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LEONA QUARRY GEOLOGIC HAZARD ABATEMENT DISTRICT  
BOARD OF DIRECTORS  
RESOLUTION NO. 11

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RESOLUTION CONFIRMING TRANSFER OF PROPERTY AND IMPROVEMENTS  
TO THE GHAD AND ADOPTING 2010/2011 AND 2011/2012 BUDGET

WHEREAS, on December 3, 2002 the Oakland City Council adopted Resolution No. 77545, approving and ordering the formation of the Leona Quarry Geologic Hazard Abatement District (GHAD) as described in the GHAD Plan of Control dated November 21, 2002;

WHEREAS, on May 3, 2005 the GHAD Board adopted Resolution No. 7 approving Amendment One to the Plan of Control;

WHEREAS, pursuant to the Plan of Control, certain property automatically transfers to the GHAD three years after recordation of the first final map on the Leona Quarry Project (GHAD Property). The first final map was recorded on July 19, 2005. The GHAD Property transferred to the GHAD on January 28, 2011 by grant deed;

WHEREAS, the Plan of Control requires the automatic transfer of certain improvements and maintenance responsibilities to the GHAD after certain conditions are met, including City approval of the improvements and a minimum reserve of \$1,000,000 in the GHAD fund. All conditions of this transfer were met and the improvements became the responsibility of the GHAD as of March 17, 2011 (GHAD Improvements); and

WHEREAS, in order for the GHAD to implement the Plan of Control efficiently and to undertake repair, maintenance and improvement projects and related operations, including the maintenance of the GHAD Property and responsibility of the GHAD Improvements, it is necessary to approve a budget for the remainder of fiscal year 2010/2011 and for fiscal year 2011/2012.

**NOW THEREFORE**, the GHAD Board resolves and orders that:

1. The GHAD Board acknowledges that the GHAD Property and GHAD Improvements have been transferred to the GHAD as required by the Plan of Control.
2. The GHAD Board approves the budget for the remainder of fiscal year 2010/2011 and for the fiscal year 2011/2012, which is attached hereto as Exhibit 11-A and incorporated herein by this reference.
3. This Resolution shall become effective immediately upon its passage and adoption.

**OAKLAND, CALIFORNIA, June 21, 2011**

**PASSED BY THE FOLLOWING VOTE:**


**AYES:** Boardmember Brunner, Boardmember Kernighan, Boardmember Nadel,  
Boardmember Schaaf, Boardmember De La Fuente, Boardmember Reid,  
Boardmember Kaplan and Chairperson Brooks

**NOES:** 0

**ABSENT:** 0

**ABSTENTIONS:** 0

**ATTEST:**



Interim Clerk of the GHAD  
Board, Richard Clark

**Attachments:** Exhibit 11-A (GHAD budget for the Leona Quarry GHAD for the fiscal  
years 2010/2011 and 2011/2012)

**LEONA QUARRY GEOLOGIC HAZARD ABATEMENT DISTRICT  
BUDGET FOR REMAINDER OF FISCAL YEAR 2010/2011 and 2011/2012**



April 25, 2011

**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 REMAINDER OF FISCAL YEAR 2010/2011 and 2011/2012**

Dear Board Members:

Attached is the proposed budget for the Leona Quarry Geologic Hazard Abatement District (GHAD) for the remainder of fiscal year (FY) 2010/2011 and FY 2011/2012. The FY for the Leona Quarry GHAD is from July 1 through June 30. The budget as proposed is \$192,750. The budget expenses break down into the following approximate percentages of the total receivables.

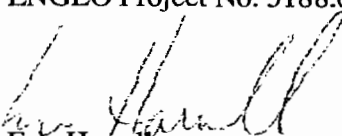
Major Repair	0 percent
Preventive Maintenance and Operations	30 percent
Special Projects	1.5 percent
Administration and Accounting (FY 2011/2012)	12 percent
Additional - Outside Professional Services (FY 2011/2012)	10.5 percent

The budget anticipates a contribution of approximately \$147,000 for FY 2011/2012 (46% of total receivables) to the reserve fund, which is estimated to reach approximately \$1,325,000 on June 30, 2012. 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/rc

  
Uri Eliahu

The following budget summarizes the anticipated expenditures for the remainder of FY 2010/2011 and FY year 2011/2012, for the Leona Quarry Geologic Hazard Abatement District (GHAD), which currently includes the Monte Vista Villas development.

The 2010/2011 assessment amount is \$1,142.18 per residential unit adjusted up 1.57% from the 2009/2010 assessment level of \$1,124.50. The assessment limit adjustment is based on the 2005 Engineer's Report using the consumer price index plus one-half of one percent. The final assessment roll prepared for the 2010/2011 fiscal year and submitted to the Alameda County Assessors Office identifies 244 properties subject to the levy of the GHAD assessment. The total levy amount for the 2010/2011 FY is \$278,691.92.

The GHAD has maintenance and monitoring responsibilities and is the property owner for the following parcels within the District. The transfer of maintenance, monitoring responsibilities and ownership for the listed parcels was anticipated in the adopted Leona Quarry GHAD Plan of Control and the transfer from Leona LLC to the Leona Quarry GHAD was completed in March 2011.

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 2011/2012 fiscal year, we estimate approximately 264 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.

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 2011/2012 is shown in Table I.

**TABLE I**  
 Summary of Proposed Fiscal Year 2011/2012 Budget

Budget Item	Label	Budget Amount
<b>Major Repairs</b>		
Major Projects		\$0
<b>Preventive Maintenance and Operations</b>		
<u>Professional Services</u>		
Scheduled Monitoring Event		\$8,000
Heavy Rainfall Monitoring Event		\$4,000
	Subtotal	\$12,000
<u>Maintenance and Operations</u>		
Concrete-Lined Drainage Ditches		\$20,000
Trail, Fire Break and Fence Maintenance		\$15,000
Erosion Control including Creek Channels		\$20,000
Slope Stabilization		\$30,000
	Subtotal	\$85,000
Preventive Maintenance and Operations	Total	\$97,000
<b>Special Projects</b>		
Document Collection and Electronic Storage		\$5,000
Special Projects	Total	\$5,000

Board Members  
 Leona Quarry Geologic Hazard Abatement District  
 BUDGET FOR REMAINDER OF FISCAL YEAR 2010/2011 and 2011/2012

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Budget Item	Label	Budget Amount
<b>Administration and Accounting</b>		
General Manager		
Administration and Accounting		\$48,000
Annual Report and Budget Preparation		\$3,000
	Subtotal	\$51,000
<b>Outside Professional Services - Nontechnical</b>		
Assessment Roll and Levy Update Preparation		\$4,000
GHAD Attorney		\$15,000
GHAD Treasurer		\$9,000
GHAD Clerk		\$3,500
Alameda County Assessor's Fees		\$4,750
California Association of GHADs Membership		\$500
Insurance – Directors		\$2,000
Insurance – General Liability		\$1,000
	Subtotal	\$39,750
Administration and Accounting	Total	\$90,750
Proposed Expenditures	Total	\$192,750
<b>Estimated Receivables</b>		
Balance (April 15, 2011)		1,060,498
2010/2011 Assessment Amount Outstanding		134,687
2011/2012 Assessment Amount (Estimated)		\$310,000
Estimated Interest on Investments		\$12,828
Estimated Total Available Funds		\$1,518,013
<b>Estimated Expenditures</b>		
Major Projects		\$0
Preventive Maintenance and Operations		\$97,000
Special Projects		\$5,000
Administration, Accounting and Legal		\$ 90,750
Estimated Expenditures	Total	\$192,750
Estimated Reserve/Fund Balance on June 30, 2012		\$1,325,263

## MAJOR REPAIRS

There are currently no ongoing major repair projects, and none are anticipated for the remainder of the 2010/2011 and 2011/2012 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 2011/2012 fiscal year. The reserve portion of the budget allows for funding toward these unpredictable events.

## PREVENTIVE MAINTENANCE AND OPERATIONS

### PROFESSIONAL SERVICES

#### Scheduled Monitoring Events

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

We have budgeted for two heavy rainfall monitoring events during the 2011/2012 winter season.

Estimated budget    \$4,000

### MAINTENANCE AND OPERATIONS

#### Concrete-Lined Drainage Ditches

This budget item is to provide for the selected removal of vegetation and cleaning of concrete-lined drainage ditches within the GHAD-owned parcels, as needed. We expect to undertake one complete ditch-cleaning event in 2011/2012 fiscal year. Approximately 22,000 lineal feet of concrete-lined ditch are located within the six transfer parcels.

Estimated budget    \$20,000

#### Trail, Fire Break and Fence Maintenance

This budget item includes annual fire-break mowing and unanticipated trail maintenance or fence repairs, which may occur during the 2011/2012 fiscal year.

Estimated budget    \$15,000

#### Erosion Control

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

This is for minor repairs, including slope instability or erosion, which may occur during the remainder of the 2011/2012 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 allow the GHAD to store, update, and display information pertaining to GHAD assets (including, but not limited to, subdrains, landslides, drainage facilities, cuts, fills, or slopes), the GHAD has provided this budget item.

Estimated budget \$5,000

**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 are derived from the original GHAD budget used to prepare the GHAD's 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 are derived from the original GHAD budget used to prepare the GHAD's 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 \$15,000

GHAD Treasurer

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

Estimated budget \$ 9,000

GHAD Clerk

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

Estimated budget \$ 3,500

Alameda County Assessor's Fees

This budget item accounts for commission charged by the Alameda County Assessor's Office for collection of assessments within the Leona Quarry GHAD.

Estimated budget \$4,750

Association Membership

The GHAD maintains membership in the California Association of GHADs.

Estimated budget \$500

General Liability Insurance

The GHAD will maintain general directors and offices 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 \$1,000