

**THE BOARD OF DIRECTORS OF WIEDEMANN RANCH GEOLOGIC
HAZARD ABATEMENT DISTRICT**

Adopted this Resolution on _____, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

RESOLUTION NO. 2009/01 (WEIDEMANN RANCH 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

**WIEDEMANN RANCH GEOLOGIC HAZARD ABATEMENT DISTRICT
PROPOSED PROGRAM BUDGET FOR FISCAL YEAR 2009/2010**

April 1, 2009

Wiedemann Ranch Geologic Hazard Abatement District
Wiedemann Ranch GHAD Board of Directors
651 Pine St.
Room 107
Martinez, CA 94553

Subject: Wiedemann Ranch Geologic Hazard Abatement District
Contra Costa County

PROPOSED PROGRAM BUDGET FOR FISCAL YEAR 2009/2010

Dear Ladies and Gentlemen:

Attached is the proposed program budget for the Wiedemann Ranch Geologic Hazard Abatement District (GHAD) for the Fiscal Year 2009/2010. The proposed program budget is \$166,363. The budget expenses break down into the following approximate percentages of the total receivables.

Major Repair	0 percent
Preventive Maintenance and Operations	29 percent
Special Projects	5 percent
Administration and Accounting	6 percent
Additional - Outside Professional Services	4 percent

The budget anticipates a contribution of approximately \$213,654 (56% of total receivables) to the reserve fund which is estimated to reach approximately \$1,463,654 on June 30, 2010. 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.

Very truly yours,

Wiedemann Ranch Geologic Hazard Abatement District
ENGEO Incorporated, General Manager
ENGEO Project No. 3586.120.001


Eric Harrel

eh/ue/mb: budget


Uri Eliahu

**Wiedemann Ranch Geologic Hazard Abatement District
Proposed Program Budget
Fiscal Year 2009/2010**

The following proposed budget summarizes the anticipated expenditures for fiscal year 2009/2010, for the Wiedemann Ranch Geologic Hazard Abatement District, which currently includes Norris Canyon Estates and the Henry Ranch development. The fiscal year for the Wiedemann Ranch GHAD begins on July 1. The budget is divided into four categories including: Major Repair; Preventative Maintenance and Operations; Special Projects; and Administration and Accounting. As needed, the GHAD Manager may reallocate funds within each of the four major categories without Board approval.

In general, the budget amounts listed are based on the Engineer's Report approved by the Wiedemann Ranch GHAD Board of Directors in 2001. The budget amounts have been inflation adjusted to provide the listed budget estimates. The current Program Budget estimates that at the beginning of the 2009/2010 fiscal year the cumulative reserve will be about \$1,250,000 and about \$1,460,000 at the end of the 2009/2010 fiscal year. At \$1,460,000, the cumulative reserve will be about \$427,000 above the 2001 budget estimate for the end of the 2009/2010 fiscal year. We attribute the additional reserve accumulation to a number of factors including: 1) The Wiedemann GHAD has not acquired monitoring and maintenance responsibilities for three of the four subdivisions within the Norris Canyon Estates development, 2) The past three winters have had below average rainfall; therefore, there has been a reduced level of slope instability and erosion and, 3) The budgets submitted by the current 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.

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 \$25,000.

Preventive Maintenance and Operations

Preventive maintenance and operations includes 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

Included within the Special Projects category is a budget item to begin development of a GIS database for activities and improvements within the District.

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 Fiscal Year 2009/2010 Budget is shown in Table I.

TABLE I
SUMMARY OF PROPOSED FISCAL YEAR 2009/2010 BUDGET

Budget Item	Label	Budget Amount	Percentage of Total Receivables
Major Repairs			
Major Projects		\$ 0	0%
Preventive Maintenance and Operations			
<u>Professional Services</u>			
Scheduled Monitoring Events		\$17,775	
Heavy Rainfall Monitoring Events		\$5,925	
Transfer of Subdivisions 7575, 7996 and 7998		\$15,000	
Transfer of Subdivision 7575, 7996 and 7998 – Outside Services		\$10,000	
	Subtotal	\$48,700	
<u>Maintenance and Operations</u>			
Concrete-Lined Drainage Ditches		\$ 6,280	
Erosion Control including Creek Channels		\$ 35,000	
Slope Stabilization		\$ 20,000	
	Subtotal	\$ 61,280	
Preventive Maintenance and Operations	Total	\$ 109,980	29 %
Special Projects			
Global Positioning System/Geographic Information System		\$20,000	
Special Projects	Total	\$20,000	5 %
Administration and Accounting			
General Manager			
Administration and Accounting		\$18,230	
Annual Report and Budget Preparation		\$3,646	

Budget Item	Label	Budget Amount	Percentage of Total Receivables
	Subtotal	\$21,876	
Outside Professional Services - Nontechnical			
Assessment Roll and Levy Update Preparation		\$ 3,000	
Legal Counsel		\$ 6,000	
Wiedemann Ranch GHAD Treasurer		\$ 4,500	
Contra Costa County Assessor's Fees		\$ 653	
California Association of GHADs Membership		\$ 337	
	Subtotal	\$ 14,490	
Administration and Accounting	Total	\$ 36,366	10 %
Proposed Expenditures	Total	\$ 166,346	44 %
Estimated Receivables			
Estimated Balance (June 30, 2009)		\$1,250,000	
2009/2010 Assessment Amount (Estimated)		\$ 350,000	
Estimated Interest on Investments		\$ 30,000	
Estimated Total Available Funds		\$1,630,000	
Estimated Expenditures			
Major Projects		\$ 0	
Preventive Maintenance and Operations		\$ 109,980	
Special Projects		\$ 20,000	
Administration, Accounting and Legal		\$ 36,366	
Estimated Expenditures	Total	\$ 166,346	
Estimated Reserve/Fund Balance on June 30, 2010		\$1,463,654	

MAJOR REPAIRS

There are currently no ongoing major repair projects that we can project into the 2009/2010 fiscal year budget within the GHAD-maintained areas of the Wiedemann Ranch GHAD. While no major repairs are ongoing at this time, by their very nature, major repairs such as landslides are unpredictable events and could occur during the 2009/2010 fiscal year. The reserve portion of the budget allows for the funding of these unpredictable events.

PREVENTIVE MAINTENANCE AND OPERATIONS

Professional Services

Scheduled Monitoring Events

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

Estimated budget \$17,775

Heavy Rainfall Events

We have budgeted for two heavy rainfall monitoring events during the 2009/2010 winter season.

Estimated budget \$5,925

Transfer of Subdivisions 7575, 7996 or 7998 to the GHAD

In 2004, Toll Brothers Inc. offered for transfer the maintenance, monitoring and repair responsibilities for Subdivision 7575 within the Norris Canyon Estates development to the Wiedemann Ranch GHAD. As provided in the Plan of Control, part of the ongoing transfer process is an inspection of the GHAD-maintained improvements. After a preliminary site walkover by the GHAD, Toll Brothers suspended the transfer process. We have provided a budget estimate in the event that Toll Brothers Inc. restarts the transfer process within the 2009/2010 fiscal year or if additional subdivisions are offered for transfer to the GHAD.

Estimated budget \$15,000

Transfer of Subdivisions 7575, 7996 or 7998 to the GHAD (Outside Professional Services)

As part of the ongoing transfer process, the GHAD has contracted with Darwin Myers of Darwin Myers Associates to provide for third party review of the GHAD-maintained improvements prior to transfer. We have provided a budget estimate in the event that Toll Brothers Inc. restarts the transfer process within the 2009/2010 fiscal year or if additional subdivisions are offered for transfer to the GHAD.

Estimated budget \$10,000

Maintenance and Operations

Concrete-Lined Drainage Ditches

This budget item is to provide for the removal of vegetation and cleaning of concrete-lined drainage ditches within the Henry Ranch and Norris Canyon Estates developments (Subdivision 7578). Currently, this includes approximately 11,500 lineal feet of ditch cleaning. This item has been contracted through the 2010/2011 fiscal year.

Estimated budget \$6,280

Erosion Control

Anticipated tasks under this budget item include the repair of slope or creek erosion and removal of debris from creek channel culverts. Cleaning and vegetation management of the Henry Ranch Detention Basin will be a task within this budget item.

Estimated budget \$35,000

Slope Stabilization

This is for minor repairs, including slope instability or erosion which may occur during the 2009/2010 fiscal year.

Estimated budget \$20,000

SPECIAL PROJECTS

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

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

Estimated budget \$20,000

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 \$18,230

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 \$3,646

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 \$3,000

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.

Estimated budget \$6,000

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.

Estimated cost \$4,500

Contra County Assessor's Fees

This budget item accounts for fees from the Contra County Assessor's Office.

Estimated cost \$653

Association Membership

The GHAD maintains membership in the California Association of GHADs.

Estimated cost \$337