

**THE BOARD OF DIRECTORS OF BLACKHAWK GEOLOGIC HAZARD
ABATEMENT DISTRICT**

Adopted this Resolution on _____, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

RESOLUTION NO. 2009/01 (BLACKHAWK GHAD)

SUBJECT: Adopting 2009/2010 annual budget and appointing Treasurer.

WHEREAS, pursuant to Public Resources Code section 26585, the Board of Directors must appoint a Treasurer to the GHAD.

WHEREAS, by Resolution 2008-01, the Board of Directors retained and reappointed the County Treasurer as the Interim GHAD Treasurer, and directed the GHAD Manager to report back to the Board of Directors with a recommendation for a permanent GHAD Treasurer.

WHEREAS, the GHAD Manager has made a recommendation to appoint Watermark Asset Management Inc. as the GHAD Treasurer based on their experience and credentials in providing such services. The Board of Directors has reviewed the qualifications and investment guidelines and policies of Watermark Asset Management Inc. (attached as Exhibit A to the staff report).

WHEREAS, the Board of Directors desires to appoint Watermark Asset Management Inc. as the permanent GHAD Treasurer.

WHEREAS, the Board of Directors further desires to adopt the annual fiscal budget for 2009/2010 attached hereto as Exhibit A.

The Board of Directors of the GHAD HEREBY RESOLVES THAT:

1. The County Treasurer is retained and reappointed as the Interim GHAD Treasurer until June 30, 2009.
2. As of July 1, 2009, Watermark Asset Management Inc. is hereby appointed as the GHAD Treasurer.
3. The GHAD Board further authorizes the GHAD Treasurer to collect, hold, invest, appropriate and expend GHAD funds as necessary for carrying out the GHAD operations in accordance with the budget approved by the GHAD Board. The GHAD Treasurer shall work

directly with the GHAD Manager in appropriating funds from the GHAD account to cover all GHAD costs and expenditures.

4. The GHAD Board approves the annual GHAD budget for the 2009-2010 fiscal year which is attached hereto as Exhibit A and incorporated herein by this reference.

5. The recitals are incorporated herein by this reference.

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

Exhibit A



BLACKHAWK
GEOLOGIC
HAZARD
ABATEMENT
DISTRICT

RICHARD D. SHORT
GENERAL MANAGER

KLEINFELDER

April 21, 2009

Blackhawk GHAD Board of Directors
c/o Supervisor Mary N. Piepho
309 Diablo Road
Danville, California 94526

**SUBJECT: Proposed Program Budget for Fiscal Year 2009-2010
Blackhawk Geologic Hazard Abatement District**

Dear Board Members:

Attached is the proposed program budget for the Blackhawk Geologic Hazard Abatement District for fiscal year 2009-2010. The proposed program budget is \$1,329,500. On a percentage basis the budget expenses breakdown as follows:

Major Repair	49 percent
Preventative Maintenance and Operations,	27 percent
Special Projects	9 percent
Administration	15 percent

A summary of the expenses is shown on Table 1, pages 6 and 7 followed by brief descriptions of each budget item on pages 8 through 14. The District anticipates a reserve balance of \$2,179,139 on June 30, 2010.

Very truly yours,

Blackhawk Geologic Hazard Abatement District

Richard D. Short
General Manager
Kleinfelder, Inc.



Distribution list:

Blackhawk Home Owners Association
4125 Blackhawk Plaza Circle, #230
Danville, California 94506
Attention: Mark Goldberg

Hidden Oaks at Blackhawk
c/o Community Care Property Management
P.O. Box 1270
Pleasanton, California 94566

Tennis Villas at Blackhawk
c/o CMJ Associates, Inc.
6333 Sierra Court
Dublin, California 94568

Saddleback at Blackhawk
c/o Jean Bates & Associates
3840 Blackhawk Road #120
Danville, California 94506

Silver Oak Townhomes at Blackhawk
Canyons at Blackhawk
c/o Bridgeport Company
1 Annabel Lane #217
San Ramon, California 94583
Attention: Bill Bavelas

Blackhawk Country Club
599 Blackhawk Club Drive
Danville, California 94506
Attention: Barrett Eiselman, General Manager

Supervisor Mary N. Piepho
309 Diablo Road
Danville, California 94526
Attention: Chief of Staff

Blackhawk Geologic Hazard Abatement Proposed Program Budget for Fiscal Year 2009/2010

The following proposed line item program budget summarizes the anticipated expenditures for fiscal year 2009/2010 for the Blackhawk Geologic Hazard Abatement District. Through an ongoing risk management assessment, the GHAD manager evaluates and addresses risk through the implementation of an annual program budget consisting of four major categories.

Major Repair Projects

Major Repair Projects include slope repairs and drainage improvement projects that are typically required as a result of slope damage resulting from previous winters; Capital Improvement projects necessary to control or mitigate landslide activity, and other large program responses necessary to implement the Plan of Control. Generally, major repairs have a minimum contract value in excess of \$10,000.

Accrued Reserve Funds would be used in the event the Major Repair Projects exceeded the annual budget in the case of extreme or emergency events.

Preventative Maintenance and Operations

Preventative Maintenance and Operations includes all routine repairs, cleanup, maintenance, monitoring and replacement of drainage structures and other assets that deteriorate over time. The goal of preventative maintenance is to keep the GHAD assets in operational condition and identify potential slope stability problems before they occur so that measures can be taken to either prevent, or mitigate the impact of geologic hazards as defined by the GHAD Plan of Control

Typical GHAD assets include concrete lined ditches, subdrainage systems, groundwater measuring instrumentation, and slope debris catchment features. Preventative maintenance also includes preparations for emergency response to rain caused slope damage including stock-piling erosion protection and slope stabilization supplies.

Special Projects

The GHAD pursues ongoing and new activities identified as “Special Projects”. Special Projects include activities requested by the Board such as the “Communications Program”; or projects designed to improve the District’s operational effectiveness and insure financial solvency, as well as projects testing and developing new more efficient slope repair technologies such as the “Slope Stabilization Research Program”.

Administration

Administrative expenses are required to operate the GHAD and implement the projects. Administrative expenses include the General Manager, the Administrative Manager, clerical and accounting staff, office expenses and legal support.

A summary of the proposal Fiscal Year 2009/2010 Budget is presented in Table 1.

Table 1 – Summary of Proposed Fiscal Year 2009/2010 Budget

Major Repairs		
Hole #8 Landslide Repair Project	165,000	
261 Live Oak Creek Restoration Project	50,000	
2265 Deer Oak Lane B-58 Drainage Replacement	50,000	
4125 Blackhawk Plaza Circle Investigation	20,000	
2353 Saddleback Structure Repair Project	80,000	
Silver Oak Townhomes – Investigation & Repair	190,000	
Winter Storm Repairs	80,000	
Landscape Replacement (associated with repairs)	10,000	
Total Major Projects (2319)	\$645,000	49%
Preventative Maintenance/Operations		
Preventative Maintenance		
Drainage		
Storm Drain Systems (Major Repairs)	10,000	
B-58 Concrete Lined Ditches		
Maintenance Cleanup	55,000	
Repair and replacement	50,000	
Retention Basins	5,000	
Subdrain Systems	15,000	
Horizontal Drains Maintenance	50,000	
Subdrain Pumps	4,000	
Piezometers	20,000	
Settlement Monitors	5,000	
Minor Repairs	70,000	
Winterizing	10,000	
Emergency Response	20,000	
Clean Debris Benches	5,000	
Subtotal	\$319,000	
Operations		
Piezometer Monitoring	4,500	
Horizontal Drain Monitoring	4,500	
Subdrain Monitoring	10,000	
Settlement Monitoring	1,000	
Incident Response/Homeowner Relations	20,000	
Subtotal	\$40,000	
Total Preventative Maintenance/Operations (2282)	\$359,000	27%

Special Project		
Plan of Control	1,000	
Reserve Study Update	5,000	
Slope Stabilization Research Program	60,000	
GIS/GPS Systems	40,000	
Accounting System Upgrade	5,000	
Communications Program	3,000	
Outreach/Legislative Review	1,000	
Total Special Projects (2479)	\$115,000	9%
Administration		
Legal Fees		
Special Counsel	20,000	
Staffing/Administrative Support		
Contract Administration	15,000	
Accounting/Bookkeeping	37,000	
Rent, Office Supplies, Postage/Reproduction, Copier, Telephone Expenses, Computers	18,500	
General Manager	120,000	
Total Administration (2310, 3611, 5011)	\$210,500	15%
TOTAL PROPOSED BUDGET	\$1,329,500	100%
Available Funds		
Estimated Beginning Fund Balance – July 1, 2009*	\$1,863,639	
Estimated Contributions from M-23	1,640,000	
Estimated Interest on Investments	5,000	
Other Income	0	
Total Available Funds	\$3,508,639	
Uses of Funds		
Major Projects	\$645,000	
Preventive Maintenance	359,000	
Special Projects	115,000	
Administrative and PW	210,500	
Total Use of Funds	\$1,329,500	
Estimated Reserve Available /Ending Fund balance June 30, 2010	\$2,179,139	

*Based on Contra Costa County General Ledger 12/11/08

DESCRIPTION OF BUDGET ITEMS

A brief description of each of the budget item categories is presented below.

Major Repairs

Hole #8 Landslide Repair Project

In October 2008 a creekbank failure occurred on the slope of Sycamore Creek adjacent to Hole #8 of the Falls Golf Course. Debris from the slide entered the creek, triggering participation of several regulatory agencies with jurisdiction within the waters of the US. The Army Corp of Engineers, Federal Fish and Wildlife, San Francisco Regional Water Quality Control Board and California Fish and Game were consulted and a bio-engineered solution to creek stabilization is currently being pursued. This proposed project will be completed with the assistance of the Country Club. Work on this project may begin prior to the FY09/10 however; we anticipate that this project will continue into FY09/10.

Estimated Cost \$165,000

261 Live Oak Creek Restoration Project (aka: Live Oak Creek Bank Stabilization and Landslide Repair)

A weir structure on Sycamore Creek located near 261 Live Oak Drive has been threatened for several years with undermining. Seasonal high creek flows resulting from storms caused continued undermining of the concrete weir structure. A creek bank failure has now occurred and threatens upslope landsliding. Previously, the local homeowners approached the HOA and Flood Control District with no action taken. With the enlargement of the affected area and the subsequent landsliding the GHAD has assumed the responsibility to repair the Creek Bank conditions.

In an effort to expedite the process of repairs on this project the General Manager has authorized an effort to undertake repair and restoration design and regulatory permitting procurement to be initiated in FY08/09 with construction operations to follow most likely during fiscal year 2009/2010.

Estimated Cost \$50,000

2265 Deer Oak Lane B-58 Drainage Replacement

2265 Deer Oak Lane is located in the Hidden Oaks Development of Blackhawk, one of the older developments and most prone to degraded drainage infrastructure. A segment of the existing Concrete Interceptor Ditch (B-58) on the slope above 2265-2273 Deer Oak Lane has degraded beyond serviceability and is in need of replacing. Approximately 220 linear feet of damaged concrete ditch will be removed and replaced.

Estimated Cost \$50,000

4125 Blackhawk Plaza Circle - Investigation

The commercial office building at 4125 Blackhawk Plaza Circle has recently experienced visible distress on the south facing side of the structure near a downsloping hill. The building owner has retained engineering and construction experts to monitor the building and make recommendations for repairs to stabilize the building. The GHAD has installed three inclinometers at the site to independently monitor and evaluate any movement in the underlying soils. We anticipate that this monitoring program will continue through FY09/10.

Estimated Cost \$20,000

2353 Saddleback – Structure Repair Project

In FY94/95 the GHAD repaired a mudflow on the open space slope across from 2353 Saddleback Drive. The repair scheme utilized the installation of two wood retaining wall structures to secure the slope. These wood retaining walls have reached their serviceable life and are in need of substantial repair. The GHAD has been contacted by the Saddleback HOA manager and requested to address the problem. The GHAD intends to remove the existing wood retaining walls; regrade the impacted area, and install the new Plate Pile method of slope stabilization. This new technology has been introduced, tested and successfully implemented within the District for considerable costs savings as compared with conventional earthwork repairs.

Estimated Cost \$80,000

Silver Oak Townhomes – Investigation and Repair

Over several years the GHAD has been involved in numerous risk reduction efforts including monitoring, evaluating and when appropriate repairing areas of the hillside below the Silver Oak Townhomes on Silver Oak Lane. Within the last several years significant distress has occurred in the southernmost residential fourplex building on Silver Oak Lane. The GHAD has responded by installing several slope inclinometers and has conducted an ongoing evaluation of lateral movement detected in the instrumentation. Although, a landslide has not occurred the General Manager believes that it is appropriate to stabilize this hillside to prevent a landslide. The GHAD continues to communicate with the property owners and coordinate planned GHAD slope stabilization work with the structural repairs of the building to be performed by the property owners.

Estimated Cost \$190,000

Winter Storm Repairs

As might be expected, in heavy rain years unexpected repairs are necessary to avert or control landslides that may threaten property within the District. It is important for the manager to retain the availability of funds within the Major Repair Program to address just such an event.

Estimated Cost \$80,000

Landscape Replacement

Although typically remedial landscaping is either included in the scope of work for major projects or eliminated completely from the repair scheme, often the associated License Agreements executed in preparation of the work will address a reimbursement or allowance to the property owner to allow remedial landscaping to be installed.

Estimated Cost \$10,000

Preventative Maintenance and Operations

Preventive Maintenance

Preventative maintenance generally consists of those measures taken to prevent an incident or landslide event, including asset maintenance, drainage structures, instrument sites and winterization measures. Operations includes ongoing monitoring programs and responding to homeowner concerns. Details of the proposed budget for each of these categories are listed below.

Storm Drain Systems – the storm drain maintenance budget includes a reserve for unanticipated repairs.

Estimated Cost \$10,000

B-58 Drain Systems

Maintenance - One major cleaning and mapping. The Operations Manager periodically walks the B-58 systems to get a first-hand account of their current conditions and project their serviceable life. This year the Operations Manager will accompany the contractor in performing this inspection.

Estimated Cost \$55,000

Repair and Replacement – There is approximately 830 lineal feet of damaged B-58 to be repaired. A priority will be established, based on degree of damage and risk to improved properties, and a percentage of these replacement projects will be budgeted in the upcoming years. 500 lineal feet of replacement B-58 has been budgeted for this fiscal year.

Estimated Cost \$50,000

Retention Basins – The retention basins that are not cleaned by the CCCFCD require cleaning approximately every 3-5 years. The basins on Blackhawk Drive were cleaned 2 years ago and are functioning properly, however, periodic minor maintenance and cleanup is required.

Estimated Cost \$5,000

Subdrain Systems – The District works with a consultant to identify, locate and make determinations about the effectiveness of the network of subdrains throughout the Development. The District anticipates that on-site restoration work may be necessary at some sites. This additional work as well as the introduction of the subdrain systems into the District GIS system has been incorporated into this budget item.

Estimated Cost \$15,000

Horizontal Drains – The District Manager has placed high priority on verifying the condition of and restoring as many existing horizontal drains throughout the development as possible. A definitive list of sites requiring repairs has been determined and work commenced on restoring the sites and installing identification markers. The work this year has been expanded to include a greater number of sites and inclusion of the sites into the GIS system.

Estimated Cost \$50,000

Subdrain Outlets/Pumps – The District maintains a subdrain pumping facility on Hole #1 of the Lakes Course. Periodic site checks for operation are required. In recent years the equipment, instrumentation and telemetry have been updated. This year plans are underway to finalize an early warning system to notify GHAD staff in the event of a failure, as well as the ability to accrue data for use in evaluation and financial planning.

Estimated Cost \$4,000

Piezometers – The District reads and maintains in excess of 80 piezometers measuring ground water elevations. A definitive list of sites requiring repairs has been determined and work commenced on restoring the sites and installing identification markers. The work this year has been expanded to include a greater number of sites and inclusion of the sites into the GIS system.

Estimated Cost \$20,000

Settlement Monitors – Over time, a number of settlement monitors have been placed throughout the development. These monitors were in large part, installed as part of a specific study and therefore are not continually monitored. Currently ongoing monitoring programs exist in several areas of the District.

Estimated Cost \$5,000

Minor Repairs – Annually a budget is established for minor projects. This year's budget includes work in the Saddleback and Buttonwood areas of the development, as well as a set-aside for unanticipated minor projects within the Preventive Maintenance Program.

Estimated Cost \$70,000

Winterization – The District sets aside an annual budget for an inventory of winterization materials and installation costs.

Estimated Cost \$10,000

Emergency Response –During the winter rainy season the GHAD responds to a range of drainage incidents on short notice in emergency situations where property damage is threatened. These incidents typically involve clogged storm drains at the base of slopes or flooded residential properties due to the overflow of runoff from clogged V-ditches. In severe cases these responses can be the initiation of slope stabilization measures in preparation for a major repair.

Estimated Cost \$20,000

Debris Benches –Debris benches are located on slopes throughout the development to collect eroded soil resulting from heavy concentrations of runoff. Periodically the District cleans these benches to re-establish their capacity to collect and contain mudflows. In order to check and maintain the debris retention capacity a budget has been established for field visits and observations.

Estimated Cost \$5,000

Operations

An inventory of on-site instrumentation including hundreds of piezometers, inclinometers, horizontal drains, subdrains and settlement monuments are monitored periodically throughout the year as a preventative measure.

Often repair sites require monitoring to confirm that the slope has been stabilized. Other sites have been utilized to indicate signs of unstable conditions developing and have been instrumental in determining slope conditions prior to the activation of a landslide.

Through the use of collected data such as water depth, magnitude of slope movement, depth of movement and ground surface movement, the District has been able to arrest slope movement in advance of an incipient failure. Archiving of this data is currently being integrated into the GHAD GIS system.

Through the year the District receives incident response or assistance calls from homeowners regarding slope stability or drainage issues. The General Manager and the Operations Manager make calls on the homeowners to address their concerns. Community relations, including incident responses through the annual Operations Program has been institutionalized as a role of GHAD management.

Estimated Cost 40,000

Special Projects

In the 2009-2010 fiscal year the District will continue several special projects, as well as introducing several new special projects. Brief descriptions of the special projects are presented below.

Plan of Control

In 2006 the Second Amended Plan of Control was formalized, accepted and put into place. In late 2008 the GHAD Board of Directors rescinded certain original GHAD Governing Resolutions in favor of Resolution 2008/01. It is anticipated that minor modifications or additions may be necessary to include in the existing Plan of Control.

Estimated Cost \$1,000

Reserve Study Update

The GHAD reserve fund study was completed in FY02/03. The reserve study calculates the annual contribution required by the GHAD to build and maintain sufficient funds for emergencies based on past weather patterns and slide repair costs. As a result of severe winters, draws have been made on the reserve fund. Consequently, the study will be updated to reflect the actual contributions and audited reserve balance.

Estimated Cost \$5,000

Slope Stabilization Research Program

The District's Research Program includes studying the typical adverse effects of slope creep, settlement, leaking pipes and other common problems the District routinely deals with. A third full scale landslide test will be performed on a 10 foot thick slide mass to test the new, less costly slope stabilization technique that has been developed. The new method has reduced the cost of repairing shallow slides by at least 60 percent. Typical foundations for wooden decks are being studied to show the benefit of deepened footings or piers to minimize creep distress, as well as ongoing testing of new slope erosion techniques, applications and products.

Estimated Cost \$60,000

GIS/GPS Systems

GHAD has contracted with Farallon Geographic Inc. to upgrade our GIS system to include all of the GHAD's data collection and monitoring operations. The system will create a fast desk-top read out of hundreds of ground-water measurements. This record facilitates the General Manager's ability to locate past repairs and assist in the risk evaluation of in any particular area within the District. The GIS is also used for researching a site's history for purposes of disclosure during real estate transactions. A public accessed website will also be launched to disseminate information to GHAD constituents and provide updates, warnings and contact information.

In FY09/10 final upgrades to the site will be completed allowing the GHAD to utilize the latest technology in digital imagery and data storage and access.

Estimated Cost \$40,000

Accounting System Upgrade

Periodic upgrades are necessary to enhance accounting system capabilities. The GHAD utilizes expense accounting software to assist in reporting and the day to day operation of the District.

Estimated Cost \$5,000

Communications Plan

GHAD has a communications plan designed to keep the homeowners up to date on GHAD operations and developments. The plan calls for attending meetings with the homeowner's association, the Country Club, and County personnel to explain GHAD activities. The GHAD has implemented a web page for public information, and the General Manager writes periodic articles for the HOA newsletter.

Estimated Cost \$3,000

Outreach/Legislative Review

Through the proliferation of new GHADs within California comes new legislation, and adopted procedures. The Blackhawk GHAD Manager in association with others share information and knowledge through a consortium of GHAD managers known as the Association of GHADs.

Estimated Cost \$1,000

Administration

The administration of the GHAD includes all costs associated with legal support, office expenses, and staffing. Brief descriptions are presented below.

Legal

The GHAD incurs legal expenses from outsourced Special Counsel. Special Counsel typically handles certain contract issues and litigation issues for the GHAD, as required.

Estimated Cost \$20,000

Staffing

The GHAD staff includes the General Manager and one administrative support staff. The GHAD staff is assisted by Sands Construction, for support services pertaining to operations. Sands Construction costs are included in the relevant budget items listed above. The General Manager handles all GHAD issues and communications regarding its activities. The administrative staff is responsible for accounting/bookkeeping, contract administration clerical and construction management support.

Estimated Cost \$190,500