

**LEONA QUARRY  
GEOLOGIC HAZARD ABATEMENT DISTRICT**

**TO:** Leona Quarry Geologic Hazard Abatement District  
(GHAD) Board of Directors

**FROM:** GHAD Manager

**BOARD MEETING DATE:** July 18, 2023

**SUBJECT:** Reinstating Levy and Adopting Budget and GHAD  
Manager Payment Limit Leona Quarry GHAD  
Resolution No. 2023/02

**RECOMMENDATION(S):**

ADOPT Leona Quarry GHAD Resolution No. 2023/02: 1) reinstating a levy amount of \$728.93 per residential unit, 2) adopting the GHAD budget for fiscal year 2023/24; and 3) updating GHAD Manager payment limit under the Consulting Services Agreement.

**BACKGROUND AND DISCUSSION:**

The Leona Quarry Plan of Control states that approximately 83 acres of open space property will be transferred to the GHAD three years after the recordation of the first final map(s) affecting the GHAD property. The applicable final maps were filed on July 19, 2005 (Tracts 7351 & 7493) and December 9, 2005 (Tract 7492). The open space property was transferred to the GHAD on January 28, 2011.

The following are the improvements that are owned and/or maintained by the GHAD:

- Detention basin, including structures, vegetation, and sediment removal
- Concrete-lined drainage ditches
- Storm drain inlets, outfalls, and pipelines within the open space property
- Subdrains
- Debris bench maintenance
- Piezometers and inclinometers
- Settlement monuments
- Rock catchment fences
- Trail maintenance including trash removal
- Potential Alameda County Whipsnake habitat – fencing and sign maintenance
- Emergency vehicle access and maintenance roads
- Erosion management

The proposed budget for FY 2023/24 must be approved in order to fund the GHAD responsibilities. The budget is attached (Attachment A) and reflects an annual payment limit to

the GHAD Manager of \$111,650. For fiscal year (FY) 2023/24, the GHAD anticipates \$334,310 in assessment revenue and \$115,000 in dividend and interest revenue. Expenses for fiscal year 2023/24 are estimated at \$334,310. The current Program Budget projects that, at the beginning of the 2023/24 fiscal year (July 1, 2023), the cumulative reserve will be approximately \$4,781,700 and approximately \$4,896,700 at the end of the 2023/24 fiscal year (June 30, 2024).

In approving Resolution No. 2021/02, the GHAD Board suspended the entire levy amount per residential unit for FY 2021/22. GHAD Manager recommended suspension of the entire levy in part because the GHAD's account balance exceeded the target reserve trend established in the approved 2005 Engineer's Report for the GHAD and updated Reserve Study completed in 2020. The residential levy remained suspended for FY 2022/23 pursuant to Resolution No. 2022/01. The GHAD Manager is now recommending that the levy be reinstated, as the GHAD's account balance is now trending with the target reserve amount as provided in the updated Reserve Study.

As planned in the 2005 Engineer's Report, the target reserve was an account balance the GHAD would achieve in approximately 40 years after completing a large-scale repair on average every 10 years. Large-scale geologic hazards occur infrequently, but are expensive to repair. The reserve allows the GHAD to maintain a positive account balance even after completion large-scale repairs. Based on the GHAD's current account balance and the anticipated expenditures in the proposed FY 2023/24 budget, the GHAD will maintain an account balance near the target reserve.

In order to maintain an account balance near the target reserve, the GHAD Manager recommends reinstating a levy of \$728.93 on each residential unit in the GHAD for FY 2023/24 to cover annual maintenance and operations for the GHAD.

As provided in the 2005 Engineer's Report, the assessment limit will continue to be adjusted for inflation annually. The proposed reduction in the annual levy does not preclude the GHAD Board in the future from increasing or decreasing the levy of the assessment up to the inflation adjusted assessment limit without a vote of property owners within the GHAD.

**FISCAL IMPACT:**

The GHAD is funded 100% through assessments levied on properties within the GHAD. However, The GHAD will not be able to continue operation if a budget is not approved.

**ATTACHMENTS:**

- A. Resolution No. 2023/02

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

**RESOLUTION NO. 2023/02**

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**RESOLUTION REINSTATING A LEVY IN THE AMOUNT OF \$728.93 FOR FY 2023/24 AND ADOPTING THE ANNUAL GHAD BUDGET FOR FISCAL YEAR 2023/24, AND UPDATING GHAD MANAGER PAYMENT LIMITS UNDER THE EXISTING CONSULTING SERVICES AGREEMENT.**

**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**, on May 18, 2021 pursuant to Resolution No. 2021/02 and June 7, 2022 pursuant to Resolution No. 2022/01, the GHAD Board suspended the levy for FY 2021/22 and FY 2022/23, respectively.

**WHEREAS**, the GHAD Board desires to reinstate the residential parcel levy in the amount of \$728.93 for fiscal year 2023/24.

**WHEREAS**, the GHAD Board of Directors desires to adopt the budget for fiscal year 2023/24 prepared by the GHAD Manager, ENGEEO Inc., attached hereto as Exhibit A.

**WHEREAS**, on March 15, 2005, pursuant to Resolution No. 1, the GHAD Board approved the consultant services agreement with ENGEEO Inc., to act as Manager for the GHAD. This Agreement, in Section 5.1, requires the GHAD Board to determine, by resolution each fiscal year, the payment limits for GHAD Manager services. The budget attached in Exhibit A identifies this limit at \$111,650.

**The Board of Directors of the GHAD HEREBY RESOLVES THAT:**

1. The GHAD Board hereby approves reinstatement of residential levy in the amount of \$728.93 for FY 2023/24.

2. The GHAD Board approves the GHAD budget for fiscal year 2023/24 attached as Exhibit A and incorporated herein by this reference.

3 The GHAD Board adopts the payment limit for the GHAD Manager services at \$111,650 for fiscal year 2023/24 as set forth in Exhibit A, and incorporates this payment limit into the consulting services agreement.

4. The recitals are incorporated herein by this reference.

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

OAKLAND, CALIFORNIA, July 18, 2023

**PASSED BY THE FOLLOWING VOTE:**

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

Attest: \_\_\_\_\_

Attachment:

Exhibit A: Leona Quarry Geologic Hazard Abatement District Budget for Fiscal Year 2023/24

# Exhibit A

## **LEONA QUARRY GEOLOGIC HAZARD ABATEMENT DISTRICT BUDGET FOR FISCAL YEAR 2023/24**



June 5, 2023

Leona Quarry Geologic Hazard Abatement District Board of Directors:

Chair Kevin Jenkins	Boardmember Carroll Fife
Boardmember Rebecca Kaplan	Boardmember Janani Ramachandran
Boardmember Dan Kalb	Boardmember Noel Gallo
Board member Nikki Fortunato Bas	Boardmember Treva Reid

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 2023/24**

- References:
1. ENGEO; Engineer’s Report for Geologic Hazard Abatement District, Leona Quarry, City of Oakland, California; August 13, 2004, Latest Revision February 23, 2005; Project No. 5188.1.001.02.
  2. ENGEO; Reserve Fund Study, Leona Quarry Geologic Hazard Abatement District, Oakland, California; May 1, 2020; Project No. 5188.002.019.

Dear Chair Jenkins and Boardmembers:

Attached is the proposed budget for the Leona Quarry Geologic Hazard Abatement District (GHAD) for fiscal year (FY) 2023/24. The FY for the Leona Quarry GHAD is from July 1 through June 30. The budget, as proposed, is \$334,310. The budget expenses break down into the following approximate percentages of the total expenditures.

Major Repair.....	0 percent
Preventive Maintenance and Operations .....	67 percent
Special Projects.....	1 percent
Administration and Accounting.....	16 percent
Additional - Outside Professional Services.....	16 percent

The budget anticipates FY 2023/24 revenue of \$449,310, with \$115,000 anticipated from investment revenue. A summary of the expenses is shown on Table 4 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,

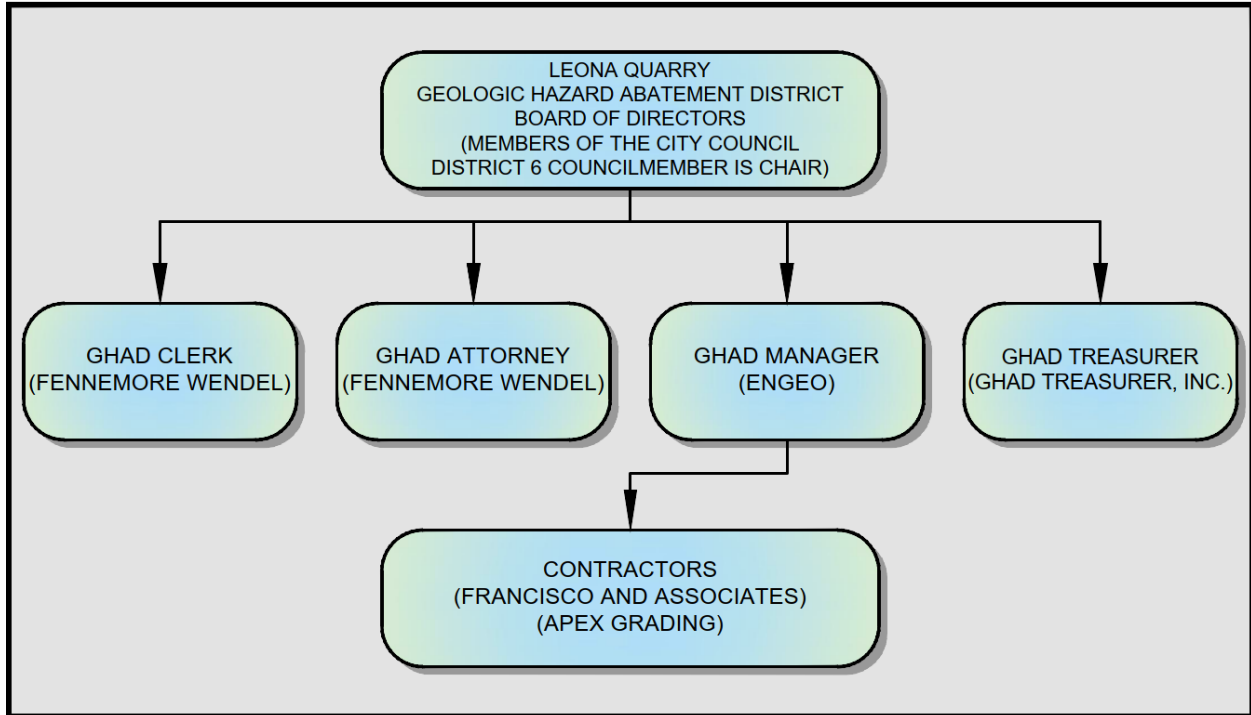
Leona Quarry Geologic Hazard Abatement District  
ENGEO Incorporated, General Manager  
1630 San Pablo Avenue, Suite 200  
Oakland, CA 94612  
ENGEO Project No. 5188.002.022

  
Haley Ralston  
hjr/ue/ar

  
Uri Eliahu

**Leona Quarry Geologic Hazard Abatement District  
 Program Budget  
 Fiscal Year 2023/24**

The following budget summarizes the anticipated revenue and expenditures for FY 2023/24 for the Leona Quarry Geologic Hazard Abatement District (GHAD), which currently includes the Monte Vista Villas development. The structure of the Leona Quarry GHAD is shown below.



The Leona Quarry GHAD has maintenance and monitoring responsibilities and is the property owner for the following parcels within the District. It is anticipated that additional parcels may be offered to the GHAD in FY 2023/24. The actual timing of any offer of transfer from the developer to the GHAD will be determined by the developer; however, the developer will remain responsible for all duties described in the Plan of Control until the transfer for these additional parcels has been completed.

**TABLE 1: GHAD-Maintained Parcels**

ASSESSOR'S 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 GHAD is funded through real property assessments and the return on investments from existing reserves. The FY 2022/23 assessment limit was set at \$1,737,36 per residential unit, adjusted up 6.80% from the 2022/23 assessment level of \$1,626.76. The assessment limit annual adjustment is based on the 2005 Engineer’s Report using the San Francisco-Oakland-Hayward consumer price index (CPI) plus one-half of one percent. The additional one-half of one percent amount above calculated CPI adjustment was eliminated by Board Resolution 2021/02 starting in FY 2021/22.

**TABLE 2: Assessment Limit Inflation Adjustments**

FISCAL YEAR	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
ANNUAL CPI (June)	618.4	642.7	664.421	692.68	693.839	701.273	718.293	737.231	756.074
SF/OAK, 1967=100		3.93%	3.38%	4.19%	0.23%	1.07%	2.43%	2.64%	2.56%
ADDITIONAL 0.5%		0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
TOTAL CPI		4.43%	3.88%	4.69%	0.73%	1.57%	2.93%	3.14%	3.06%
ASSESSMENT LIMIT (single family)	\$983.00	\$1,026.54	\$1,066.37	\$1,116.39	\$1,124.51	\$1,142.18	\$1,175.61	\$1,212.48	\$1,249.54
COMMERCIAL (per square foot)	\$0.25000	\$0.26107	\$0.27120	\$0.28393	\$0.28599	\$0.29048	\$0.29899	\$0.30836	\$0.31779

FISCAL YEAR	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
ANNUAL CPI (June)	778.767	796.597	817.884	846.360	879.435	907.709	922.381	951.481	1016.169
SF/OAK, 1967=100	3.00%	2.29%	2.67%	3.48%	3.91%	3.22%	1.62%	3.15%	6.80%
ADDITIONAL 0.5%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.0%	0.0%
TOTAL CPI	3.50%	2.79%	3.17%	3.98%	4.41%	3.72%	2.12%	3.15%	6.8%
ASSESSMENT LIMIT (single family)	\$1,293.29	\$1,329.37	\$1,371.51	\$1,426.09	\$1,488.98	\$1,544.37	\$1,577.01	\$1,626.76	\$1,737.36
COMMERCIAL (per square foot)	\$0.32891	\$0.33809	\$0.34881	\$0.36269	\$0.37868	\$0.39277	\$0.40108	\$0.41373	\$0.44186

The residential parcel levy was suspended for fiscal years 2020/21, 2021/22, and 2022/23 in part because the GHAD’s account balance exceeded the target reserve trend established in the approved 2005 Engineer’s Report (Reference 1) and updated in the Reserve Study completed in 2020 (Reference 2). In 2005, it was forecast that an adequate reserve would be accumulated over approximately 40 years, but based on lower GHAD expenses, this was achieved in approximately 15 years.

Based on the CPI figures reported through April 2023 and for budgeting purposes, we estimate a FY 2023/24 inflation rate adjustment of 5 percent. The actual CPI adjustment for the FY 2023/24 assessment limit will be based on the inflation rate through June 30, 2023, for the past 12 months. Based on the GHAD’s current account balance and the anticipated expenditures in the proposed FY 2023/24 budget, the GHAD will maintain an account balance above the target reserve. However, the GHAD Manager recommends reinstating a levy on each residential unit in the GHAD to cover annual maintenance and operations costs for the GHAD for FY 2023/24. Based on the proposed expenditures for FY 2023/24 budget, the assessment levy for each residence is \$782.93.



As provided in the approved Engineer's Report, the assessment limit will continue to be adjusted for inflation annually. The proposed assessment levy for FY 2023/24 does not preclude the GHAD Board in the future from increasing or decreasing the levy of the assessment up to the inflation-adjusted assessment limit. This determination is made by the GHAD Board each year in approving the annual budget for the GHAD. As long as the GHAD Board levies future assessments in accordance with the Engineer's Report, a vote of property owners is not required; a vote is only required if the assessment limit is increased beyond that allowed in the Engineer's Report.

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 2023/24 fiscal year, all 427 residential parcels within the Leona Quarry GHAD will be subject to a levy of the assessment. Parcels have been subject to a levy of the assessment the first fiscal year following issuance of a building permit for each parcel.

The GHAD Treasurer has estimated that dividend and interest income for FY 2023/24 should be approximately 1½ to 2 percent above the rate of inflation. For budgeting purposes, we have assumed the lower estimate (1½ percent) when estimating dividend and interest income. The GHAD Treasurer maintains an estimate that the long-term inflation rate will average approximately 2 percent, but in FY 2023/24 may be above this level. As a conservative estimate, we have assumed an inflation rate of 2 percent for estimating investment revenues in Table 3.

**TABLE 3: Estimated Revenue**

	FY 2023/24 ESTIMATE
Residential units subject to an assessment	427
Assessment revenue (FY 2023/24)	\$334,310
Investment revenue	\$115,000
Total Revenues	\$449,310

The GHAD 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

The Special Projects category allows the GHAD to budget for projects beneficial to the GHAD that are not included in one of the other three categories. Special Projects can include items such as geographic information system (GIS) development for GHAD-maintained improvements, website development and maintenance, and reserve studies to reevaluate the financial condition of the GHAD.

## ADMINISTRATION AND ACCOUNTING

Administrative expenses include the general manager’s duties related to the operation and administration of the GHAD. The administrative budget category includes tasks of the general manager, clerical, and accounting staff.

A comparison of the estimated expenditures for FY 2022/23, the approved budget for FY 2022/23, and the proposed budget through the end of FY 2023/24 is shown in Table 4.

**TABLE 4: Summary of Use of Funds**

USE OF FUNDS					
	FY 2022/23 ESTIMATE*	FY 2022/23 BUDGET	FY2023/24 PROPOSED	PERCENT CHANGE FROM FY 2022/23	
<b>Major Repairs</b>					
<b>Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	
<b>Preventive Maintenance and Operations - Professional Services</b>					
Scheduled Monitoring Events	\$13,000	\$18,000	\$18,000		
Heavy Rainfall Monitoring Event	\$4,245	\$4,000	\$4,500		
<b>Subtotal</b>	<b>\$17,245</b>	<b>\$22,000</b>	<b>\$22,500</b>	<b>2.3%</b>	
<b>Preventive Maintenance and Operations - Maintenance and Operations</b>					
Concrete-Lined Drainage Ditches	\$9,200	\$10,500	\$10,500		
Trail, Fire Break and Fence Maintenance	\$47,906	\$45,000	\$75,000		
Detention and Sedimentation Basin Maintenance	\$1,700	\$3,000	\$8,000		
Erosion Control including Creek Channels	\$10,000	\$30,000	\$48,000		
Slope Stabilization	\$10,000	\$60,000	\$60,000		
<b>Subtotal</b>	<b>\$78,806</b>	<b>\$148,500</b>	<b>\$201,500</b>	<b>35.7%</b>	
<b>Special Projects</b>					
Web Site Maintenance/Updates	\$500	\$500	\$500		
Geographic Information System (GIS)	\$0	\$0	\$2,000		
<b>Subtotal</b>	<b>\$500</b>	<b>\$500</b>	<b>\$2,500</b>	<b>400.0%</b>	
<b>Administration – GHAD Manager</b>					
Administration	\$48,000	\$48,000	\$49,000		
Budget Preparation	\$4,000	\$4,000	\$4,100		
<b>Subtotal</b>	<b>\$52,000</b>	<b>\$52,000</b>	<b>\$53,100</b>	<b>2.1%</b>	

<b>USE OF FUNDS</b>				
	<b>FY 2022/23 ESTIMATE*</b>	<b>FY 2022/23 BUDGET</b>	<b>FY2023/24 PROPOSED</b>	<b>PERCENT CHANGE FROM FY 2022/23</b>
<b>Administration and Accounting - Outside Professional Services</b>				
Assessment Roll and Levy Update	\$0	\$0	\$3,500	
Legal Counsel	\$10,000	\$15,000	\$15,000	
Treasurer and Investment Manager	\$13,000	\$22,500	\$25,000	
Clerk	\$3,000	\$3,000	\$3,000	
Alameda County Assessor's Fees	\$0	\$0	\$5,600	
California Association of GHADs Membership	\$210	\$210	\$210	
Insurance – Directors and Officers	\$950	\$950	\$1,000	
Insurance – General Liability	\$1,350	\$1,350	\$1,400	
<b>Subtotal</b>	<b>\$28,510</b>	<b>\$43,010</b>	<b>\$54,710</b>	<b>13.5%</b>

\*FY2022/23 Estimate Includes Actual Expenses through June 30, 2023

**TABLE 5: Summary of Proposed Fiscal Year 2023/24 Budget**

<b>BUDGET ITEM</b>	<b>LABEL</b>	<b>BUDGET AMOUNT</b>	<b>PERCENT OF TOTAL BUDGET (FY 2023/24)</b>
<b>MAJOR REPAIRS</b>			
Major Projects	<b>TOTAL</b>	<b>\$0</b>	<b>0%</b>
<b>PREVENTIVE MAINTENANCE AND OPERATIONS</b>			
<b>Professional Services</b>			
<b>Scheduled Monitoring Events</b>			
Open Space Scheduled Monitoring Events		\$18,000	
Heavy Rainfall Monitoring Event		\$4,500	
	Subtotal	\$22,500	
<b>Maintenance and Operations</b>			
Concrete-Lined Drainage Ditches		\$10,500	
Trail, Fire Break and Fence Maintenance		\$75,000	
Detention and Sedimentation Basin Maintenance		\$8,000	
Erosion Control including Creek Channels		\$48,000	
Slope Stabilization		\$60,000	
	Subtotal	\$201,500	
	<b>TOTAL</b>	<b>\$224,000</b>	<b>67%</b>
<b>SPECIAL PROJECTS</b>			
Web Site Maintenance/Updates		\$500	
Geographic Information System (GIS)		\$2,000	
	<b>TOTAL</b>	<b>\$2,500</b>	<b>1%</b>

Leona Quarry Geologic Hazard Abatement District  
 BUDGET FOR FISCAL YEAR 2023/24

BUDGET ITEM	LABEL	BUDGET AMOUNT	PERCENT OF TOTAL BUDGET (FY 2023/24)
<b>ADMINISTRATION – GHAD Manager</b>			
Administration		\$49,000	
Budget Preparation/Annual Reporting		\$4,100	
	Subtotal	\$53,100	16%
<b>Outside Professional Services – Nontechnical</b>			
Assessment Roll and Levy Preparation		\$3,500	
Alameda County Assessor's Fee		\$5,600	
Legal Counsel		\$15,000	
Treasurer		\$25,000	
Clerk		\$3,000	
California Association of GHADs Membership		\$210	
Insurance – Directors and Officers		\$1,000	
Insurance – General Liability		\$1,400	
	Subtotal	\$54,710	16%
	<b>TOTAL</b>	<b>\$107,810</b>	
<b>ESTIMATED EXPENDITURES</b>	<b>TOTAL</b>	<b>\$334,310</b>	
<b>ESTIMATED RECEIVABLES</b>			
<b>ESTIMATED RESERVE ON JUNE 30, 2022</b>		<b>\$4,827,656</b>	
<b>Estimated 2022/23 Revenue</b>			
Estimated FY 2022/23 Assessment Income		\$0	
Estimated FY 2022/23 Investment Income		\$131,105	
<b>Estimated 2022/23 Expenses</b>			
Expenses through June 30, 2023		\$177,061	
<b>ESTIMATED RESERVE ON JUNE 30, 2023</b>		<b>\$4,781,700</b>	
<b>Estimated 2023/24 Revenue</b>			
Estimated FY 2023/24 Assessment		\$334,310	
Estimated FY 2023/24 Investment Income		\$115,000	
<b>Estimated 2023/24 Expenses</b>			
Expenses through June 30, 2024		\$334,310	
<b>ESTIMATED RESERVE ON JUNE 30, 2024</b>		<b>\$4,896,700</b>	

Section 5.1 of the approved GHAD Management Agreement provides that a payment limit shall be determined each fiscal year by the GHAD Board of Directors by resolution. For fiscal year 2023/24 (July 1, 2023, through June 30, 2024), the payment limit is set at \$111,650. The tasks included within the payment limit may include site monitoring events, report preparation, oversight of maintenance and repair projects, administration, and assessment roll updates.

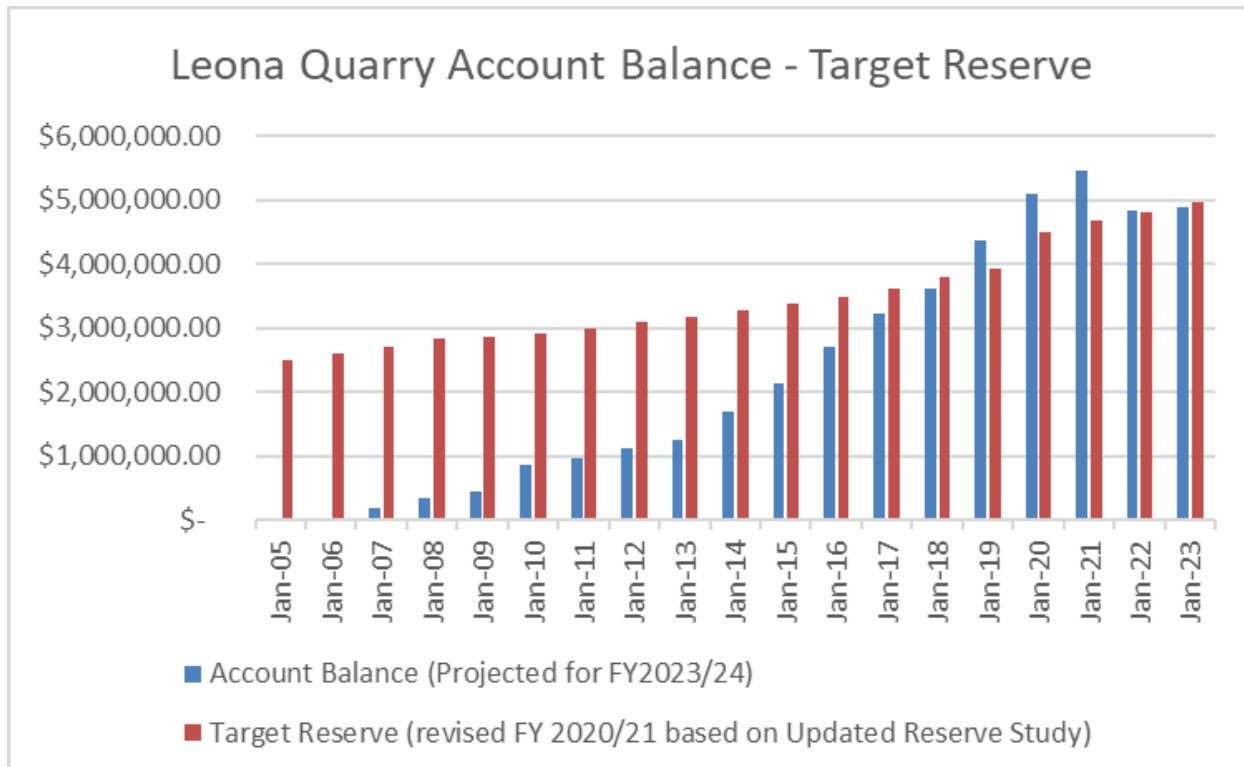
**TABLE 6: Payment Limit**

TASK	AMOUNT
Scheduled Monitoring Events	\$18,000
Heavy Rainfall Monitoring Event	\$4,500
Concrete-Lined Drainage Ditches	\$2,700 <sup>1</sup>
Trail, Fire Break, and Fence Maintenance	\$10,000 <sup>1</sup>
Detention and Sedimentation Maintenance	\$1,350 <sup>1</sup>
Erosion Control Including Creek Channels	\$9,500 <sup>1</sup>
Slope Stabilization	\$10,000 <sup>1</sup>
Special Projects (Web, GIS, and Reserve Study)	\$2,500
Administration and Accounting	\$49,000
Budget Preparation	\$4,100
<b>Amount Total</b>	<b>\$111,650</b>

<sup>1</sup>Dependent on maintenance and/or repair activities by the GHAD during FY 2023/24. ENGENO payment limit is up to 20% of the total budget item.

The current Program Budget projects that at the beginning of the 2023/24 fiscal year (July 1, 2023), the cumulative reserve will be about \$4,781,700 and about \$4,896,700 at the end of the 2023/24 fiscal year (June 30, 2024). Graph 1 provides the forecast and actual account balances for the GHAD from the initial levy of assessments in FY 2006/07 to the present, based on the approved 2005 Engineer’s Report. The GHAD reserve is intended to fund unanticipated expenses that may occur.

**GRAPH 1: GHAD Account Balance and Target Reserve**



In general, expenses have been lower than estimated in the approved 2005 Engineer's Report. We attribute additional reserve accumulation to a number of factors including (1) The Leona Quarry GHAD has not accepted monitoring and maintenance responsibilities for all of the parcels or improvements within the Monte Vista Villas development, (2) nine of the past 12 years since the GHAD accepted maintenance responsibilities for open-space parcels have had below-average rainfall; therefore, there has been a reduced level of slope instability and erosion, (3) a large-scale repair (estimated at \$1,650,000 in current dollars every 10 years) has not yet been necessary within the GHAD-maintained areas.

## **MAJOR REPAIRS (MAJOR)**

There are currently no ongoing major repair projects, and none are anticipated for the 2023/24 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 2023/24 fiscal year. The reserve portion of the budget allows for funding toward these unpredictable events.

## **PREVENTIVE MAINTENANCE AND OPERATIONS (PREVMO)**

### **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      \$18,000**

#### Heavy Rainfall Events (HRMON)

As described in the Plan of Control, a heavy rainfall event is accumulation of 2 inches or more within a 2-hour period. We have budgeted for two heavy-rainfall monitoring events during the 2023/24 winter season.

**Estimated Budget      \$4,500**

### **Maintenance and Operations**

#### Concrete- and Asphalt-Lined Drainage Ditches (DITCH)

This budget item is to provide for the selected removal of vegetation and cleaning of concrete- and asphalt-lined drainage ditches within the GHAD-owned parcels, as needed. We expect to undertake one complete ditch-cleaning event in 2023/24 fiscal year. Approximately 22,500 lineal feet of concrete-lined ditch are located within the six GHAD-owned parcels.

**Estimated Budget      \$10,500**

#### 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 2023/24 fiscal year.

**Estimated Budget      \$75,000**

### Detention and Sedimentation Basin Maintenance (DETBA)

This budget item allows for ongoing maintenance activities within the detention and sedimentation basins. **Estimated Budget \$8,000**

### Erosion Control (ERCON)

Anticipated tasks under this budget item include the repair of slope or creek erosion and removal of debris from the creek channel. Cleaning and vegetation management of the detention basin, if necessary, will be a task within this budget item. **Estimated Budget \$48,000**

### Slope Stabilization (SLOPE)

This is for minor repairs, including slope instability or erosion, which may occur during the 2023/24 fiscal year. Purchase of emergency stabilization supplies will be included within this budget item. **Estimated Budget \$60,000**

## **SPECIAL PROJECTS (SPEPROJ)**

### Website Maintenance and Updates (WEB)

To allow for greater access to information about the Leona Quarry GHAD, the GHAD has provided a budget item to update and maintain the existing website launched during the 2013/14 fiscal year. **Estimated Budget \$500**

### Geographic Information System (GIS)

This budget item is to allow for the annual maintenance and updates to the geographic information system (GIS) portal for the Leona Quarry GHAD. **Estimated Budget \$2,000**

## **ADMINISTRATION AND ACCOUNTING (ADMIN)**

### Administration (ADACC)

Administrative expenses include the general manager's 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 \$49,000**

### Annual Report and Budget Preparation (BDGET)

This budget item 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 \$4,500**

### Assessment Roll and Levy Update (ASSESS)

This budget item allows for the preparation of the assessment roll for the District and the updated levy based on the Consumer Price Index adjustment. **Estimated Budget \$3,500**

[Alameda County Assessor's Fees \(ALAAS\)](#)

This budget item accounts for a required administrative charge by the Alameda County Assessor's office (currently 1.7 percent of the total annual assessment amount) for collection of assessments within the Leona Quarry GHAD.

**Estimated Budget      \$5,600**

[GHAD Attorney \(LEGAL\)](#)

This budget item allows the GHAD to seek review and comment from GHAD counsel for the District.

**Estimated Budget      \$15,000**

[GHAD Treasurer \(TREAS\)](#)

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

**Estimated Budget      \$25,000**

[GHAD Clerk \(CLERK\)](#)

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      \$3,000**

[Association Membership \(CGHAD\)](#)

The GHAD maintains membership in the California Association of GHADs.

**Estimated Budget      \$210**

[Directors and Officers Insurance \(INSUR\)](#)

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

**Estimated Budget      \$1,000**

[General Liability Insurance \(INSURGL\)](#)

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

**Estimated Budget      \$1,400**