

**WIEDEMANN RANCH GEOLOGIC HAZARD ABATEMENT DISTRICT
PROGRAM BUDGET FOR FISCAL YEAR 2024/25**

June 12, 2024

Wiedemann Ranch GHAD Board of Directors
Chair Candace Andersen
Vice Chair Federal D. Glover
Boardmember John M. Gioia
Boardmember Diane Burgis
Boardmember Ken Carlson

Wiedemann Ranch Geologic Hazard Abatement District
1025 Escobar Street
Martinez, CA 94553-1229

Subject: Wiedemann Ranch Geologic Hazard Abatement District
Danville, San Ramon, and Contra Costa County, California

PROGRAM BUDGET FOR FISCAL YEAR 2024/25

Dear Chair Andersen and Boardmembers:

Attached is the program budget for the Wiedemann Ranch Geologic Hazard Abatement District (GHAD) for the Fiscal Year 2024/25. The program budget as proposed is \$1,802,710. The budget expenses break down into the following approximate percentages of the total expenses.

- Administration and Accounting 3 percent
- Outside Professional Services..... 3 percent
- Preventive Maintenance and Operations..... 15 percent
- Special Projects 1 percent
- Major Repairs..... 78 percent

The budget anticipates FY 2024/25 revenue of \$627,410 with an estimated reduction of \$1,175,300 to the reserve fund. A summary of the expenses is shown in Table 3 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,

Wiedemann Ranch Geologic Hazard Abatement District
ENGEO Incorporated, GHAD Manager
ENGEO Project No. 3586.002.023



Haley Ralston



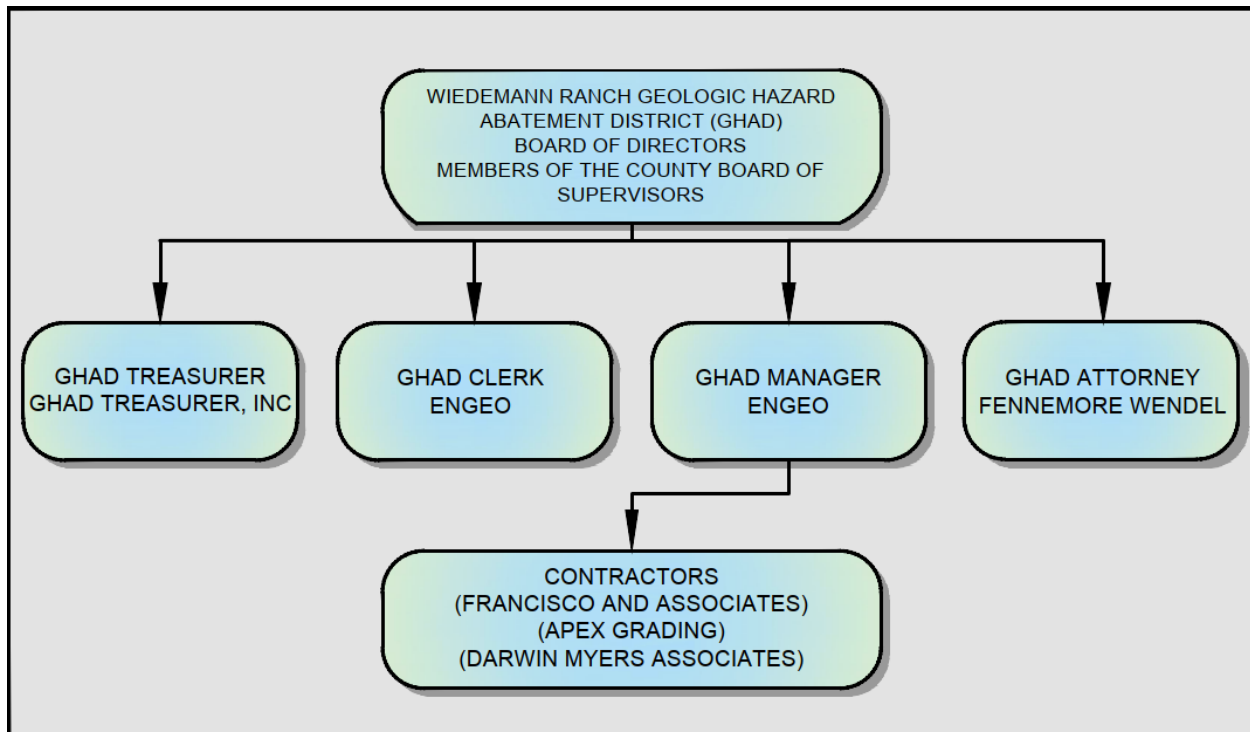
Eric Harrell

hjr/gh/eh/ca

**Wiedemann Ranch Geologic Hazard Abatement District
Program Budget
Fiscal Year 2024/25**

The following budget summarizes the anticipated expenditures for Fiscal Year (FY) 2024/25 for the Wiedemann Ranch Geologic Hazard Abatement District, which currently includes the Henry Ranch, Norris Canyon Estates, Elworthy Ranch, Red Hawk (Podva), and Magee Preserve developments. For FY 2024/25 we have budgeted for GHAD responsibilities within these developments with the exception of the Magee Preserve development. The Magee Preserve development was annexed into the Wiedemann Ranch GHAD on July 13, 2021, with the adoption of Resolution No. 2021/03, and approved an assessment on October 3, 2023, with the adoption of Resolution 2023/07. The Magee Preserve development will be eligible to transfer GHAD-related responsibilities no earlier than 2026; therefore, the Magee Preserve development currently receives no services from the GHAD.

The structure of the Wiedemann Ranch GHAD is shown below.



The fiscal year for the Wiedemann Ranch GHAD begins on July 1. The budget is divided into four categories including Administration and Accounting, Preventive Maintenance and Operations, Special Projects, and Major Repair. As needed, the GHAD Manager may reallocate funds without additional Board approval.

The annual assessment limits are as follows.

TABLE 1: Actual CPI Adjustments and Assessment Limit for Single-Family Residential Properties

FISCAL YEAR	INDEX DATE	SAN FRANCISCO-OAKLAND-HAYWARD CPI (JUNE /JUNE)	ANNUAL ASSESSMENT LIMIT				
			NORRIS CANYON ESTATES	HENRY RANCH	ELWORTHY RANCH	REDHAWK	MAGEE PRESERVE
1999/00		-	\$550.00				
2000/01	6/30/2000	4.22%	\$573.22	\$555.00			
2001/02	6/30/2001	6.61%	\$611.11	\$591.69			
2002/03	6/30/2002	1.18%	\$618.29	\$598.65			
2003/04	6/30/2003	1.60%	\$628.18	\$608.22			
2004/05	6/30/2004	1.41%	\$637.03	\$616.79			
2005/06	6/30/2005	1.06%	\$643.80	\$623.34			
2006/07	6/30/2006	3.93%	\$669.10	\$647.84			
2007/08	6/30/2007	3.38%	\$691.71	\$669.73			
2008/09	6/30/2008	4.19%	\$720.70	\$687.80			
2009/10	6/30/2009	0.23%	\$722.34	\$699.38			
2010/11	6/30/2010	1.07%	\$730.08	\$706.88			
2011/12	6/30/2011	2.43%	\$747.80	\$724.03			
2012/13	6/30/2012	2.64%	\$767.51	\$743.12			
2013/14	6/30/2013	2.56%	\$787.13	\$762.12			
2014/15	6/30/2014	3.00%	\$810.75	\$784.99	\$1,360.00		
2015/16	6/30/2015	2.29%	\$829.32	\$802.96	\$1,391.14		
2016/17	6/30/2016	2.67%	\$851.48	\$824.42	\$1,428.31	\$2,395.00	
2017/18	6/30/2017	3.48%	\$881.12	\$853.12	\$1,478.04	\$2,478.39	
2018/19	6/30/2018	3.91%	\$915.56	\$866.46	\$1,535.80	\$2,575.24	
2019/20	6/30/2019	3.22%	\$944.99	\$914.96	\$1,585.18	\$2,658.03	
2020/21	6/30/2020	1.62%	\$960.27	\$929.75	\$1,610.80	\$2,701.00	
2021/22	6/30/2021	3.15%	\$990.56	\$959.08	\$1,661.62	\$2,786.21	
2022/23	6/30/2022	6.80%	\$1,057.91	\$1,024.29	\$1,774.59	\$2,975.64	
2023/24	6/30/2023	2.88%	\$1,088.37	\$1,053.78	\$1,825.68	\$3,061.31	\$2,690.00
2024/25	6/30/2024	3% ¹	\$1,121.04 ¹	\$1,085.41 ¹	\$1,880.49 ¹	\$3,153.21 ¹	\$2,770.70 ¹

¹Estimate based on Consumers Price Index through April 2024.

The GHAD is funded through real property assessments. The assessment limits are adjusted annually on June 30 to reflect the percentage change in the San Francisco-Oakland-Hayward Consumers Price Index (CPI) for All Urban Consumers for the previous 12 months. The final assessment roll prepared for the 2023/24 fiscal year and submitted to the Contra Costa County Assessor's Office identifies 576 parcels subject to the levy of the GHAD assessment. Thirteen apartment units are located within the Elworthy Ranch development on a single assessor's parcel. The total levy amount for the 2023/24 FY was \$349,016.42. The actual FY 2024/25 assessment limit will be calculated to reflect the percentage change in the San Francisco-Oakland-Hayward CPI for All Urban Consumers for June 2023 through June 2024.

As shown on Graph 1 following, the GHAD has exceeded the target reserve rate of accumulation forecast in the approved Engineer's Reports for the Norris Canyon Estates, Henry Ranch, Elworthy Ranch, and Red Hawk Developments. The excess revenue is primarily due to the delays in transferring Plan of Control responsibilities from Toll Brothers, Inc. to the GHAD within the Norris Canyon Estates Development and lower than anticipated expenses within each development within the GHAD.

We have in this budget, and may in future budgets, recommend an annual levy amount less than the assessment limit if the following conditions are met.

- Unencumbered reserve funds collected from within a development exceed the target reserve amount estimated in the approved Engineer's Report or unencumbered reserve funds collected from a development exceed the target reserve.
- Reserve funds collected from within a development exceed the dollar amount estimated for a large-scale repair.
- Plan of Control responsibilities have been transferred from the developer to the GHAD.

As the above conditions have been met for the Norris Canyon Estates, Henry Ranch, Elworthy Ranch, and Red Hawk developments within the GHAD, we are recommending, and the budget prepared provides, that the residential parcel levy for FY 2024/25 be set at 54 percent of the assessment limit for each development to cover annual maintenance and operation costs. The estimated FY 2024/25 assessment limits for each development are shown in Table 1. The assessment levy for the residential parcels within the Magee Preserve development will remain at the CPI adjusted assessment limit as the above conditions have not yet been met for the Magee Preserve development. The actual FY 2024/25 assessment levy will be calculated to reflect the percentage change in the San Francisco-Oakland-Hayward CPI for All Urban Consumers for June 2023 through June 2024.

Table 2 shows the estimated revenue with an assessment levy covering annual maintenance and operations for FY 2024/2025 within the Norris Canyon Estates, Henry Ranch, Elworthy Ranch, Red Hawk, and Magee Preserve developments.

The GHAD Treasurer maintains an estimate that the long-term inflation rate will average approximately 2 to 2.5 percent, but may be above this level in FY 2024/25. We have assumed an inflation rate of 3 percent for estimating total revenues in Table 2 based on CPI published through April 2024.

TABLE 2: Estimated Revenue for FY 2024/25

	FY 2024/25 ESTIMATE
Assessment Revenue	\$448,671
Investment Income	\$178,750
Total Revenues	\$627,421

In general, the budget amounts listed are based on the Engineer's Reports approved by the Wiedemann Ranch GHAD Board of Directors in 2001 for the Norris Canyon Estates and Henry Ranch developments, in 2014 for the Elworthy Ranch development, and in 2016 for the Red Hawk (Podva) development. The budget amounts have been inflation adjusted to provide the estimates.

ADMINISTRATION AND ACCOUNTING

Administrative expenses include the General Manager duties related to the operation and administration of the GHAD. These include clerical and accounting functions performed by the GHAD Clerk and Treasurer.

PREVENTIVE MAINTENANCE AND OPERATIONS

Preventive maintenance and operations include professional services, slope stabilization services, and erosion protection 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 global positioning system (GPS)/geographic information system (GIS) development for GHAD maintained improvements, website development and maintenance, and reserve studies to reevaluate the financial condition of the GHAD.

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 \$250,000.

TABLE 3: Summary of Use of Funds

	FY 2023/24 ESTIMATE*	FY 2023/24 BUDGET	FY 2024/25 PROPOSED	PERCENT CHANGE FROM FY 2023/24
Administration and Accounting				
Administration and Accounting (GHAD Manager)	\$48,000	\$48,000	\$49,440	
Annual Reporting/Budget Preparation (GHAD Manager)	\$6,300	\$6,300	\$6,500	
Subtotal	\$54,300	\$54,300	\$55,940	3.0%
Assessment Roll and Levy Update	\$2,750	\$2,625	\$2,750	
Contra Costa County Assessor’s Fees	\$750	\$750	\$760	
California Association of GHADs Membership	\$247	\$250	\$250	
GHAD Treasurer	\$35,000	\$35,000	\$35,000	
GHAD Legal Counsel	\$10,000	\$15,000	\$15,000	
Insurance – General Liability	\$8,000	\$8,000	\$8,000	
Transfer Services	\$0	\$0	\$0	
Subtotal	\$56,747	\$61,625	\$61,760	0.2%

	FY 2023/24 ESTIMATE*	FY 2023/24 BUDGET	FY 2024/25 PROPOSED	PERCENT CHANGE FROM FY 2023/24
Preventive Maintenance and Operations - Maintenance Contractor				
Sediment Removal from Drainage Ditches	\$15,610	\$10,610	\$10,610	
Detention Basin Maintenance		\$11,350	\$16,350	
Vegetation Management		\$11,000	\$11,000	
Access Roadway Maintenance		\$5,000	\$3,500	
Open Space Maintenance		\$10,400	\$10,400	
Subdrain Maintenance		\$14,000	\$14,000	
Slope Stabilization	\$64,000	\$38,200	\$55,000	
Erosion Control	\$45,200	\$55,640	\$65,000	
Biological Services			\$7,000	
Subtotal	\$124,810	\$156,200	\$192,860	23.5%
Preventive Maintenance and Operations – Professional Services (GHAD Manager)				
Scheduled Monitoring Events	\$35,000	\$35,000	\$36,000	
Heavy Rainfall Monitoring Event	\$1,039	\$8,000	\$8,000	
Sediment Removal from Drainage Ditches	\$1,660	\$3,800	\$2,000	
Detention Basin Maintenance			\$2,000	
Vegetation Management			\$2,000	
Access Roadway Maintenance			\$500	
Open Space Maintenance			\$2,000	
Subdrain Maintenance			\$2,800	
Slope Stabilization	\$8,000	\$11,000	\$11,000	
Erosion Control	\$13,000	\$13,000	\$13,000	
Subtotal	\$58,699	\$70,800	\$80,550	13.8%
Special Projects				
GIS	\$4,955	\$5,000	\$5,000	
Web Site Maintenance	\$1,000	\$1,000	\$1,000	
Reserve Study	\$0	\$4,000	\$10,000	
Subtotal	\$5,955	\$10,000	\$16,000	60.0%
Major Repairs				
Contracted Services	\$770,000	\$803,200	\$1,163,000	
Professional Services	\$190,000	\$200,800	\$232,600	
Subtotal	\$960,000	\$1,004,000	\$1,395,600	39.0%
Total	\$1,260,511	\$1,356,925	\$1,802,710	32.9%

A summary of the proposed Fiscal Year 2024/25 Budget is shown in Table 4.

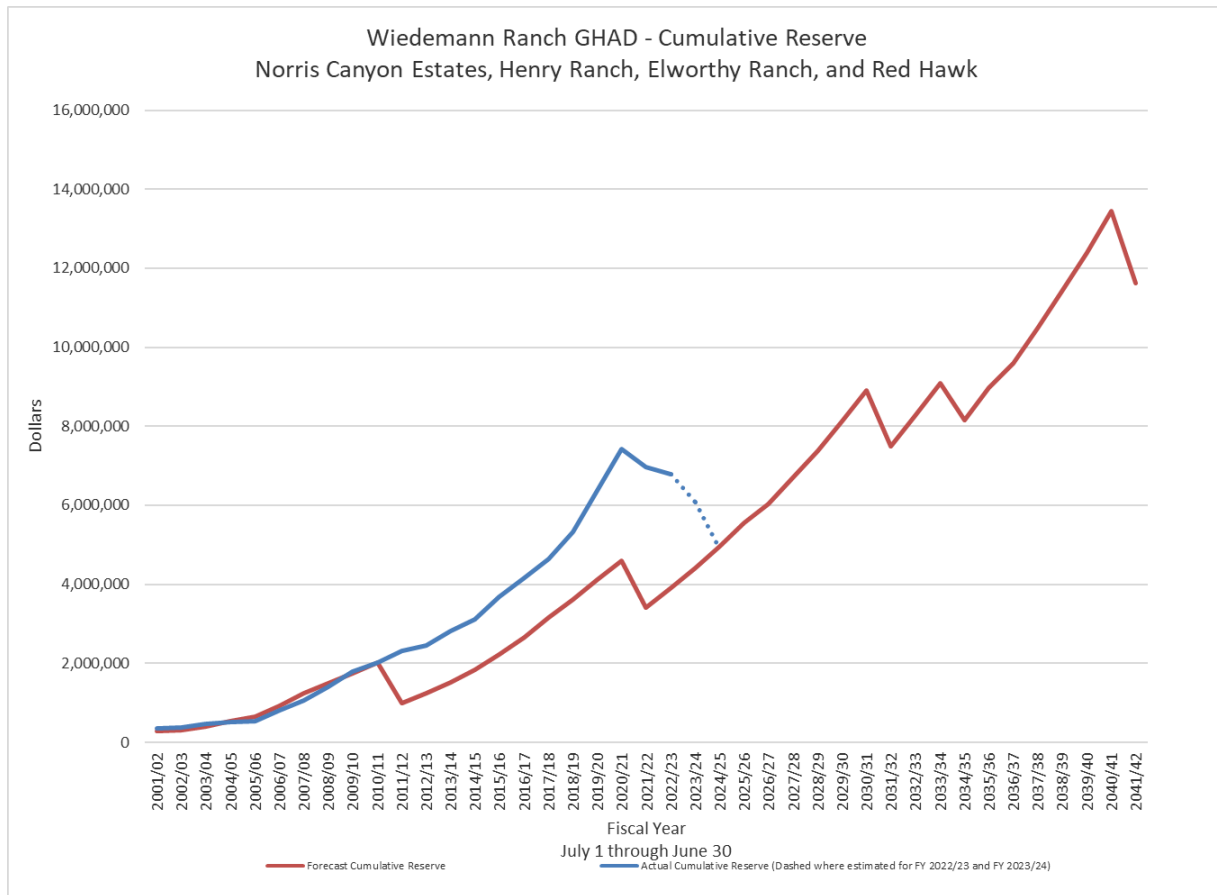
TABLE 4: Summary of Proposed Fiscal Year 2024/25 Budget

BUDGET ITEM	BUDGET AMOUNT	PERCENT OF TOTAL BUDGET (FY 2024/25)
Administration		
Administration and Accounting- GHAD Manager	\$49,440	
Annual Reporting/Budget Preparation- GHAD Manager	\$6,500	
Subtotal	\$55,940	3.1%
Assessment Roll and Levy Update Preparation	\$2,750	
Alameda County Assessor's Fees	\$760	
California Association of GHADs Membership	\$250	
GHAD Clerk	\$0	
GHAD Treasurer	\$35,000	
GHAD Legal Counsel	\$15,000	
Insurance – General Liability	\$8,000	
Transfer Services	\$2,750	
Subtotal	\$61,760	3.4%
TOTAL	\$117,700	6.5%
Preventive Maintenance and Operations		
<i>Maintenance and Operations - Maintenance Contractor</i>		
Sediment Removal from Drainage Ditches	\$10,610	
Detention Basin Maintenance	\$16,350	
Vegetation Management	\$11,000	
Access Roadway Maintenance	\$3,500	
Open Space Maintenance	\$10,400	
Subdrain Maintenance	\$14,000	
Slope Stabilization	\$55,000	
Erosion Control	\$65,000	
Biological Services	\$7,000	
Subtotal	\$192,860	
<i>Monitoring Services – GHAD Manager</i>		
Open Space Scheduled Monitoring Events	\$36,000	
Heavy Rainfall Monitoring Event	\$8,000	
Subtotal	\$44,000	
<i>Maintenance and Operations Oversight – GHAD Manager</i>		
Sediment Removal from Drainage Ditches	\$2,000	
Detention Basin Maintenance	\$3,250	
Vegetation Management	\$2,000	
Access Roadway Maintenance	\$500	
Open Space Maintenance	\$2,000	
Subdrain Maintenance	\$2,800	
Slope Stabilization	\$11,000	
Erosion Control	\$13,000	
Subtotal	\$36,550	
TOTAL	\$273,410	15.2%

BUDGET ITEM	BUDGET AMOUNT	PERCENT OF TOTAL BUDGET (FY 2024/25)
Special Projects		
GIS	\$5,000	
Web Site Maintenance	\$1,000	
Reserve Study	\$10,000	
TOTAL	\$16,000	0.9%
Major Repairs		
Contracted Services	\$1,163,000	
Professional Services	\$232,600	
TOTAL	\$1,395,600	77.4%
ESTIMATED EXPENDITURES	TOTAL	\$1,802,710
ESTIMATED RECEIVABLES		
Beginning Balance		
Balance (July 1, 2023)	\$6,795,833	
Estimated FY 2023/24 Revenue		
Assessment Revenue	\$349,016	
Investment Income	\$182,150	
Estimated 2023/24 Expenses		
Estimated Expenses	\$1,260,511	
ESTIMATED RESERVE ON JUNE 30, 2024	\$6,066,489	
Estimated 2024/25 Revenue		
Estimated FY 2024/25 Assessment Revenue	\$448,671	
Estimated FY 2024/25 Investment Income	\$178,750	
Estimated 2024/25 Expenses		
Expenses through June 30, 2025	\$1,802,710	
ESTIMATED RESERVE ON JUNE 30, 2025	\$4,891,199	

As shown on the graph below, the forecast cumulative reserve is above the amount estimated in the 2001, 2014, and 2016 Engineers' Reports and is estimated to reach approximately \$10,900,000 by 2041, 40 years since the Henry Ranch development was annexed into the Wiedemann Ranch GHAD. The GHAD reserve is intended to fund unanticipated expenses that may occur.

GRAPH 1: Cumulative Reserve



We attribute the additional reserve accumulation to a number of factors including: (1) ten of the past sixteen winters had below-average rainfall; therefore, there has been a reduced level of slope instability and erosion; (2) a large-scale repair (estimated at \$1,000,000 in 2001 dollars every 10 years) has not been necessary within the GHAD-maintained areas; and (3) the budgets submitted and expenditures by the GHAD manager reflect the lower level of activity due to weather conditions and limited geographic responsibilities, thus allowing a higher percentage of the GHAD revenues to be applied to the reserve portion of the budget, while maintaining an appropriate monitoring and maintenance program.

Special Condition 1(e) of the approved Consulting Services Agreement provides that a payment limit shall be determined each fiscal year by a resolution of the GHAD Board. For fiscal year 2024/25 (July 1, 2024, through June 30, 2025), the payment limit is set at \$385,090. The tasks included within the payment limit are listed in Table 5.

TABLE 5: Payment Limit

TASK	AMOUNT
Administration and Accounting	\$49,440
Annual Report and Budget Preparation	\$6,500
Monitoring Services	\$44,000
Maintenance and Operations Oversight	\$36,550 ¹
Special Projects (GPS, Website, and Reserve Study)	\$16,000
Major Repairs	\$232,600 ¹
TOTAL	\$385,090

¹Dependent on maintenance and/or repair activities by the GHAD during FY 2024/25. ENGEEO payment limit is estimated at up to 20% of the total budget item.

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.

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.

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.

County Assessor’s Fees

This budget item anticipates fees from the Contra Costa County Assessor’s Office when placing the assessment levy on the property tax bills.

Association Membership

The GHAD maintains membership in the California Association of GHADs.

Treasurer

This budget item accounts for fees related to investment of the GHAD reserve funds and processing of accounts payable. This budget item allows the GHAD to hire a treasurer for the District as provided under Resolution 2008/01 adopted on November 18, 2008. As budgeted, half of the estimated cost is for the Treasurer services and half for the investment advisor services.

Legal Counsel

This budget item allows the GHAD to secure legal counsel for the District as provided under Resolution 2008/01 adopted on November 18, 2008. 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.

Insurance

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

Transfer Services

We do not anticipate any transfer activities to occur during FY 2024/25.

PREVENTIVE MAINTENANCE AND OPERATIONS

Maintenance and Operations

The budget items listed in the tables above are to provide for the maintenance of concrete-lined drainage ditches, detention basins, vegetation management, maintenance roads, debris catchment structures, litter removal, and subdrain outlets within the GHAD-accepted portions of the Wiedemann Ranch GHAD, as described in the Plans of Control for each development.

Slope Stabilization

This budget item is for minor repairs, including slope instability or erosion, which may occur during the 2024/25 fiscal year. Purchase of emergency stabilization supplies is included within this budget item.

Erosion Control

Anticipated tasks under this budget item include the repair of slope or creek erosion and removal of debris from creek channel culverts.

PROFESSIONAL SERVICES - GHAD MANAGER

Scheduled Monitoring Events

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

Heavy Rainfall Events

We have budgeted for two heavy rainfall-monitoring events during the 2024/25 winter season.

Maintenance and Operations Oversight

This budget item is to allow for scheduling and coordination of general maintenance and repair operations by the GHAD Manager.

SPECIAL PROJECTS

Global Positioning System (GPS)/Geographic Information System (GIS) Development

To provide for a more efficient system to capture, store, update, analyze, and display information pertaining to GHAD features (including, but not limited to, subdrains, landslides, drainage facilities, walls, or slopes), the GHAD has provided a budget item to continue development and use of a GIS database. The database facilitates the tracking of location, maintenance, and repair activities and automates the communication of this information to affected parties. We anticipate GIS database development for FY 2024/25 would include continued transition of available and pertinent information to an electronic format suitable for GIS deployment, and as necessary, field-verification with GPS surveys.

Website Maintenance and Updates

To allow for greater access to information about the Wiedemann Ranch GHAD, the GHAD has provided a budget item to update and maintain the existing website.

Reserve Study

During fiscal year 2024/25, a reserve study will be completed based on the levels of expenditure expected to address future maintenance responsibilities, and accumulation of the appropriate long-term reserves to address larger geologic events. Absent of extraordinary expenditures during FY 2024/25, the GHAD will likely maintain its account balance in excess of the targeted rate of reserve accumulation set in the approved Engineer's Reports. The reserve study would be prepared to help the GHAD evaluate its income requirements prior to setting the recommended assessment levy for FY 2025/26.

MAJOR REPAIRS

In FY 2024/25, the GHAD plans to provide for construction activities for the reconstruction of a mechanically stabilized earth (MSE) retaining wall adjacent to Ashbourne Drive, as well as replacement and repair of improvements associated with the wall reconstruction within the Norris Canyon Estates Development. We have provided an estimate for construction activities. In addition, this budget item allows for ENGEO to provide testing and observation services during repair activities and final reporting.