



**Contra  
Costa  
County**

To: Blackhawk GHAD Board of Directors

From: Patricia E. Curtin, GHAD Attorney and General Manager

Date: June 20, 2017

Subject: Blackhawk GHAD Resolution No. 2017/01

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**RECOMMENDATION(S):**

1. ADOPT Blackhawk GHAD Resolution No. 2017/01 adopting the GHAD budget for 2017/2018 fiscal year and updating GHAD Manager payment limit under the Consulting Services Agreement, as recommended by the GHAD Attorney and General Manager;
2. RECEIVE information on unanticipated expenditures for fiscal year 2016/2017 for increased operations and management costs; and
3. RECEIVE the GHAD Statement of Investment Policy prepared by the GHAD Treasurer.

**FISCAL IMPACT:**

The GHAD is funded 100% through assessments levied on properties within the GHAD. Therefore, there is no impact on the County General Fund.

**BACKGROUND:**

On June 4, 1985, the Contra Costa County Board of Supervisors adopted Resolution No. 85/289 approving the formation of the Canyon Lakes Geologic Hazard Abatement District (GHAD) and appointed itself to serve as the GHAD Board of Directors. The GHAD Board is requested to adopt budgets for the GHAD operations each fiscal year. The GHAD Board is being requested to adopt the

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☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY  
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD  
COMMITTEE

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Action of Board On: **06/20/2017** ☐ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

**VOTE OF SUPERVISORS**

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: June 20, 2017

Contact: Amara Morrison  
510.834.6600

David Twa, County Administrator and Clerk of the Board of  
Supervisors

By: , Deputy

cc:



## BACKGROUND: (CONT'D)

fiscal year budget for 2017/2018 as prepared by the GHAD General Manager, Sands Construction Company Inc., which is attached to Resolution No. 2017/01 as Exhibit A. The budget identifies the annual payment limit as \$163,000, at page 2 under Administration.

The 2016/2017 GHAD budget, approved by Resolution No. 2016/01 identified a total annual payment limit of \$163,000. It will be necessary to exceed the General Manager payment limit by \$35,000 before the end of the 2016/2017 fiscal year (June 30, 2017) in order to fund management of the GHAD through June 30, 2017. Such increase is necessary given the extraordinary rain amounts this past winter and the GHAD's necessary response to these rain events' impacts on the GHAD-managed property; such increase is also necessary given trial-related expenses in *Feiger v. Blackhawk Corp, et. al.*

Such requested increase in the budget is authorized by Section 5 of Resolution 2011/01 which allows the GHAD Manager to expend funds necessary for emergency responses in excess of the approved budget, provided the GHAD Manager reports back to the GHAD Board as soon thereafter as reasonably practical on the expenditure of funds.

## STATEMENT OF INVESTMENT POLICY

The GHAD Manager, GHAD Attorney, and GHAD Treasurer recommend that the GHAD Board review and acknowledge receipt of an annual Statement of Investment Policy with sets forth a prudent and systematic investment relative to the monies generated by the GHAD property assessments. These activities help ensure the appropriate management of the GHAD investment portfolio in order to achieve a meaningful return on investment.

The responsibility for conducting the GHAD investment program is delegated to the Treasurer, who has established written procedures for the operation of the investment program, consistent with the Statement of Investment Policy. The Treasurer coordinates closely with the GHAD Manager on budget, cash flow and disbursements and is responsible for managing the investment of GHAD revenues and reserve funds. The Treasurer has further authority, with consent of the GHAD Board of Directors, to engage the services of one or more third party custodians ("Custodian") to provide safekeeping and custody of assets.

The GHAD law does not include any direction or prohibitions on investment practices for GHAD funds. Government Code Sections 53601, 53607, and 53646 of the State of California regulate investment practices. The Statement of Investment Policy uses the State's provisions for local government investments as a starting point for developing and implementing the GHAD's investment policies and practices. Finally, the GHAD's Statement of Investment Policy shall be reviewed regularly by the GHAD Manager and

Treasurer. The Board of Directors shall approve all substantive modifications of the Policy.

The Statement of Investment Policy is attached to Resolution No. 2017/01 as Exhibit B.

CONSEQUENCE OF NEGATIVE ACTION:

The GHAD will not be able to continue operation starting July 1, 2017 if the budget is not approved.

CLERK'S ADDENDUM

***RELISTED to July 11, 2017.***

ATTACHMENTS

Blackhawk GHAD Resolution and Report 2017

Blackhawk GHAD Resolution No. 2017/01