only for BIG projects (subject to definition)
- Use to complete major projects
- Set a minimum \$ amount (\$2 million?)
- Consider Metro Area balance
- Consider Demand (e.g.: Mission Peak)
- Should be high profile projects
- Use for/consider as matching funds (grants)
- Use for public access

There was no consensus at the Workshop on establishing a formal policy; however, staff was asked to return to the Board to discuss specific proposals and alternatives that staff finds consistent with the Board's guidance before a request for a formal appropriation is made.

***Important projects that may qualify for the future use of Measure WW Reserves including additional funding for Point Pinole Visitor Center, Garms Staging Area at Pleasanton Ridge, water system improvements at Del Valle, development of the recently acquired GSA property at Crown Beach, and improvements at Mission Peak. Staff will return to the Board at a future date to discuss these possible uses of Measure WW Reserves which has a current balance of \$24.25 million.***

**H. Measure WW Balance**

The District-wide Measure WW funding remaining available in the overall program, less appropriated funds, but inclusive of the reserve, totals \$300.6 million. Measure WW allocations are established by the expenditure plan adopted in 2008; however, the Board reserves the ability to modify the plan, apply the reserves, transfer funds between allocation areas and/or adjust the balance between acquisition and development uses.

**MEASURE WW: REMAINING BALANCES**

<b>REMAINING UN-APPROPRIATED ALLOCATION</b>	<b>Metro Area</b>	<b>Total Available</b>	<b>Available Acq</b>	<b>Available Dev</b>
	Diablo	\$89,897,037	\$65,834,950	\$24,062,087
	South	\$75,416,437	\$55,295,263	\$20,121,174
	West	\$109,923,151	\$87,773,677	\$22,149,474
	<b>Total</b>	<b>\$275,236,625</b>	<b>\$208,903,890</b>	<b>\$66,332,735</b>
<b>UN-APPROPRIATED INTEREST</b> <i>based on interest income as of 12/31/2015</i>	<b>Metro Area</b>	<b>Total Available Interest</b>	<b>Available Acq Interest</b>	<b>Available Dev Interest</b>
	Diablo		\$1,170,179	
	South			-
	West			-
	<b>Total</b>		<b>\$1,170,179</b>	
<b>TOTAL UN-APPROPRIATED</b>	<b>Metro Area</b>	<b>Total Available</b>	<b>Total Available Acq</b>	<b>Total Available Dev</b>
	Diablo	\$91,067,216	\$65,834,950	\$24,062,087
	South	\$75,416,437	\$55,295,263	\$20,121,174
	West	\$109,923,151	\$87,773,677	\$22,149,474
	<b>Total</b>	<b>\$276,406,804</b>	<b>\$208,903,890</b>	<b>\$66,332,735</b>
<b>7% RESERVE</b>		<b>\$24,250,000</b>		
<b>TOTAL AMOUNT REMAINING IN MEASURE WW</b>		<b>\$300,656,804</b>		

## **V. MEASURE CC**

Measure CC tax receipts provide a consistent \$3.1 million per year in ongoing funding to support priority projects and operations in the Measure CC area through the year 2020, when the authority approved by voters expires after the 15-year life of this tax. As noted below, the Board has directed staff to prepare for the renewal of the Measure CC tax in 2018, which if approved by the voters would extend the tax for an additional 15 years.

Measure CC funds, with the exception of the 10% of proceeds reserved for unknown events and opportunities, are appropriated annually and spent on projects as designated in the Project Schedule presented to voters. Because Measure CC revenues are generated annually, the authorized projects have been scheduled to be undertaken throughout the life of the measure.

The Project Schedule is reviewed annually and recommendations are made to the Board regarding proposed appropriations for the coming year. These recommendations include adjustments to timing or approach that are determined to be necessary to accommodate changing conditions or to meet funding limitations. This schedule is brought to the Board at this workshop to provide an opportunity for the full Board to review and comment on the proposal for the coming year, prior to preparation of the required annual report for formal Board action and submittal of the tax information to the Counties.

### **A. Status of Projects/Completion of Projects**

The full Measure CC project list detail and proposed 2017 budget is included in as [Exhibit 5: Measure CC Status Report](#) (pp. 191-208) in this packet. In summary:

#### **1. Funding Status**

As of 2016, out of the total \$46.7 million in project appropriations on the Measure CC list, \$37.1 million has been appropriated, of which approximately \$21.8 million has been expended and \$15.3 million remains unexpended.

#### **2. Completed Projects**

The District has completed 24 of the 83 projects listed in the Measure CC Expenditure Plan. *\$114,383 in CC funds remains after completion of these projects, which presents an opportunity to apply these monies to other projects in the same area, either current CC projects needing more funds, or new projects that need funds and are consistent with the Measure.*

#### **3. Operational projects**

14 current projects provide annual “operational” funds that pay for staff expenses associated with parks, including the Crab Cove Visitor Center year-round operation and McLaughlin/Eastshore State Park operations and maintenance. These will generally continue through 2020. *Approximately \$554,700 is proposed as an appropriation for the 2017 Expenditure Plan.*

#### **4. On-Track Projects**

44 projects, including 3 projects funded with Measure CC reserves are in process, and expected to be completed over the next five years. *Current appropriations have not committed all the project funds in these areas. Approximately \$189,000 is proposed as an appropriation for the 2017 Expenditure Plan.*

## **5. Reserve Fund**

*At the 2015 Workshop the Board discussed the criteria, and suggested uses for the \$4.7 million, 10% reserve. During 2015 the Board approved appropriations of these funds as follows:*

- a) ***\$1,106,245 to the Atlas Road Bridge and Public Access project.***
- b) ***\$1 million for the Pt. Pinole Visitor Center, initial funding.***
- c) ***\$1.5 million to the Bay Trail, Doolittle Drive section, initial funding.***
- d) ***\$1,090,055 unallocated balance for future high priority opportunities. Staff will return to the Board for formal appropriation of these remaining reserve funds. The Board requested that the staff clearly highlight any requests for the future use of Measure CC reserves.***

**B. 2016 Budget and Five Year Expenditure Plan:** The proposed 2017 Measure CC budget appropriations are listed in the **Measure CC project list detail and proposed 2017 budget; Exhibit 5**, (p. 192-208). Staff has been developing specific strategies to effectively complete these Measure CC projects in the four years remaining in the program. *The 2017 annual budget and tax report for Measure CC will be brought before the Board for approval prior to the Counties' August filing deadline.*

**C. Renewal of Measure CC:** **As noted above, the Board has directed staff to seek voter approval for a “renewal” of Measure CC in 2018. This is a major undertaking by the District requiring that a number of decisions and tasks be completed to meet the necessary deadlines. These include:**

### **1. 2017 Survey**

A follow up voter survey will be recommended in 2017 that will cover the Measure CC area, and will test specific project themes, language and arguments to assist the District in shaping a project list and election materials.

### **2. Which Election**

The Board could act to place a measure on the consolidated elections in 2018, the November Gubernatorial election would be most likely:

- a) Action by early March for the June 2018 election
- b) Action by early August for the November 2018 election

### **3. Completion of Measure CC Expenditure Plan**

The current CC program is still in progress, with projects still in process or incomplete. A significant effort will be necessary to demonstrate the District's progress toward completion and show the benefits provided to the public from the current CC program.

### **4. Development of a new Expenditure Plan**

It will be necessary to assemble a draft expenditure plan for a renewal measure that will extend the operating commitments of current activities, and propose new project appropriations consistent with demonstrated Measure CC interests. The projects will be balanced across the communities in the CC area. Drafts of the project list will be brought to the Board at future meetings, and will be tested in a future survey before being brought to the Board for adoption. Staff anticipates that themes will include:

- a) Fire Hazard/ Vegetation Management

- b) Shoreline Restoration
- c) Environmental Education
- d) Public Access/Recreation Improvements
- e) Resource enhancement
- f) Bay Trail

**5. Staff Assignments**

The General Manager has established four staff teams to prepare for possible renewal of Measure CC. These are:

- a) Steering Team, chaired by the General Manager
- b) Legal/Technical Team
- c) Project Team
- d) Outreach Team

Teams will be meeting and beginning work on the requisite tasks, and will be returning to the Legislative Committee and Full Board as necessary to receive direction and approval for the various elements of the effort.

## **VI. GRANTS & MANAGEMENT SERVICES PROGRAM**

In 2015, the role of the Management Services and Grants Department was expanded to take on a more active role in implementing a variety of District's funding programs and projects. A new Assistant Finance Officer position was added to focus on projects funded by grants, Measure CC, Measure WW, and the Major Infrastructure Renovation and Replacement Fund 553. In addition, an Administrative Analyst II position was added to manage a number of high priority projects including the facility condition assessment/asset management system, Shadow Cliffs solar panel project, District-wide energy efficiency project and the other park projects as necessary. Additional details for these projects are listed below.

The District's Grants Program continues to be very active in applying for, securing, and managing contracts that provide funding for District projects. Highlights and challenges for 2016/17 include:

### **A. Grants Program**

The Grants Department monitors and manages 161 separate project contracts totaling \$68.9 million. [Exhibit 6a: 2016 Grants](#) (pp. 209-221) is the complete list of these projects, their funding sources, amounts, status and description.

### **B. Grant Funding Received**

During 2015 Grants staff invoiced, and the District received, approximately \$9.1 million in grant payments from 81 grant project transactions inclusive of all sources discussed above. [Exhibit 6b: Grant Funding Received](#) (pp. 223-227) lists this detail.

#### **I. TIGER II**

In October 2010, the District was awarded its largest single grant ever. The grant helped fund the following six projects:

- a) Iron Horse Regional Trail – Dublin/Pleasanton BART to Santa Rita Road
- b) George Miller Regional Trail – Carquinez Strait Regional Shoreline
- c) East Bay Greenway – Coliseum BART to 85<sup>th</sup> Avenue (Constructed by: Alameda County Transportation Commission)
- d) San Francisco Bay Trail – Bio-Rad to Hercules Intermodal Transit Center (Constructed by: City of Hercules)
- e) Alamo Canal Regional Trail – 580 Undercrossing (Constructed by: City of Dublin)
- f) San Francisco Bay Trail – Pinole Shores to Bay Front Park (Thanks to the TIGER funding making the project “shovel-ready”, the District has secured \$4 million in additional federal funding for construction.)

District staff are in the final close out process in order to receive final payment of TIGER II grant funds. All the projects are expected to be closed out by the end of 2016.

#### **2. Breuner Marsh Restoration & Public Access**

The complexity of the grants for this project is equaled by cost and environmental intricacy of the project. The project has attracted \$7.9 million in grants. However, federal aid requirements of the Caltrans grant delayed completion of the project an extra year. The

wetlands were constructed in 2014, the parking lot, bridge and picnic area were constructed in 2015 with the boardwalk into Point Pinole to be constructed this year.

### **3. Fuels/Vegetation Management**

After a lengthy environmental review, the District was awarded approximately \$2.5 million from the Federal Emergency Management Agency (FEMA) for fuels management. However FEMA and the District, have been sued in federal court. Unless FEMA or the District are ordered to stop work, the District plans to move forward with implementation of the project. FEMA has assured staff that any funds properly spent on the project up until an injunction or ruling is made by the court are eligible for reimbursement. If the law suit is settled, the District may have the opportunity to obtain additional funding from FEMA for the project.

District staff is currently working on the implementation plans required which include the five (5) major permit conditions listed below before on the ground FEMA work can begin.

- a) California Department of Fish and Wildlife Endangered Species Permit
- b) Conservation Easements and Endowments, 453.2 acres
- c) Alameda Striped Racer Study
- d) Pallid Manzanita Management Plan
- e) Maintenance and Monitoring Plan

These conditions are anticipated to be completed by August 2016. All other fuels management work in non-FEMA areas continues.

### **4. Albany Beach Restoration and Bay Trail**

In addition to the CEQA and land acquisition challenge, this is a large complex project (Bay Trail, Beach Restoration and Shoreline Protection). To date, the project has attracted \$5.8 million in grants, including ACTA Measure B, Urban Greening and CA Coastal Conservancy funds. The Shoreline Protection project is complete, but delays on the rest of the project may jeopardize existing grants awarded to the project.

### **5. Pinole Shores to Bayfront Park**

This trail extension project has attracted over \$5.4 million in grants from several agencies including: CA Department of Parks & Recreation, CA Coastal Conservancy and MTC-Active Transportation.

### **6. State Parks Properties**

The District is focused on infrastructure replacement, paving and staff facilities, particularly in State Parks managed by the District. Without a new Park Bond which includes a block grant program or funding for locally operated units of State Parks, these items are typically difficult to fund through competitive grants. However, over the past 5 years, the District has been awarded a number of grants (some State grants) for improvements related to State Parks we operate. Some projects totaling \$8.5 million include:

- a) \$5,000,000, McLaughlin Eastshore State Park, Brickyard
- b) \$1,461,173, McLaughlin Eastshore State Park, Albany Neck
- c) \$750,000, McLaughlin Eastshore State Park, Albany Neck
- d) \$120,000, Del Valle Campground restroom replacement, Building #9
- e) \$118,822, Del Valle Campground restroom replacement, Building #19

- f) \$480,000, Del Valle Campground restroom replacement, Building #10 & #20
- g) \$337,000, Del Valle Campground restroom replacement, Building #21
- h) \$250,000, Crown Beach, Carb Cove renovation (Applied)

At the General Managers direction, staff is pursuing partnership with the Department of Water Resources and the Wildlife Conservation Board for additional grant funding for Del Valle to renovate the visitor center, water treatment system and other buildings.

### **C. Expanded Capital Finance Role**

Over the past year, the Management Services Department has taken the lead on two new key initiatives for the District: Implementation of the Strategic Energy Plan and the Facilities Condition Assessment.

#### **1. Shadow Cliffs Solar Panel Project**

In late 2014, the Board authorized \$8.5 million for the implementation of the strategic for plan (\$1.2 million for energy efficiency and \$7.3 million for solar panels at Shadow Cliffs). In 2015, the Board awarded a contract to Borrego Solar for construction of the project. In addition to the solar panels the project includes: paving three gravel parking lots, three electric vehicle charging stations and bringing recycled water from Stanley Boulevard into the park. The District and Borrego are working to get design approval from the City of Pleasanton for the project. Some of Pleasanton's conditions include: completion of tree report, storm water requirements, disabled parking access and study of potential glare issues. Staff anticipates taking the project to the Pleasanton Zoning Administrator this spring. The project is planned for completion by the end of the year.

#### **2. Energy Efficiency**

In 2014, the Board approved \$1.2 million for energy efficiency. In early 2016, the District hired a new electrician implement over 800 energy efficiency projects District wide. To date, the District has completed energy efficiency projects at Hayward Shoreline and Redwood Canyon Golf Course for which the District has received small rebates from PG&E. Because improvements to water pumps provide the greatest energy saving benefits, priorities for 2016 include pump improvements at Cull Canyon, Camp Arroyo, Contra Loma, Roberts and Castle Rock with lighting retrofits set to begin in Tilden.

#### **3. Facilities Condition Assessment**

In 2012, the Board to established the Major Infrastructure Renovation and Replacement Program (Fund 553) to provide long term funding for major renovations and replacement of District infrastructure. In 2015, the Board authorize adding approximately 20% of the remaining District assets to the system each year, thereby establishing a system whereby all District assets are accessed every five years. See the next section, **Major Infrastructure Renovation and Replacement (553)**, for more complete details.

## **VII. MAJOR INFRASTRUCTURE RENOVATION AND REPLACEMENT (FUND 553)**

### **A. Background**

Over the last several decades, the District has developed or inherited a significant inventory of structures for public use including roads, piers, dams, staff service facilities and offices. This “new” infrastructure was either in place upon acquisition (e.g.: Del Valle), repurposed from prior uses (e.g.: Coyote Hills, Tilden Yard, South County, and most residences), or funded primarily from one-time/opportunity fund sources including grants, state park bonds, mitigation, or District Measures AA, CC, and WW.

These facilities have generally been maintained by annual appropriations of funding for Operations and Maintenance; however, many facilities are now aging past their expected life, and the long-term major renovation and/or replacement cost of the assets has not been planned for or funded at a sustainable level in the annual budget. Absent remedial action, the District can expect to experience an increasing number of failures of utilities, bridge and pier structures or the need to remove from service unserviceable or unsafe assets. In some circumstances, such as with utility systems, this would result in the closure of parks or the loss of public services. In others, safety issues could arise and liability for injuries could increase.

### **B. Establishment of Infrastructure Program and Fund (553)**

In 2012 the Board of Directors recognized this deficiency and directed staff to establish Fund 553 to start a program to provide, over the long term, for the necessary major renovation and replacement of District infrastructure. This is an extension of similar actions in the early 1990’s, and again in the early 2000’s when the Board established the Major Equipment Replacement fund to plan for, fund, and manage the replacement of costly rolling stock; and the Pavement Management System to assess, plan for and to the extent possible, slow the deterioration of the District’s paving inventory through regular treatment or renovation, and to plan and fund the eventual replacement of failed sections.

To develop an estimate of the financial liability posed to the District by the aging infrastructure, and the target annual funding appropriation that will be necessary to mitigate it, in 2012 staff assembled an initial inventory of paving, bridges/piers/docks, water utilities, and buildings/structures and used this information to estimate replacement costs and useful lives of the District’s assets. This process resulted in an estimated need to fund and deliver between \$7.5 and \$9.5 million/year in renovation and replacement projects across the District.

### **C. Transition to a Formal Asset Management System**

In 2014, to provide a more exact analysis of the District’s assets, and refine the annual funding requirement, the Board authorized a contract with VFA Inc. for the purchase and implementation of an “asset management” software system to begin the formal inventorying and assessment of capital infrastructure in four parks (Tilden, Lake Chabot, Anthony Chabot and Coyote Hills). In 2015, in response to the drought, an inventory and assessment for irrigated turf was also added to the VFA system. Redwood Canyon Golf Course and Chabot Gun Club were the first assessments completed, and the information has been useful in concession lease discussions at both facilities.

Based on the assessment process for the first four parks staff recommended an extension to the program. The Board extended the VFA contract to continue the infrastructure assessments for the next five years. The major parks/systems to be assessed in 2016 included: Alameda County Trails, Ardenwood, Garin/Dry Creek, Cull Canyon, Las Trampas, Redwood, Roberts and Sibley/Huckleberry/Claremont Canyon. As envisioned, approximately 20% of the District's assets would be assessed each year, thereby establishing a system whereby all District structures are assessed every five years. This information will provide an objective dollar cost estimate, and suggest an efficient strategy, for an annual work plan that will keep District facilities open, serviceable, and at the lowest long-term cost possible.

However, over the next four to five years this leaves the District in a transitional phase of identifying, selecting, planning and completing high priority projects to prevent immediate failure, while simultaneously working with VFA on the long-term schedule for the routine annual replacement of capital infrastructure. For this reason, staff will make recommendations to the Board for both a continuing appropriation to Fund 553, as well as specific recommendations on several high-priority projects that will need to proceed each year until the Asset Management System becomes fully functional.

#### **D. Funding Sources**

While the District has been very successful at grant funding for new facilities from a variety of sources, very few grants will fund renovation or replacement of existing facilities. Therefore, this need requires the District to utilize General Fund monies for this purpose.

The District's annual General Fund budget is limited, and budget capacity is split between many high priorities: funding increased costs for current operations (COLA, benefits, inflation), growth of the District due to new facilities and lands (Pipeline), emergent needs due to changing public use (Mission Peak), new regulatory requirements (permits) and many others. For this reason, year-end one-time opportunity funding has been the primary source for providing Infrastructure (553) funding to date. In 2015, for the first time, the Board authorized a \$500,000 annual appropriation to the base budget to initiate regular funding for the 553 program. Staff will be recommending a funding policy and targets for annual appropriations that can be increased incrementally each year to fully fund the District-wide infrastructure program over the course of the next five to ten years.

#### **E. Funding History**

From 2012 through 2016 a total of nearly \$20 million has been transferred from the District's General Fund to Fund 553. To date \$11.4 million has been appropriated to paving and individual project accounts, leaving approximately \$8.6 million available for appropriation to new projects. The following table provides a status update on each currently budgeted infrastructure project.

## Major Infrastructure Renovation and Replacement Program Projects

	Park/Location	Project Name	Project	Budget	Total Exp	Balance	Status
1	Contra Loma	Rehab Boat Launch Facility	520300	400,000	-	400,000	Scheduled, 2017
2	Del Valle	Renovate Water System	505800	353,000	28,399	324,601	Underway
3	Del Valle	Stabilize Water System	510600	415,000	367,143	47,857	Underway
4	Del Valle	Replace Campground Restroom	512200	460,476	4,513	455,963	Scheduled, 2016
5	Del Valle	Replace Campground Restroom	521400	400,000	201,275	198,725	Scheduled, 2016
6	Del Valle	Replace Campground Restroom	502000	39,524	39,524	-	Complete
7	District Wide	Complete Remote Monitoring Sys	511400	300,000	-	300,000	In Process
8	District Wide	Retrofit Facilities Energy Plan	511600	1,000,000	38,768	961,232	In Process
9	District Wide	Replace Microwave Antenna	514400	24,553	24,553	-	Complete
10	District Wide	Prelim Strategic Energy Plan	520100	213,769	215,412	(1,643)	Complete
11	District Wide	Asset Management Study	520400	804,013	136,355	667,658	In Process
12	District Wide	Pave Roads and Trails	520700	3,336,600	705,338	2,631,262	Underway
13	District Wide	Vaults & Sewers	535900	200,000	-	200,000	Not Started
14	District Wide	Maintain Infrastructure	516400	100,000	-	100,000	Scheduled, 2016
15	District Wide	Install Fiber Optics	516300	100,000	17,233	82,767	Underway
16	District Wide	Improve Camping Facility	515600	250,000	-	250,000	Scheduled, 2016
17	District Wide	Replace Mobile Residences	515400	225,000	-	225,000	Scheduled, 2016
18	District Wide	Replace Bridges District-Wide	535000	17,946	22,106	(4,160)	Complete
19	Redwood	Renovate Piedmont Stables	154100	100,000	-	100,000	Scheduled, 2016
20	Camp Arroyo	Replace Cabin HVAC	515000	65,000	63,375	1,625	In Process
21	Las Trampas	Replace Tracor Water System	152300	150,000	2,163	147,837	Not Started
22	Las Trampas	Renovate Water System Study	173700	30,000	10,730	19,270	Underway
23	MLK Jr.	Replace Arrowhead Boardwalk	152400	500,000	138,735	361,265	Underway
24	Point Isabel	Repair Bridge Access	511900	150,000	-	150,000	Scheduled, 2016
25	Anthony Chabot	Seal Coat and Striping	153100	301,500	271,500	30,000	Complete
26	Lake Chabot	Renovate Golf Facility	153200	500,000	499,557	443	Complete
27	Black Diamond	Construct Wooden Stairway	145900	208,000	92,012	115,988	In Process
28	Garin	Replace Five Bridges	153900	500,000	5,120	494,880	In Process
29	Point Pinole	Repair Pier Structure	511800	300,000	14,626	285,374	Not Started
<b>Total</b>				<b>\$11,444,381</b>	<b>\$ 2,898,439</b>	<b>\$ 8,545,941</b>	

**F. 2017 Infrastructure Priorities**

The transitional Infrastructure Program for 2017 will include recommendations for continuation of appropriation of funds:

- To the Pavement Management Program of between \$1 million minimum to an optimal \$4 million.
- To pay for urgent projects identified in the asset assessment (VFA) study
- For appropriation to one or more high-priority projects that staff has identified. Projects identified as likely to need funding during 2016 or 2017 include the projects on the following chart:

<b>2016/Mid-Year High Priority Major Infrastructure Repair and Replacement (553) Projects</b>		
<b>Park/Location</b>	<b>Project Name</b>	<b>District</b>
Del Valle	Renovate/Replace Water System	\$3,000,000
Point Pinole	Replace Service Yard	\$1,000,000
Temescal	Replace Pumping Station (North Beach)	\$160,000
Del Valle	Complete Renovation of Service Yards	\$500,000
Del Valle	Stabilize Water System	\$250,000
Anthony Chabot	Restore Gun Club Site	\$1,000,000
Fuel Break	Conservation Endowment	\$900,000
District Wide	Bridges/Docks/Piers*	\$250,000
District Wide	Utilities/Communications*	\$250,000
District Wide	Buildings*	\$500,000
<b>Total 2016 High Priority Projects</b>		<b>\$7,810,000</b>

\* In order to facilitate implementation of the asset management system, consider making these annual appropriations.

Additional background information on the Asset Inventory can be found in [Exhibit 7: Major Infrastructure Repair and Replacement Fund](#). (pp. 229-230).

## **VIII. 2012 PROMISSORY NOTES, FACILITY REPLACEMENT AND RENOVATION**

The District maintains more than 40 employee work sites. The District's inventory of staff-related work sites were constructed over the past 75 years as funding and opportunity permitted and, as a subset of the inventory of facilities in the previous section, a number of them are aging and in some cases decrepit, yet continue to serve as employee work spaces.

Over the past decade the Board has committed several million dollars to minor renovations and site improvements at many in-park service yards to bring many of these facilities into good repair. In addition, the fire at the Tilden Equipment Shop served as the catalyst to both rebuild on site to current standards, and to create new satellite shop at Pacheco.

However, the financial inability to address the remaining backlog of facility needs for the left over sites resulted in the strategic effort to plan to replace and/or renovate several of the District's key field and administrative facilities.

In 2012, the District used the opportunity of low interest rates, our good bond rating, and the cash flow released from retirement of earlier bonds to issue \$25 million in new debt to fund a set of high priority replacement and renovation projects including several service yards, visitor centers, the Public Safety replacement building, and energy conservation improvements.

The 2012 Promissory Notes have now been fully appropriated to projects in two categories:

### **A. Park Service Yards**

The Maintenance and Skilled Trades Department is actively making many Park Service Yard improvements. A combination of funds, including \$1,383,530 in Promissory Note funds, were appropriated in 2014 to Service Yard improvements. These repairs and betterments are expected to be completed over the next two years.

### **B. Public Safety Offices (Lake Chabot Campus Modernization)**

Recently the District withdrew the permit application to replace Public Safety Headquarters at Lake Chabot. The project also included the changes to the park service yard for Lake Chabot Operations staff, and a replacement Maintenance Equipment Shop. The District is currently reviewing options for these improvements and plans to use the balance of the 2012 Promissory Note Funds, approximately \$21.4 million for this future project. In the interim the Board is committed to providing necessary improvements to the current facilities. This continues to be a high priority for the District.

## **IX. REVIEW OF OPERATING IMPACTS OF PROJECTS IN THE “PIPELINE”**

Each year staff provides a projection of the future operating costs that will be incurred by the District as capital projects are completed and put into operation. This multi-year list also includes facilities for which the District will accept operating responsibility through dedication, agreement, or other means. These projected expenses are recommended by staff as a high priority for appropriation of new funds in the coming year’s (2017) Budget Process. This year’s Pipeline List projects an optimal level of new funding for District operations as \$1.7 million for 2017 (\$500,000 in start-up costs and \$1.2 million in base budget increases). The entire projected Pipeline list estimates a total of \$8.4 million of new funding (\$2.8 million in start-up costs and \$5.6 in annual base budget increases). The Pipeline List as of March 2016 is attached as [Exhibit 8: Pipeline 2016-2019 Projects](#) (pp. 231-234).

The Pipeline list is sorted by the anticipated year of operation based on current project status and cost projections from operating Divisions including Park Operations, Maintenance, Interpretation, Police, Fire and Stewardship. Projects may also be reviewed during and after the first year of operation to identify adjustments that may need to be made to correct the projected expenditures to actual experience. Any eligible funding sources for operations that are being considered for appropriation are listed; however, the default source is the General Fund. Staff positions are identified by Full Time Equivalent numbers (FTEs) which are proposed to be budgeted in the target year. Fractional FTEs are budgeted as an amount available to the affected division for use to fund temporary employees or contractors and, once accumulated to .75 FTE or more, are made available for hire of a regular employee.

The Pipeline list is used as a starting point when drafting the budget for the coming year. If the financial capacity is available, Pipeline project budgets are identified as priorities for funding, but must be considered in the context of all budget requests before a draft budget is forwarded to the Board. When adopted, Pipeline budget staff and operating expenditures are considered ongoing or “base” and, if approved in the budget, are assumed to continue each year into the future; therefore they represent a critical ongoing cost consideration for the District.

### **2017 Projects and Budget Considerations:**

The Pipeline projection for 2017 includes nine projects which show a 2017 budget request total of 10.78 FTE increase over 2016 levels. If these projections are confirmed through the detailed submittals and reviews required for the 2017 budget process, the estimated 2017 funding need for wages, benefits, startup costs and ongoing services and supplies is estimated to be \$2.2 million. The source of this additional expense would be the General Fund. Preliminary projections indicate that the expected growth in the District’s General Fund revenue should provide the capacity to fund this projected need.

***Staff will continue reviewing and refining the Pipeline list and will be clarifying the project descriptions and estimated costs as a part of the 2017 Budget process.***

**Staffing History:**

Since 2001, the opening of new facilities and the increasing size and complexity of District responsibilities required related increases in District staff. The table below summarizes these additions and reductions, by year and by Department. Included in the exhibits for the Board's information is a summary schedule of these staffing changes sorted by park. Since 2001, the District's staffing levels have grown by about 140 positions overall.

<b>STAFF IN FULL TIME EQUIVALENTS</b>									
<b>Year</b>	<b>Ops.</b>	<b>Maint.</b>	<b>Interp.</b>	<b>Police</b>	<b>Fire</b>	<b>Design</b>	<b>Stew.</b>	<b>Other</b>	<b>Total</b>
2016	4.60	1.85	2.80	3.10	0.41	0.00	1.00	4.05	<b>17.81</b>
2015	6.35	1.60	2.09	4.68	2.77	0.00	1.13	2.58	<b>21.20</b>
2014	3.37	2.22	2.21	0.65	0.90	0.00	0.00	1.29	<b>10.64</b>
2013	1.39	0.00	3.67	1.00	0.00	(0.19)	0.00	0.50	<b>6.37</b>
2012	8.52	1.00	3.00	0.19	1.00	(0.17)	0.00	1.50	<b>15.04</b>
2011	(14.13)	(2.47)	(3.05)	(8.82)	(3.50)	(2.00)	0.00	(1.00)	<b>(34.97)</b>
2010	(3.50)	0.14	1.50	0.17	(0.50)	0.00	(0.50)	0.00	<b>(2.69)</b>
2009	7.85	0.30	1.00	(0.38)	1.20	0.00	0.00	1.80	<b>11.77</b>
2008	6.20	5.82	2.50	2.70	4.91	2.00	1.50	4.60	<b>30.23</b>
2007	3.04	0.29	1.20	0.30	0.00	0.00	0.00	2.00	<b>6.83</b>
2006	5.70	0.40	1.50	0.60	2.50	0.75	2.00	2.00	<b>15.45</b>
2005	3.21	0.81	2.09	0.45	0.00	0.00	0.00	0.12	<b>6.68</b>
2004	3.85	3.38	0.00	2.60	0.00	0.00	1.02	1.90	<b>12.75</b>
2003	2.32	0.92	0.00	5.00	2.50	0.00	0.00	0.00	<b>10.74</b>
2002	0.63	0.00	0.00	(2.00)	0.00	0.00	0.00	0.45	<b>(0.92)</b>
2001	6.13	2.47	1.02	1.00	0.00	0.00	1.50	1.00	<b>13.12</b>
<b>Grand Total</b>	<b>45.53</b>	<b>18.73</b>	<b>21.53</b>	<b>11.24</b>	<b>12.19</b>	<b>0.39</b>	<b>7.65</b>	<b>22.79</b>	<b>140.05</b>

## **X. MAINTENANCE AND SKILLED TRADES (OPERATIONS DIVISION)**

The Maintenance and Skilled Trades (MAST) Department within the Operations Division, complements and coordinates the capital work done by the Acquisition, Stewardship and Development Division (ASD) by undertaking maintenance and renovation work that can be completed efficiently using District Skilled Trades staff or outside contractors. In addition to the ongoing Major Maintenance program, MAST has significant responsibilities for annual work on the District's American's with Disabilities Act (ADA) compliance projects, the Pavement Preservation and Maintenance program (PPMP), and is directly engaged in developing the major infrastructure renovation and replacement program (Fund 553) in cooperation with the Management Services Division. In addition and in response to the Board's stated interests, MAST is in the process of developing a program for the replacement of the District's chemical toilet inventory with new lower maintenance higher volume vault toilets. The Board appropriated \$200,000 at mid-year in 2015 to begin implementation of the Vault Toilet Replacement Program.

### **A. Major Maintenance**

A major goal of the District is to schedule and routinely fund the major maintenance of all District facilities on a regular basis. The Maintenance Administrative Unit is annually funded at approximately \$500,000; and is assigned to complete work that is generally outside of the skill envelope of the regular park staff, but usually under the threshold of an engineered and bid capital construction project. The Maintenance Administration Unit also takes advantage of several District funding sources to complete projects that are included in their annual work plan. In 2015, the Unit proposed 45 major maintenance projects with a total estimated value of \$859,907. Of the 45 projects proposed, 17 were completed and significant progress was made on 11 more. The remaining 17 projects were carried over to 2016. The main reason for any perceived drop-off in project throughput in this program from past years was due to the District's need to redirect staff and an additional \$500,000 in funding to make needed repairs and renovations to the Redwood Canyon Golf Course in order to preserve the aging buildings and failing infrastructure. MAST Administrative staff was directed to complete all repair and renovation work at Redwood Canyon by April of 2016 in order to facilitate the transition to a new concessionaire, and to create a viable business partnership between the District and the new concessionaire. The total value of the project work completed during 2015, including the \$666,000 at Redwood Canyon, was \$906,140. Details are listed in [Exhibit 9a: Major Maintenance Completed Project Summary](#) (p. 235).

[Exhibit 9b: 2016 Major Maintenance Project Status Updates](#) (p. 237), lists the intended 2016 projects that staff has assembled by selecting urgent projects from the District-wide Master Projects List, Maintenance Work Request lists and the Capital Projects List. This list also includes projects carried over from 2015.

### **B. Pavement Maintenance and Preservation Program**

In 2015, \$500,000 from Fund 553 was added to the paving project account. 22 paving projects were proposed with an estimated value of \$1,604,000. 18 projects were completed by staff in 2015 with total project expenditures equaling \$1,538,873. Completed paving projects are listed in [Exhibit 9c: 2015 PMPP Completed Paving Projects](#) (p. 239).

As of March 21, 2016, the total remaining financing appropriated to current paving projects from all sources is approximately \$1.85 million. Staff continues working to put paving projects out to bid. 11 new paving projects have been proposed for 2016 at an estimated value of \$1,604,000. \$1,000,000 was appropriated for the PMMP program in 2016. Additional funding for the 2016 proposed project list will come from other sources such as Measure J and the District's ADA Transition fund where appropriate. Measure J projects will be given a higher priority for completion than in prior years due to annual programmatic deadlines.

Based on the several year history of the program and the information provided by the MTC Street Saver Database's predictive budget modeling features, the 2016 Budget recommended and the Board approved, an additional Administrative Analyst II to provide the staffing capacity needed to keep the program on track as well as expand project throughput as funding from Measure J and Measure BB are utilized and/or become available to forestall further deterioration of the District's Paved network. MAST staff anticipates having this new Analyst on board by the summer of 2016. Training this new Analyst will be a high priority and MAST will experience only a modest increase in program capacity and output during the first 12 to 18 months of employment. Once the new Analyst is fully trained, program capacity for project delivery should increase significantly. It is important to note that the new analyst will also be utilized to augment other contract administration projects and programs within MAST to improve efficiency and to enhance the service delivery model. Anticipated paving projects for 2016 are listed in [Exhibit 9d: 2015 PMPP Proposed Paving Projects](#) (p. 241).

The survey to evaluate and update the Pavement Condition Index (PCI) began in the summer of 2015 and will be completed by April 30, 2016. This survey is performed every three to four years and provides the District with a "network-wide" Pavement Condition Index (PCI) for all paved roads, trails, parking lots, and storage areas. The survey information is entered into the Metropolitan Transportation Commission's (MTA) Street Saver database, and updates the overall average PCI to reflect work that has been accomplished and includes any new additions to the network. The average network PCI is estimated to be at or near 72 at this time. The District has purchased several properties with paved roads, trails and storage areas. The new PCI estimated average takes these new acquisitions into account. The new survey results and updated PCI average and revised budget forecasting will be provided to the AGM group upon completion of the network survey and may presented at a future Board Operations Committee Meeting.

### **C. Chemical to Vault Toilet Conversion**

The Board and staff have expressed continuing interest, and public surveys have confirmed the desirability for, the continued conversion of the District's chemical toilet inventory to low maintenance vault units that are more attractive, more durable, and ultimately decrease the need for weekly pumping and servicing by the Sanitation Crew. Each single wooden chemical toilet replaced by a single vault toilet increases the average service interval by at least one month in most instances, but can increase the service interval by up to 4 months in others. A single vault unit holds, on average, 15 times the volume of a single chemical unit. In addition, both single and double vault units often replace multiple wooden and or fiberglass units that do not meet ADA standards. All newly installed vault units are ADA compliant, however not all are placed in locations that can be made fully ADA compliant.

There are currently 38 vault units on the priority replacement list that need to be purchased and installed at various locations District-wide. These proposed new vault units would replace 89 existing chemical toilets. These locations are listed in [Exhibit 9e: Vault Toilet High Priorities](#) (pp. 243-245).

Utilizing a new installation strategy developed in 2014, MAST staff was planning to purchase and install 5 new Measure CC funded vault units in Anthony Chabot Park in 2015. However, new Alameda County regulations and permitting challenges delayed these installations. Working with the County, MAST and ASD were able to reach an interim agreement that will allow for the installation of those 5 new units at Anthony Chabot in the spring of 2016. One additional unit will be installed at Las Trampas in 2016 as well. One unit was installed under contract through the ASD department at Vargas Plateau. If regularly funded, 4 to 6 units could be purchased and installed by MAST staff annually with a modest increase in staff capacity. Several vault toilet design and configuration options are available to the District and have been incorporated into the District's Standards Manual.

The Sanitation Crew created a high priority list for the replacement of chemical toilets with new vault units and has been working from that list since the late 90s. To date, 51 vault units have been installed with positive reviews by the public, and are currently in service in a variety of locations and settings. [Exhibit 9f: Vault Toilets Completed](#) (pp. 247-248). The vault units are designed in way that mitigates the odor usually associated with the chemical units they replace, making them far more acceptable to park users.

The next tier of conversion priorities on the list of chemical to vault toilets should be purchased and installed only after the completion of the high priority list or as part of a larger program that could be developed as funding and additional staffing becomes available [Exhibit 9g: Vault Toilets Medium-Low Priority](#) (p. 249-250).

## **XI. CONCLUSION**

*The information presented to the Board at this Workshop will serve as the background for the remaining, project-specific discussions on Capital and Acquisition projects at the May and June Workshops, respectively. Board Members are invited to request updates on specific topics or projects in advance of the meetings, and staff will endeavor to compile the requested information for the discussions. In addition to the Workshops, updates may be provided at future Committee or Board meetings as convenient. The next two workshops are:*

### **A. CAPITAL PROJECTS/TRAILS WORKSHOP, Monday, May 16, 2016:**

The Capital Projects/Trails Workshop will be held in the Peralta Oaks Board Room. Staff will present updates on active projects, highlight projects and issues of interest, and discuss the work plans and initiatives for the coming year.

### **B. LAND ACQUISITION WORKSHOP, Monday, June 20, 2016:**

The Land Acquisition Workshop (Land Session) will be held in the Peralta Oaks Board Room, and includes an open-session overview of the full Land Acquisition program, and a confidential session to provide instructions to land negotiators.