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THE BOARD OF DIRECTORS OF LEONA QUARRY  
GEOLOGIC HAZARD ABATEMENT DISTRICT  
RESOLUTION NO. 12

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RESOLUTION APPROVING THE 2012/2013 ANNUAL BUDGET FOR THE GHAD

WHEREAS, on December 3, 2002, the Oakland City Council adopted Resolution No. 77545 approving the formation of the Leona Quarry Geologic Hazard Abatement District (GHAD) and appointing itself to serve as the GHAD Board of Directors;

WHEREAS, on June 21, 2011, the GHAD Board of Directors adopted Resolution No. 11, confirming the transfer of the GHAD Property and GHAD Improvements as defined in the Plan of Control dated March 9, 2005, to the GHAD;

WHEREAS, in order to monitor and maintain the GHAD Property and GHAD Improvements and otherwise carry out its responsibilities under the Plan of Control, the GHAD Board of Directors must consider and approve a budget each year;

WHEREAS, the Interim GHAD Manager, EN GEO, Inc. prepared a budget for the fiscal year 2102/2013 (which also includes a status report on the GHAD) attached as Exhibit A; the annual budget amount for monitoring and maintenance responsibilities is \$185,800; and

WHEREAS, the GHAD Board of Director's desires to adopt the budget for the fiscal year 2102/2013 attached in Exhibit A.

NOW THEREFORE, the GHAD Board of Directors resolves and orders that:

1. The GHAD Board approves the GHAD budget for the 2012/2013 fiscal year attached as Exhibit A incorporated herein by this reference.
2. The recitals are incorporated herein by this reference.

This Resolution shall become effective immediately upon its passage and adoption.

OAKLAND, CALIFORNIA, \_\_\_\_\_, 2012

PASSED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

\_\_\_\_\_  
Interim Clerk of the GHAD  
Board, Richard Clark

Attachments: Exhibit 12-A (GHAD budget for the Leona Quarry GHAD for the  
fiscal year 2012/2013)

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**LEONA QUARRY GEOLOGIC HAZARD ABATEMENT DISTRICT  
BUDGET FOR FISCAL YEAR 2012/2013**

**EXHIBIT A TO LEONA QUARRY GHAD**



May 17, 2012

Board Members

Leona Quarry Geologic Hazard Abatement District  
Oakland City Hall  
One Frank Ogawa Place  
Oakland, CA 94612

Subject: Leona Quarry Geologic Hazard Abatement District  
Oakland, California

**BUDGET FOR FISCAL YEAR 2012/2013**

Dear Board Members:

Attached is the proposed budget for the Leona Quarry Geologic Hazard Abatement District (GHAD) for fiscal year (FY) 2012/2013. The FY for the Leona Quarry GHAD is from July 1 through June 30. The budget as proposed is \$185,800. The budget expenses break down into the following approximate percentages of the total receivables.

Major Repair	0 percent
Preventive Maintenance and Operations	26 percent
Special Projects	3 percent
Administration and Accounting (FY 2012/2013)	14 percent
Additional - Outside Professional Services (FY 2012/2013)	9 percent

The budget anticipates a contribution of approximately \$174,000 for FY 2012/2013 (48% of total receivables) to the reserve fund, which is estimated to reach approximately \$1,535,000 on June 30, 2013. A summary of the expenses is shown on Table I followed by a brief description of each budget item on the following pages.

If you have any questions regarding the contents of this letter, please contact us.

Sincerely,

Leona Quarry Geologic Hazard Abatement District  
ENGEO Incorporated, General Manager  
1330 Broadway, Suite 730  
Oakland, CA 94612  
ENGEO Project No. 5188.002.011

Eric Harrell  
eh/ue/

Uri Eliahu

The following budget summarizes the anticipated expenditures for FY year 2012/2013 for the Leona Quarry Geologic Hazard Abatement District (GHAD), which currently includes the Monte Vista Villas development.

The 2011/2012 assessment amount was set at \$1,175.60 per residential unit adjusted up 2.93% from the 2010/2011 assessment level of \$1,142.18. The assessment limit adjustment is based on the 2005 Engineer's Report using the consumer price index plus one-half of one percent. The assessment is adjusted annually. The final assessment roll prepared for the 2011/2012 fiscal year and submitted to the Alameda County Assessors Office identifies 272 properties subject to the levy of the GHAD assessment. The total levy amount for the 2011/2012 FY is \$319,763.20.

Based on the San Francisco/Oakland/San Jose consumer price index figures reported through February 2012, for budgeting purposes, we estimate a FY 2012/2013 inflation rate of 2 percent. With the adjustment of one-half of one percent as specified in the Engineer's Report, the assessment adjustment for FY 2012/2013 is estimated at 2½ percent. We estimate that 292 residential units will be subject to assessment in the 2012/2013 FY.

The GHAD has maintenance and monitoring responsibilities and is the property owner for the following parcels within the District.

Assessors Parcel Number	Parcel Designation (Vesting Tentative Map)	Tract
37A-3163-2	A	7351
37A-3163-3	C	7351
37A-3163-4	D	7351
37A-3163-5	E	7351
37A-3163-9	F	7493
37A-3163-11	R	7493

The budget amounts listed are based on the Engineer's Report approved by the Leona Quarry GHAD Board of Directors in 2005. The budget amounts have been inflation adjusted to provide the listed budget estimates. In the 2012/2013 fiscal year, we estimate approximately 292 parcels will be subject to levy of the assessment. Parcels are subject to levy of the assessment the first fiscal year following issuance of a building permit.

Section 5.1 of the approved GHAD Management Agreement provides that a payment limit shall be determined each fiscal year by GHAD Board of Directors by resolution. For fiscal year 2012 (July 1, 2012 through June 30, 2013), the payment limit is set at \$90,000. The tasks included within the payment limit may include site monitoring events, report preparation, oversight of maintenance and repair projects, administration, accounting, and assessment roll updates.

The budget is divided into four categories including Major Repair, Preventive Maintenance and Operations, Special Projects, and Administration and Accounting.

**MAJOR REPAIR**

Included within the major repair category are those repair or improvement projects that are intermittent and, by their nature, do not fit within a scheduled maintenance program. Minor slope repair and erosion control items are generally funded within the Preventive Maintenance and Operations category. For the purposes of this budget, we define major repairs as those estimated at over \$50,000.

**PREVENTIVE MAINTENANCE AND OPERATIONS**

Preventive maintenance and operations include slope stabilization, erosion protection, and professional services within the District. Professional services include site monitoring events as scheduled in the GHAD Plan of Control. Slope stabilization and erosion protection responsibilities include the open space slopes and creek channels. GHAD-maintained improvements generally include the District's slopes, concrete-lined drainage ditches, retaining walls, subsurface drainage facilities, monitoring instruments including settlement monitoring devices, storm drain facilities, and the creek channels.

**SPECIAL PROJECTS**

Included within the Special Projects category is a budget item to collect documents related to GHAD-maintained improvements.

**ADMINISTRATION AND ACCOUNTING**

Administrative expenses include the General Manager duties related to the operation and administration of the GHAD. Within the administrative budget category are included tasks of the General Manager, clerical and accounting staff.

A summary of the proposed budget through the end of FY 2012/2013 is shown in Table I.

**TABLE I**  
 Summary of Proposed Fiscal Year 2012/2013 Budget

Budget Item	Label	Budget Amount
Major Repairs		
Major Projects		\$0
Preventive Maintenance and Operations		
Professional Services		
Scheduled Monitoring Event		\$8,000
Heavy Rainfall Monitoring Event		\$4,000
	Subtotal	\$12,000

Budget Item	Label	Budget Amount
Maintenance and Operations		
Concrete-Lined Drainage Ditches		\$10,000
Trail, Fire Break and Fence Maintenance		\$20,000
Detention and Sedimentation Basin Maintenance		\$2,500
Erosion Control including Creek Channels		\$20,000
Slope Stabilization		\$30,000
	Subtotal	\$82,500
Preventive Maintenance and Operations	Total	\$94,500
Special Projects		
GPS/GIS Development		\$10,000
Special Projects	Total	\$10,000
Administration and Accounting		
General Manager		
Administration and Accounting		\$48,000
Annual Report and Budget Preparation		\$3,000
	Subtotal	\$51,000
Outside Professional Services - Nontechnical		
Assessment Roll and Levy Update Preparation		\$4,000
GHAD Attomey		\$10,000
GHAD Treasurer		\$5,000
GHAD Clerk		\$2,500
Alameda County Assessor's Fees		\$6,000
California Association of GHADs Membership		\$300
Insurance – Directors		\$2,000
Insurance – General Liability		\$500
	Subtotal	\$30,300
Administration and Accounting	Total	\$81,300
Proposed Expenditures	Total	185,800
Estimated Receivables		
Balance (May 14, 2012)		1,345,843
2011/2012 Assessment Amount Outstanding		15,716
2012/2013 Assessment Amount (Estimated)		\$351,860
Estimated Interest on Investments		\$7,648
Estimated Total Available Funds		\$1,721,067
Estimated Expenditures		
Major Projects		\$0
Preventive Maintenance and Operations		\$94,500
Special Projects		\$10,000
Administration, Accounting and Legal		\$ 81,300

Budget Item	Label	Budget Amount
Estimated Expenditures	Total	\$185,800
Estimated Reserve/Fund Balance on June 30, 2013		\$1,535,267

**MAJOR REPAIRS**

There are currently no ongoing major repair projects, and none are anticipated for the 2012/2013 fiscal year within the GHAD-maintained areas of the Leona Quarry GHAD. Minor slope repair and erosion control items are generally funded within the Preventive Maintenance and Operations category. While no major repairs are ongoing at this time, by their nature, major repairs such as landslides are unpredictable and could occur during the 2012/2013 fiscal year. The reserve portion of the budget allows for funding toward these unpredictable events.

**PREVENTIVE MAINTENANCE AND OPERATIONS**

**PROFESSIONAL SERVICES**

Scheduled Monitoring Events (SCMON)

As provided in the Plan of Control, there are two scheduled monitoring events within the GHAD during each calendar year.

Estimated budget \$8,000

Heavy Rainfall Events (HRMON)

We have budgeted for two heavy-rainfall monitoring events during the 2012/2013 winter season.

Estimated budget \$4,000

**MAINTENANCE AND OPERATIONS**

Concrete- and Earth-Lined Drainage Ditches (DITCH)

This budget item is to provide for the selected removal of vegetation and cleaning of concrete- and earth lined drainage ditches within the GHAD-owned parcels, as needed. We expect to undertake one complete ditch-cleaning event in 2012/2013 fiscal year. Concrete-lined drainage ditch cleaning has been contracted through the 2013/2014 fiscal year. Approximately 22,500 lineal feet of concrete-lined ditch are located within the six GHAD-owned parcels.

Estimated budget \$10,000

Open Space Maintenance (OMAIN)

This budget item includes vegetation management on gravel-surfaced maintenance roadways, vegetation maintenance on debris benches, trail maintenance, litter collection and removal,



annual fire-break mowing, and unanticipated trail maintenance or fence repairs, which may occur during the 2012/2013 fiscal year.

Estimated budget \$20,000

Detention and Sedimentation Basin Maintenance (DETBA)

The budget allows for ongoing maintenance activities within the detention and sedimentation basins.

Estimated budget \$2,500

Erosion Control (ERCON)

Anticipated tasks under this budget item include the repair of slope or creek erosion and removal of debris from creek channel. Cleaning and vegetation management of the detention basin, if necessary, will be a task within this budget item.

Estimated budget \$20,000

Slope Stabilization (SLOPE)

This is for minor repairs, including slope instability or erosion, which may occur during the 2012/2013 fiscal year. Purchase of emergency stabilization supplies will be included within this budget item

Estimated budget \$30,000

**SPECIAL PROJECTS**

Collection and Electronic Storing of Documents Related to GHAD-Maintained Improvements

To provide for a more efficient system to capture, store, update, manipulate, analyze, and display information pertaining to GHAD assets (including, but not limited to, subdrains, landslides, drainage facilities, cuts, fills, or slopes), the GHAD has provided a budget item to continue development of a GIS database. The database would facilitate and streamline the tracking of location, maintenance, and repair activities pertaining to GHAD assets and automate the communication of this information to affected parties. We anticipate this first phase of GIS database development will include transition of available and pertinent asset information to an electronic format suitable for GIS deployment and, as necessary, field-verification of such assets with GPS surveys.

Estimated budget \$10,000

**ADMINISTRATION AND ACCOUNTING**

Administration

Administrative expenses include the General Manager duties related to the operation and administration of the GHAD. The budget estimate for the accounting and administrative services is derived from the original GHAD budget used to prepare the GHAD Engineer's Report.

Estimated budget \$48,000

Annual Report and Budget Preparation

This budget provides for the preparation of the annual report and budget. The budget estimate for the accounting and administrative services is derived from the original GHAD budget used to prepare the GHAD Engineer's Report.

Estimated budget \$3,000

Assessment Roll and Levy Update

This budget item allows for preparation of the assessment roll for the District and the updated levy based on the Consumer Price Index adjustment.

Estimated budget \$4,000

GHAD Attorney

This budget item allows the GHAD to secure legal counsel for the District. The duties of the legal counsel may include but not be limited to preparation or review of contracts, grant deeds, right of entry and board resolutions.

Estimated budget \$10,000

GHAD Treasurer

This budget item accounts for fees related to investment of the GHAD reserve funds and processing of accounts payable.

Estimated budget \$ 5,000

GHAD Clerk

This budget item accounts for fees to provide clerical staffing and support services for the GHAD Board of Directors and to keep and provide interested parties with accurate records and documents relative to Board actions.

Estimated budget \$ 2,500

Alameda County Assessor's Fees

This budget item accounts for commission charged by the Alameda County Assessor's Office (currently 1.7 percent of total annual assessment amount) for collection of assessments within the Leona Quarry GHAD.

Estimated budget \$6,000

Association Membership

The GHAD maintains membership in the California Association of GHADs.

Estimated budget \$300

Directors and Officers Insurance

The GHAD will maintain directors and officers insurance for the Board of Directors.

Estimated budget \$2,000

General Liability Insurance

The GHAD will maintain general liability insurance for open space areas within the District.

Estimated budget \$500

**THE BOARD OF DIRECTORS OF LEONA QUARRY  
GEOLOGIC HAZARD ABATEMENT DISTRICT\***

**Oakland City Hall  
One Frank Ogawa Place  
Oakland, CA 94612**

**Chair Desley Brooks  
Boardmember Jane Brunner  
Boardmember Patricia Kernighan  
Boardmember Nancy Nadel  
Boardmember Libby Schaaf  
Boardmember Rebecca Kaplan  
Boardmember Larry Rcid  
Boardmember Ignacio De La Fuente**

**AGENDA  
JULY 3, 2012**

**Time**

**5:30 p.m. Consent Calendar:**

**Subject: Leona Quarry GHAD  
From: Interim GHAD Attorney and GHAD Manager  
Recommendation: Adopt Leona Quarry GHAD Resolution No. 12 adopting the  
GHAD budget for 2012/2013 fiscal year.**

**\*This GHAD meeting will occur concurrently with the meeting of the Oakland City Council at its regular meeting. On this item the City Council will be acting in its separate capacity as the Leona Quarry GHAD Board of Directors.**