



**CALIFORNIA TRADEWINDS**  
GEOLOGIC HAZARD ABATEMENT DISTRICT

**Program Budget**  
FISCAL YEAR 2015-2016

APRIL 2015



# CALIFORNIA TRADEWINDS

GEOLOGIC HAZARD ABATEMENT DISTRICT

May 20, 2015

CA Tradewinds GHAD Board of Directors  
c/o Supervisor Federal D. Glover  
315 East Leland Road  
Pittsburg, CA 94565

**SUBJECT: Program Budget for Fiscal Year 2015-2016  
CA Tradewinds Geologic Hazard Abatement District**

Dear Board Members:

Attached please find the proposed program budget for the California Tradewinds Geologic Hazard Abatement District (CA Tradewinds GHAD or GHAD) for fiscal year 2015/2016. The proposed fiscal year budget totals \$18,350, which falls within projected revenues and anticipates a \$1,925 contribution to the reserve fund. At the time of this publication, it is expected that the fund balance on June 30, 2015 will be approximately \$8,380. A fund balance of \$10,305 is projected for June 30, 2016.

There are four major budget categories, their respective budget expenses break down as follows:

Major Projects	0 percent
Preventative Maintenance and Operations	57 percent
Special Projects	18 percent
Administration, Legal, Accounting	25 percent

## BACKGROUND:

On June 1, 1997 the Contra Costa Board of Supervisors adopted Resolution 97/297 approving the formation of the California Tradewinds Geologic Hazard Abatement District (CA Tradewinds GHAD), located in the hills of Bay Point within the jurisdiction of Contra Costa County. The CA Tradewinds GHAD was formed pursuant to State Public Resources Code § 26500 et seq. The Board of Supervisors at that time appointed itself as the Board of Directors of the CA Tradewinds GHAD.

Resolution 98/194 adopted on April 21, 1998 by the Board of Supervisors, acting as the CA Tradewinds GHAD Board, confirmed the assessments for the district and ordered the collection of the amounts called for in the Assessment Report. The initial fiscal year for the CA Tradewinds GHAD was established as 1998-1999.

A 17-lot subdivision also completed in Bay Point known as Savana Seabreeze II was annexed in 2008 to the CA Tradewinds GHAD. The Final Map was filed in 2013. Assessments in fiscal year 2014-2015 included 11 of the planned 17 parcels. It is believed that building permits have now been pulled on the remaining 6 parcels and the 2015-2016 budget anticipates Seabreeze II to be fully populated with assessments levied on the remaining 6 parcels. Maintenance responsibilities remain with the Savana developer until a maintenance transfer process is completed.

William B. Wigginton of GEOLEX Inc. has acted as the General Manager of the CA Tradewinds GHAD from its inception in 1997 and until October 15, 2014 when he retired from the position. Bill's stewardship of this district, throughout his tenure, has left the CA Tradewinds GHAD in a stable condition with a well-defined GHAD program. On October 7, 2014 Sands Construction Company, Inc. was appointed the new General Manager and Clerk of the CA Tradewinds GHAD through Resolution 2014/02.

As a percentage of the budget, this year the Major Projects Program is not anticipating a Major Project. The relatively mild winter of 2014/2015, resulting in additional funding opportunities, has allowed for the continuation of additional Preventive Maintenance activities to be incorporated into the fiscal year program.

The Preventive Maintenance Program will focus on efforts to assess the need for asset site restorations. The program will pursue analysis and upgrades to all instrument and asset sites and the associated data collection to insure all predictive features of these instrumentation sites are fully realized. Specifically, we will target the following program elements - Concrete Interceptor Ditch Systems (Repair and Replace Program); the Horizontal Drains (Site Maintenance Program); the Piezometers (Site Maintenance Program), and the Soil Debris Bench/Bio swale (Maintenance Program). The Operations Program will continue its existing monitoring profile through this period. The National Oceanic and Atmospheric Administration (NOAA) currently predict a considerable likelihood of El Niño conditions for the summer and fall months in the Southern Oscillation. Accordingly, we have anticipated higher than average Incident Response events and emergency Response needs.

The Special Projects Program will be directed, in part, to analyzing the Plan of Control and other essential documents that establish and direct the CA Tradewinds GHAD. Preliminary review will be initiated to assess the need to conduct a formal Reserve Study which would serve to test, identify weaknesses, and expose any necessary adjustments to the criteria or methodologies utilized in the program and anticipate revenue and reserve demands. Additional studies may include assessing the feasibility of integrating a Geographic Information System (GIS) into the CA Tradewinds program.

This budget anticipates continued strengthening and building efficiencies within the Administration Program. General legal counsel will continue to be provided by the CA Tradewinds GHAD Board appointed attorney, Patricia Curtin of Wendel, Rosen, Black & Dean, LLP.

A summary of the expenses is shown on Table 1, pages 4 and 5, followed by brief descriptions of each of the budget items on pages 6 through 11.

Respectfully yours,

**CA Tradewinds Geologic Hazard Abatement District**



Michael D. Sands  
Sands Construction Company, Inc.  
General Manager

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# CA Tradewinds Geologic Hazard Abatement District Program Budget Fiscal Year 2015/2016

The following proposed line item program budget (Table 1) summarizes the anticipated expenditures for fiscal year 2015/2016 for the CA Tradewinds Geologic Hazard Abatement District (CA Tradewinds GHAD or GHAD). Through an ongoing assessment the manager evaluates and addresses geologic risk through the implementation of an annual program budget consisting of four major categories. Preceding Table 1, and directly below, please see a general overview description of the four major program elements within the budget.

## ***Major Projects Program***

The annual Major Projects Program includes, landslide repair projects, drainage improvement projects and capital improvement projects necessary to either control, mitigate, or prevent landslide activity. Other large program responses necessary to implement the Plan of Control, including specific purpose studies and investigations may also be included in the Major Projects Program.

Generally, for consideration of inclusion into the Major Projects Program, a project or study would represent a level of complexity requiring plans, specifications, and comprehensive engineering analysis including modeling and research, or a project with a protracted scope such as those requiring multiple regulatory agency approvals. Most Major Projects have a projected cost that exceeds \$10,000.

Historically, the Major Projects Program has been comprised of significant landslide repair projects and other responsive large projects; at other times, it has included programmatic studies and investigations useful in generating proactive responses. This diversity of projects demonstrates the importance of a flexible Major Projects Program structure that adapts between responsive and proactive needs and capabilities to manage the dynamic nature of larger scale geologic events.

## ***Preventative Maintenance and Operations Program***

The annual Preventative Maintenance and Operations Program includes all minor repairs, cleanup, maintenance, monitoring and replacement of drainage structures and other assets that degrade over a serviceable life. The goal of preventative maintenance is to keep assets in operational condition and identify potential slope stability risks before they manifest, allowing measures to be taken to either prevent, or mitigate the impact of these hazards as defined in the CA Tradewinds GHAD Plan of Control.

Typical CA Tradewinds GHAD assets include concrete lined ditches, subdrainage systems, groundwater measuring instrumentation, slope inclinometers and moisture gauges, and slope debris catchment features.



The Preventative Maintenance Program also includes preparations for emergency response, winterization measures including erosion protection and slope stabilization supplies, and instrument maintenance.

The Operations Program is primarily populated with scheduled instrument monitoring events. Data from these instruments are evaluated to establish risk and trends in an effort to avert landslide activity. In addition to the instrumentation monitoring program, the Operations Program contains the Incident Response and Community Relations Program, which incorporates comprehensive first response capabilities, and fosters community incident interaction.

### ***Special Projects***

The CA Tradewinds 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 and studies designed to improve the District’s operational effectiveness and insure financial solvency. Special Projects also include utilizing new technologies to increase the efficiencies of the day-to-day operations..

### ***Administration***

Administrative expenses are required to operate the CA Tradewinds GHAD and implement projects. Administrative expenses include personnel and consultants to manage the operations including; the General Manager, Administrative Manager, Construction Services Manager, certain clerical and accounting staff, consultants, and legal support.

With respect to the General Management of the CA Tradewinds GHAD - The CA Tradewinds GHAD Board of Directors through Resolution 2014/02, among other business, established a Consulting Services Agreement with Sands Construction Company, Inc. to act as General Manager. The payment limit established for a term from October 16, 2014 through Jun 30, 2015 was \$750. The scope of services for the General Manager include, managing the day-to-day operations through implementation of the necessary financial recordkeeping and reporting; updating and maintaining governing documents, such as the Plan of Control; and managing and updating administrative tools such as the Reserve Study, Communications Plan, Work program and Monthly Incident Log. The General Manager Consulting Services Agreement provides for certain administrative positions including, but not limited to, a General Manager, an Administrative Manager, a Construction Services Manager and a Network Administrator as well as overhead costs, such as office space rent, office supplies and postage.

With respect to the Operations of the CA Tradewinds GHAD, the scope of services for Operations include implementing the Major Projects and Preventive Maintenance Programs through forecasting work schedules and priorities; and preparing Requests for Proposals and managing maintenance and repair operations within the Major Projects and Preventive Maintenance Programs, including project management and construction management; preparing for and responding to emergency incidents.

The General Manager will retain the necessary professionals, including without limitation, engineers, accounting professionals, and vendors to facilitate the operations of the GHAD. The General Manager Consulting Services Agreement, and associated budget, allows for the conditional use of subcontractors such as administrative sub-consultants, engineering or construction sub-consultants, within the payment limits of the Consulting Services Agreement.

A summary of the proposed Fiscal Year 2015/2016 Budget is presented in Table 1 on the following pages.

**Table 1 – Summary of Fiscal Year 2015/2016 Budget**

Budget Item	Budget Amount	% of Total Budget
<b>Major Repairs</b>		
No Major Projects Planned		
<b>Total Major Projects</b>	<b>\$0</b>	<b>0%</b>
<b>Preventive Maintenance/Operations</b>		
<b>Preventive Maintenance</b>		
Drainage		
Storm Drain Facilities	0	
B-58 Concrete Lined Ditches		
Maintenance/Clean/Map/Bio-swales	4,000	
Repair and Replace	0	
Retention Basins	0	
Subdrain Systems	1,000	
Horizontal Drains	0	
Subdrain Outlets	1,000	
Piezometers	0	
Settlement Monitors	0	
Minor Repairs	0	
Winterization	0	
Emergency Response	2,000	
Debris Benches/Impact Walls	0	
<b>Subtotal</b>	<b>\$8,000</b>	
<b>Operations</b>		
Piezometer Monitoring	0	
Horizontal Drain Monitoring	0	
Subdrain Monitoring	500	
Settlement Monitoring	0	
Incident Response/Community Relations	2,000	
<b>Subtotal</b>	<b>\$2,500</b>	
<b>Total Preventive Maintenance/Operations</b>	<b>\$10,500</b>	<b>57%</b>



Budget Item	Budget Amount	% of Total Budget
<b>Special Projects</b>		
Plan of Control	0	
Reserve Study Update	0	
Special Studies	0	
Information Technology	0	
Accounting Systems Upgrade	0	
Tax Assessment Calculation	1,500	
Communications Program	1,000	
CA Association of GHADs – Membership/Insurance	750	
<b>Total Special Projects</b>	<b>\$3,250</b>	<b>18%</b>

<b>Administration</b>		
Legal fees		
General Counsel	1,000	
Special Counsel	0	
Litigation/Legal Concerns		
Staffing/Administrative Support	2,000	
Accounting/Bookkeeping	1,000	
Training/Education	0	
Office – Rent/Supplies/Equipment/Lease	600	
<b>Total Administration</b>	<b>\$4,600</b>	<b>25%</b>

<b>TOTAL PROPOSED BUDGET FY2015/2016</b>	<b>\$18,350</b>	<b>100%</b>
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<b>Available Funds</b>	
Estimated Beginning Fund Balance – July 1, 2015*	8,380
Estimated Property Owner Assessments	
Tradewinds - \$ 236.72** annually per unit x 46 units	10,889
Seabreeze II - \$ 494.02** annually per unit x 19 units (anticipated)	9,386
Estimated Interest on Investments	0
Other Income	0
<b>Total Available Funds</b>	<b>28,655</b>
<b>Uses of Funds</b>	
Major Projects	0
Preventive Maintenance	10,500
Special Projects	3,250
Administrative	4,600
<b>Total Use of Funds</b>	<b>\$18,350</b>
<b>Estimated Reserve Available/Ending Fund Balance June 30, 2016</b>	<b>\$10,305</b>

\* Projected Fund Balance date of publication

\*\* Estimated

## DESCRIPTION OF BUDGET ITEMS

### Major Projects

No Anticipated Major Projects

### 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 include ongoing monitoring programs and responses to community requests. Details of the proposed budget for each of these categories are listed below.

#### Storm Drain Facilities (Major Repairs)

In addition to other drainage systems such as Concrete Interceptor Ditches, Subdrains, and other surface and subsurface drainage systems, the GHAD maintains an inventory of concrete drainage structures that from time to time are in need of refurbishment or repairs. Typically, a budget is established to inspect these facilities and make any necessary repairs, not covered within the established “*B-58 Drain Systems – Repair and Replacement Program*” scope. Not anticipated in this budget

**Estimated Cost      \$0**

#### B-58 Drain Systems/Bio-swales

***Maintenance*** – Allows for one major annual cleaning and mapping. In addition, District staff periodically walks the B-58 systems and Bio-swales to get a first-hand account of the current conditions and project serviceable life. This information, along with other empirical data, is typically utilized in a Reserve Study updates.

**Estimated Cost      \$4,000**

***Repair and Replacement*** – A detailed assessment will be performed to established the existing condition of the B-58 Concrete ditches throughout the district. This assessment will serve to establish a baseline for needed repairs and/or assessments as to the remaining serviceable life of these assets to be utilized in reserve study criteria. Not anticipated in this budget

**Estimated Cost      \$0**

### **Retention Basins**

There are no Retention Basins currently in the district

**Estimated Cost      \$0**

### **Subdrain Systems**

Subdrain systems must be monitored and maintenance provided to insure the systems have not been damaged or impeded. This budget will allow for an inspection and minor maintenance of these sites.

**Estimated Cost      \$1,000**

### **Horizontal Drains**

There are no Horizontal Drains currently in the district

**Estimated Cost      \$0**

### **Sub-drain Outlets**

The GHAD is currently conducting efforts to identify, locate and make determinations about the effectiveness of the network of subdrains throughout the District. It is anticipated that on-site restoration work may be necessary at some sites. This additional work has been incorporated into this budget item.

**Estimated Cost      \$1,000**

### **Piezometers**

There are no known Piezometers in the district

**Estimated Cost      \$0**

### **Settlement Monitors**

There are no Inclinometers currently in the district

**Estimated Cost      \$0**

### **Minor Repairs**

No anticipated Minor Repairs

**Estimated Cost      \$0**

### **Winterization**

The District provides an annual budget for procuring and storing an inventory of winterization materials and to provide for the costs of site installation. The district will procure materials as needed.

**Estimated Cost      \$0**



## **Emergency Response**

During the winter rainy season the CA Tradewinds GHAD prepares for and may respond to a range of urgent, active or threatening landslides as well as drainage issues where property damage is threatened. These incidents typically involve mud or debris flows, plugged storm drains at the base of slopes or flooded properties due to the overflow of runoff from plugged or damaged facilities. In severe cases these responses can require the initiation of temporary slope stabilization measures in preparation for a major repair.

**Estimated Cost      \$2,000**

## **Debris Benches**

Earthen debris benches exist throughout the district. It is essential that these facilities are inspected to insure capacities and drainage have not been compromised. Annual inspections are made and periodic debris removal plans are initiated. Debris Benches will be inspected during the Bio-swale cleaning and mapping operations.

**Estimated Cost      \$0**

## **Operations**

An inventory of assets and instrumentation including drains, sub-drains and settlement monuments are monitored periodically throughout the year as a preventative measure.

Monitoring sites can be established for a variety of uses. Often completed 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 groundwater 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.

Throughout the year the District receives incident response or assistance calls from property owners regarding slope stability or drainage issues. Community relations, including incident responses through the annual Operations Program has been an important role of GHAD management. All incidents are recorded and move through the district response mechanisms as is appropriate and consistent with the CA Tradewinds GHAD Plan of Control.

The GHAD manager receives updates in long range weather and oceanic temperature changes through the National Oceanic and Atmospheric Administration (NOAA) and other scientific and atmospheric agencies that track data and produce probabilistic assessments on the likelihood of a recurrence of El Niño conditions. Statistical tables currently indicate an increasingly stronger possibility of El Niño conditions for the late months of 2015 and early months of 2016<sup>1</sup>. Accordingly, the budget for Incident Responses has been increased to allow for more activity in property owner requests for GHAD assistance during these conditions.

**Estimated Cost      \$2,500**

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<sup>1</sup> NOAA – “El Niño/Southern Oscillation (ENSO) -Diagnostic Discussion” - May 6, 2015



## **Special Projects**

During fiscal year 2015/2016 the District will continue its Communication Plan and California Association of GHADs (CAGHADs) affiliation, including the participation in a pooled General Liability policy obtained through the Association as its special projects program elements. Brief descriptions of types of special projects are presented in Table 1 and further described below:

### **Plan of Control**

It is anticipated that an evaluation and assessment of the current Plans of Control for the CA Tradewinds GHAD will be pursued, in an effort to confirm operational compliance. Project costs will be applied to General Administration.

**Estimated Cost      \$0**

### **Reserve Study Assessment**

A reserve study functions as a pro-forma analysis of the financial needs of the CA Tradewinds GHAD. It serves as a tool to calculate the annual contribution required by the district to build and maintain sufficient funds for emergencies and capital replacement programs based on past weather patterns, landslide repair costs, and general attrition. As a result of severe winters, draws will likely be necessary in the future on the reserve fund. Work is planned to evaluate and complete an analysis of the fund health and methodologies. This analysis will be used in establishing a pro-forma plan and provide instruction to CA Tradewinds GHAD management as to the necessary reserve demands over time. Project analysis costs will be applied to General Administration.

**Estimated Cost      \$0**

### **Special Studies**

The CA Tradewinds GHAD will target studies in the areas of fiscal policy and geologic risk. The CA Tradewinds GHAD, now in its 15<sup>th</sup> year, has the unique opportunity to address many of the issues surrounding long-term viability and sustainability, within a changing environment and financial conditions. Using empirical data we can assess potentially increasing financial loads and geologic risks that may accompany the maturation process of this district. We are confident that these studies have produced, and will continue to produce beneficial results. We will defer this work this term in favor of physical upgrades to GHAD field assets.

**Estimated Cost      \$0**

### **Information Systems and Technology**

The CA Tradewinds GHAD will consider integrating a GIS system to include all of the GHAD's data collection and monitoring operations. The record and tool that this system offers facilitates the General Manager's ability to locate past repairs and assist in a variety of risk assessments within the District.

**Estimated Cost      \$0**

CA Tradewinds GHAD

### **Accounting System Upgrade**

Periodic upgrades are necessary to enhance accounting system capabilities. The CA Tradewinds GHAD utilizes expense accounting software to assist in reporting and the day to day operation of the District. Continued accounting systems enhancements will be implemented allowing more data entry streamlining, enhanced reporting, and quality control assurance procedures, augmenting the current systems. Project costs will be applied to General administration.

**Estimated Cost      \$0**

### **Tax Assessment Calculation**

Each year an assessment calculation is conducted to identify and determine all qualified parcels within the district to receive assessments for CA Tradewinds GHAD services. Typically the GHAD Manager will contract these services to a firm that specializes in these services. Historically, the CA Tradewinds GHAD has provided this information, through its contracted consultant, to the County Assessor's Office as required

**Estimated Cost      \$1,500**

### **Communications Plan**

The CA Tradewinds GHAD maintains a communications plan designed to keep constituents up to date on GHAD operations and developments. The plan addresses several venues and mediums in which to disseminate information within this district, and to other concerned parties, and to establish clear and accessible channels for community interaction. The CA Tradewinds GHAD intends, in the future, to implement a web page for public information and a multi-page informational brochure to be available to interested Homeowner Associations (HOA) and stakeholders that describes the CA Tradewinds GHAD and its responsibilities and limitations. Additionally, the General Manager is available to write periodic articles for the HOA newsletter.

**Estimated Cost      \$1,000**

### **Outreach/Legislative Review**

#### **California Association of GHADs (CAGHADs) Membership/Insurance**

The proliferation of new GHADs within California has resulted in new legislation and adopted procedures. The CA Tradewinds GHAD Manager, in association with others, shares information and knowledge through a consortium of GHAD managers known as the California Association of GHADs (CAGHADs). The CAGHAD has recently obtained General Liability policies for its member GHADs. Policy premium costs for the HCA Tradewinds GHAD are approximately \$500.<sup>2</sup>. Additionally, the CA Tradewinds GHAD manager participates in the CAGHADs as the organization pursues other financial instruments that may provide the GHAD additional options for extraordinary financial demand and planning.

**Estimated Cost      \$750**

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<sup>2</sup> Nominal increases in unit costs are expected in 2016

## **Administration**

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

### **Legal**

**General Counsel** – CA Tradewinds GHAD management must interact from time to time with CA Tradewinds GHAD Counsel. The day-to-day operations of the CA Tradewinds GHAD present opportunities and issues to work directly with GHAD counsel, in the areas of contracts, agreements, issues or new business to present to the Board, legislation, property owner issues, etc.

**Estimated Cost      \$1,000**

**Special Counsel** – Typically Special Counsel consists of legal representation in the event of legal issues that might arise. Currently there are no legal issues involving litigation.

**Estimated Cost      \$0**

### **Staffing/Administrative Support**

The CA Tradewinds GHAD staff includes the General Manager, an Operations Manager, an Administration Manager and frequently other support staff and consulting professionals. The General Manager administers all CA Tradewinds GHAD day-to-day operations, including financial budgeting and communications regarding its activities. The Operations Manager, among other tasks, administers the Major Projects and Preventive Maintenance Programs and associated work schedules, consulting and construction contracts, and documents. The administrative staff is responsible for accounting/bookkeeping, contract administration, clerical, and construction management support. Additional management staff costs are also applied to specific projects as appropriate. Authorized business expenses such as rent, office supplies and leases are included in Staffing.

**Estimated Cost      \$3,600**