

**WIEDEMANN RANCH GEOLOGIC HAZARD ABATEMENT DISTRICT
PROGRAM BUDGET FOR FISCAL YEAR 2016/17**

June 1, 2016

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

Subject: Wiedemann Ranch Geologic Hazard Abatement District
Contra Costa County, California

PROGRAM BUDGET FOR FISCAL YEAR 2016/17

Dear Board Members:

Attached is the program budget for the Wiedemann Ranch Geologic Hazard Abatement District (GHAD) for the Fiscal Year 2016/17. The program budget as proposed is \$188,700. The budget expenses break down into the following approximate percentages of the total receivables.

- Major Repair0 percent
- Preventive Maintenance and Operations21 percent
- Special Projects2 percent
- Administration and Accounting5 percent
- Additional - Outside Professional Services4 percent

The budget anticipates a contribution of approximately \$398,000 (68% of total receivables) to the reserve fund. 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.

Sincerely,

Wiedemann Ranch Geologic Hazard Abatement District
ENGEО Incorporated, GHAD Manager
ENGEО Project No. 3586.002.016



Eric Harrell
eh/pcg



Paul C. Guerin

**Wiedemann Ranch Geologic Hazard Abatement District
Program Budget
Fiscal Year 2016/17**

The following budget summarizes the anticipated expenditures for fiscal year 2016/17 for the Wiedemann Ranch Geologic Hazard Abatement District, which currently includes the Norris Canyon Estates, Henry Ranch, Elworthy Ranch, and Podva developments. The fiscal year for the Wiedemann Ranch GHAD begins on July 1. The budget is divided into four categories including Major Repair; Preventive Maintenance and Operations; Special Projects; and Administration and Accounting. As needed, the GHAD Manager may reallocate funds without additional Board approval.

In general, the budget amounts listed are based on the Engineers' Reports approved by the Wiedemann Ranch GHAD Board of Directors in 2001 for the Norris Canyon Estates and Henry Ranch developments and 2014 for the Elworthy Ranch development. The budget amounts have been inflation adjusted to provide the estimates. The current Program Budget projects that at the beginning of the 2016/17 fiscal year, the cumulative reserve will be about \$3,575,000 and about \$3,973,000 at the end of the 2016/17 fiscal year. At \$3,575,000, the cumulative reserve will be about \$1,138,000 or 47 percent above prior budget estimates. To allow for an accurate comparison between the original 2001 budget and the estimated cumulative reserve at the end of the 2015/16 fiscal year, we added the estimated cost of a major repair to the 2001 budget. As shown in the 2001 budget, a major repair of approximately \$1,297,000 was shown for the 2012/13 FY and this event has not occurred.

We attribute the additional reserve accumulation to a number of factors including: (1) The Wiedemann Ranch GHAD has acquired monitoring and maintenance responsibilities for all of Henry Ranch, Subdivision 7578 and portions of Subdivisions 7575, 7996, and 7998, but does not yet have maintenance and monitoring responsibilities for the remainder of the Norris Canyon Estates, Elworthy Ranch, and Podva developments, (2) five of the past nine winters have had below-average rainfall; therefore, there has been a reduced level of slope instability and erosion, (3) a large-scale repair (estimated at \$1,000,000 in 2001 dollars every 10 years) has not been necessary within the GHAD-maintained areas and, (4) 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 2016/17 (July 1, 2016 through June 30, 2017), the payment limit is set at \$94,300. The tasks included within the payment limit may include site monitoring events, transfer of monitoring and maintenance responsibilities, oversight of maintenance and repair projects, administration, accounting, assessment roll updates, and budget preparation.

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 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.

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.

A summary of the proposed Fiscal Year 2016/17 Budget is shown in Table I.

TABLE I
Summary of Proposed Fiscal Year 2016/17 Budget

Budget Item	Label	Budget Amount	Percentage of Total Receivables
Major Repairs			
	Total	\$0	0%
Preventive Maintenance and Operations			
<u>Professional Services</u>			
Scheduled Monitoring Events		\$18,000	
Heavy Rainfall Monitoring Events		\$6,000	
Transfer within Subdivisions 7575, 7996, and 7998		\$15,000	

Budget Item	Label	Budget Amount	Percentage of Total Receivables
Transfer within Subdivision 7575, 7996, and 7998 – Outside Services		\$10,000	
	Subtotal	\$49,000	
<u>Maintenance and Operations</u>			
Concrete-Lined Drainage Ditches and Maintenance Roads		\$7,000	
Erosion Control including Creek Channels		\$45,000	
Slope Stabilization		\$25,000	
	Subtotal	\$77,000	
Preventive Maintenance and Operations	Total	\$126,000	21%
Special Projects			
Reserve Study		\$4,000	
GPS/GIS Development		\$5,000	
Web Site Maintenance and Updates		\$2,000	
	Total	\$11,000	2%
Administration and Accounting – GHAD Manager			
Administration and Accounting		\$24,000	
Annual Report and Budget Preparation		\$4,000	
	Subtotal	\$28,000	5%
Outside Professional Services - Nontechnical			
Assessment Roll and Levy Update Preparation		\$4,500	
Legal Counsel		\$8,000	
Wiedemann Ranch GHAD Treasurer		\$9,500	
Contra Costa County Assessor’s Fees		\$750	
California Association of GHADs Membership		\$250	
Insurance		\$750	
	Subtotal	\$23,750	4%
Administration and Accounting	Total	\$51,750	
Proposed Expenditures	Total	\$188,700	32%

Budget Item	Label	Budget Amount	Percentage of Total Receivables
Estimated Receivables			
Estimated Balance (June 30, 2016)		\$3,575,021	
2016/17 Assessment Amount (Estimated)		\$529,215	
Estimated Interest on Investments		\$57,594	
Estimated Total Available Funds		\$4,161,830	
Estimated Expenditures			
Major Projects		\$0	
Preventive Maintenance, and Operations		\$126,000	
Special Projects		\$11,000	
Administration, Accounting, and Legal		\$51,700	
Estimated Expenditures	Total	\$188,700	
Estimated Reserve/Fund Balance on June 30, 2017		\$3,973,130	

PREVENTIVE MAINTENANCE AND OPERATIONS

There are currently no ongoing major repair projects, and none are anticipated for the 2016/17 fiscal year within the GHAD-maintained areas of the Wiedemann Ranch 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 2016/17 fiscal year. The reserve portion of the budget allows for funding toward these unpredictable events.

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 \$18,000**

Heavy Rainfall Events

We have budgeted for two heavy rainfall-monitoring events during the 2016/17 winter season. **Estimated budget \$6,000**

Transfer of Parcels within Subdivisions 7575, 7996 or 7998 to the GHAD

In FY 2013/14, the remainder of parcels within the Norris Canyon Estates development, not previously accepted by the Wiedemann Ranch GHAD, were offered to the GHAD by the project developers. As provided in the Plan of Control, part of the ongoing transfer process is an inspection of the GHAD-maintained improvements. We have provided a budget estimate for the ongoing transfer process activities within the GHAD. **Estimated budget \$15,000**

Transfer of Parcels within 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 for the ongoing transfer process during the 2016/17 fiscal year. **Estimated budget \$10,000**

Maintenance and Operations

Concrete-Lined Drainage Ditches and Maintenance Roads

This budget item is to provide for the removal of vegetation and cleaning of concrete-lined drainage ditches within the Henry Ranch and GHAD accepted portions of the Norris Canyon Estates developments. Currently, this includes approximately 21,500 lineal feet of ditch cleaning. In addition, this item provides for removal of vegetation from maintenance roads. These services have been contracted through the 2016/17 fiscal year.

Estimated budget \$7,000

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 is included within this budget item.

Estimated budget \$45,000

Slope Stabilization

This is for minor repairs, including slope instability or erosion, which may occur during the 2016/17 fiscal year. Purchase of emergency stabilization supplies will be included within this budget item.

Estimated budget \$25,000

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 continue development of a GIS database. The database will 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 information to an electronic format suitable for GIS deployment, and as necessary, field-verification with GPS surveys.

Estimated budget \$5,000

Web Site 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 launched during the 2013/14 fiscal year.

Estimated budget \$2,000

Reserve Study

During fiscal year 2016/17, a reserve study will be developed based on the levels of expenditure expected to address future maintenance responsibilities, and accumulation the appropriate long-term reserves to address larger geologic events.

Estimated budget \$4,000

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 \$24,000

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 \$4,000

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 \$4,500**

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 \$8,000**

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 \$9,500**

Contra County Assessor's Fees

This budget item allows for fees from the Contra County Assessor's Office. **Estimated cost \$750**

Association Membership

The GHAD maintains membership in the California Association of GHADs. **Estimated cost \$250**

Insurance

The GHAD maintains general liability insurance for open space areas within the District. In Fiscal Year 2016/17 the GHAD may obtain ownership of open space within the Elworthy Ranch development. **Estimated cost \$700**