

**WENDT RANCH GEOLOGIC HAZARD ABATEMENT DISTRICT
PROGRAM BUDGET FOR FISCAL YEAR 2018/19**

June 12, 2018

Wendt Ranch Geologic Hazard Abatement District Board of Directors
Wendt Ranch Geologic Hazard Abatement District
651 Pine Street, Room 107
Martinez, CA 94553

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

PROGRAM BUDGET FOR FISCAL YEAR 2018/19

Dear Board Members:

Attached is the program budget for the Wendt Ranch Geologic Hazard Abatement District (GHAD) for Fiscal Year 2018/19. The proposed program budget is \$297,100. The budget expenses break down into the following approximate percentages of the total receivables.

Major Repair	0 percent
Preventive Maintenance and Operations	36 percent
Special Projects	2 percent
Administration and Accounting	8 percent
Additional - Outside Professional Services	5 percent
Reserve	49 percent

The budget anticipates FY 2018/19 revenue of \$577,904 with an estimated contribution of \$280,804 to the reserve fund. A summary of the expenses is shown on Table 2 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,

Wendt Ranch Geologic Hazard Abatement District
ENGEO Incorporated, GHAD Manager
ENGEO Project No. 4063.002.017



Haley Trindle



Eric Harrell

ht/eh/dt

Attachment: Program Budget Fiscal Year 2018/19

WENDT RANCH GEOLOGIC HAZARD ABATEMENT DISTRICT

PROPOSED PROGRAM BUDGET FISCAL YEAR 2018/19

The following proposed program budget summarizes the anticipated receivables and expenditures for fiscal year 2018/19 for the Wendt Ranch Geologic Hazard Abatement District, which includes Wendt Ranch, Intervening Properties (Monterosso), and the Alamo Creek communities.

The GHAD has maintenance and monitoring responsibilities and is the property owner for the following parcels within the District. The parcels listed include all of the open space parcels within the Monterosso and Wendt Ranch developments. Maintenance, monitoring responsibilities, and ownership for the listed parcels were transferred to the GHAD in February and March 2009.

TABLE 1: Parcels owned by GHAD

ASSESSOR'S PARCEL NUMBER	PARCEL	DESCRIPTION
Monterosso (Intervening Properties) Development		
206-020-094	I	Western Water Quality Basin
206-020-095	K	Western Open Space
206-580-036	B	Open Space North of Casablanca Bridge
206-020-093	C	Eastern Open Space
206-580-038	J	Northeast Bioretention Cell
206-630-053	E	Southeast Bioretention Cell
Wendt Ranch Development		
206-030-037	A, 8698	Wendt Ranch Southern Open Space including Buffalo Wetlands
206-650-011	B, 8847	Wendt Ranch Western Open Space, North of Casablanca
206-030-038	B, 8698	Wendt Ranch Western Open Space, South of Casablanca
206-030-034	D, 8002	Wendt Ranch Detention Basin

Maintenance and monitoring responsibilities for the remaining properties within the GHAD, not listed above, are the responsibility of the individual property owners, although a number of parcels have been offered to the GHAD, but have not yet been accepted by the GHAD due to punchlist items remaining to be completed. Within this budget, it is anticipated that during the 2018/19 fiscal year, additional parcels within the Alamo Creek development will be offered for transfer to the Wendt Ranch GHAD.

The 2017/18 assessment limit was calculated at \$577.44 per residential unit adjusted up 3.48% from the 2016/17 assessment level of \$558.01. The assessment limit annual adjustment is based on the 2005 Engineer's Report using the consumer price index. The final assessment roll prepared for the 2017/18 fiscal year and submitted to the Contra Costa County Assessor's Office identifies 1,222 properties subject to the levy of the GHAD assessment. The total levy amount for the 2017/18 FY was \$528,744.60. The GHAD levy for FY 2017/18 was set at \$410.48 per parcel.

Based on the San Francisco/Oakland/San Jose consumer price index figures reported through April 2018, for budgeting purposes, we estimate a FY 2017/18 inflation rate adjustment of 3 percent. For the 2018/19 fiscal year, it is anticipated that approximately 1,286 parcels will be subject to the levy. Parcels are subject to the levy starting the first fiscal year following issuance of a building permit.

In general, the budget amounts listed are based on the Engineer's Report approved by the Wendt Ranch GHAD Board of Directors in 2005. The current Program Budget estimates that at the beginning of the 2018/19 fiscal year, the cumulative reserve will be about \$3,338,326 and about \$3,619,130 at the end of the 2018/19 fiscal year. At \$3,338,326, the cumulative reserve will be about 66 percent above the 2005 reserve estimate for the end of the 2017/2018 fiscal year, despite a lower total unit count than originally anticipated for the current fiscal year.

We attribute the additional reserve accumulation to a number of factors including: (1) The Wendt Ranch GHAD has not yet accepted monitoring and maintenance responsibilities for open space surrounding the Alamo Creek development; (2) six of the past eleven winters have had below-average rainfall; therefore, there has been a reduced level of slope instability and erosion; (3) a large-scale repair has not been necessary within the GHAD-maintained areas; and (4) the budgets submitted and expenditures made 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.

Special Condition 1(e) of the approved Consulting Services Agreement provides that a payment limit shall be determined each fiscal year by GHAD Board by resolution. For fiscal year 2018/19 (July 1, 2018 through June 30, 2019), the payment limit is set at \$127,875. 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, and assessment roll updates.

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 within the budget without Board approval.

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 slope stabilization services, erosion protection, and professional services within the District. Professional services include site-monitoring events, as specified 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 detention and water quality basins, maintenance roads,

concrete-lined drainage ditches, retaining walls, subsurface drainage facilities, storm drain facilities, trails, and debris benches.

Special Projects

The Special Projects category allows the GHAD to budget for projects beneficial to the GHAD that do not fit into one of the other three categories.

Administration and Accounting

This category includes administrative expenses for tasks of the GHAD Manager, clerical, and accounting staff related to the operation and administration of the GHAD.

TABLE 2: Summary of Proposed Fiscal Year 2018/19 Budget

BUDGET ITEM	LABEL	BUDGET AMOUNT	PERCENT OF TOTAL BUDGET
MAJOR REPAIRS			
Major Projects	TOTAL	\$0	0%
PREVENTIVE MAINTENANCE AND OPERATIONS			
Professional Services			
Scheduled Monitoring Events			
Open Space Scheduled Monitoring Events		\$16,000	
Open Space Heavy Rainfall Events		\$8,000	
Bioretention Cell Scheduled Monitoring Events		\$4,000	
Bioretention Heavy Rainfall Events		\$2,000	
Transfer of Open Space – Alamo Creek		\$18,000	
Technical Consultants, Parcel Transfer (Outside Services)		\$8,000	
	Subtotal	\$56,000	
Maintenance and Operations			
Sediment Removal – Concrete Structures		\$6,000	
Bioretention and Other Water Quality Facilities		\$15,000	
Erosion Repairs		\$15,000	
Subdrain Outlets		\$1,500	
Detention Basin		\$30,000	
Creek Banks		\$20,000	
Slope Stabilization		\$25,000	
Trail, File Break and Fence Maintenance		\$40,000	
	Subtotal	\$152,500	
	TOTAL	\$208,500	36%
SPECIAL PROJECTS			
Reserve Study		\$4,000	
GPS/GIS Development		\$5,000	
Web Site Development		\$2,000	
	TOTAL	\$11,000	2%

BUDGET ITEM	LABEL	BUDGET AMOUNT	PERCENT OF TOTAL BUDGET
ADMINISTRATION AND ACCOUNTING – GHAD Manager			
Administration and Accounting		\$42,000	
Budget Preparation		\$4,000	
	Subtotal	\$46,000	8%
Outside Professional Services – Nontechnical			
Assessment Roll and Levy Update Preparation		\$5,000	
Legal Counsel		\$12,000	
Treasurer		\$9,000	
Contra Costa County Assessor's Fees		\$1,400	
California Association of GHADs Membership		\$450	
Insurance		\$3,750	
	Subtotal	\$31,600	5%
	TOTAL	\$77,600	
ESTIMATED EXPENDITURES	TOTAL	\$297,100	49%
ESTIMATED REVENUE			
Estimated Balance (June 30, 2018)		\$3,338,326	
Estimated 2018/19 Assessment Amount		\$523,900	
Estimated Earnings on Investments		\$54,004	
Total Available Funds	TOTAL	\$3,916,230	
ESTIMATED EXPENDITURES			
Major Projects		\$0	
Preventive Maintenance and Operations		\$208,500	
Special Projects		\$11,000	
Administration and Accounting		\$77,600	
Estimated Expenditures	TOTAL	\$297,100	
ESTIMATED RESERVE/FUND BALANCE ON JUNE 30, 2019		\$3,619,130	

MAJOR REPAIRS

There are currently no major repair projects anticipated in the 2018/19 fiscal year budget within the GHAD-maintained areas of the Wendt Ranch GHAD. While no major repairs are ongoing at this time, by their very nature, major repairs such as landslides are unpredictable and could occur during the 2018/19 fiscal year. The reserve portion of the budget allows for the funding toward these unpredictable events.

PREVENTIVE MAINTENANCE AND OPERATIONS

Professional Services

Open Space Scheduled Monitoring Events

As provided in the Plan of Control, there are two scheduled monitoring events within the GHAD that will occur during each calendar year including geotechnical instrument monitoring.

Estimated budget \$16,000

Open Space Heavy Rainfall Events

We have budgeted for two heavy rainfall monitoring events during the 2018/19 winter season.

Estimated budget \$8,000

Bioretention Cell Scheduled Monitoring Events

As provided in the Design Report and Operations and Maintenance Manual for Bioretention Facilities, there are two scheduled monitoring events for the two bioretention cells within the GHAD that will occur during November and May.

Estimated budget \$4,000

Bioretention Heavy Rainfall Events

We have budgeted for two heavy rainfall monitoring events for the bioretention facilities during the 2018/19 winter season.

Estimated budget \$2,000

Transfer of Open Space – Alamo Creek

We anticipate in this budget that ownership, maintenance and monitoring responsibilities of additional open space within the Alamo Creek Development may be offered to the GHAD during the 2018/19 fiscal year. As provided in the Plan of Control, the transfer process includes inspections and verification of proper maintenance or condition of the GHAD-maintained improvements.

Estimated budget \$18,000

Technical Consultants, Parcel Transfer (Outside Services)

As part of the transfer process, the GHAD plans to contract with Darwin Myers Associates to provide for third party review of the GHAD-maintained improvements prior to transfer.

Estimated budget \$8,000

Maintenance and Operations

Sediment Removal - Concrete Structures

This budget item is to provide for the periodic removal of vegetation, cleaning, sealing and minor repair of concrete-lined drainage ditches within the Mustang Soccer Fields, Wendt Ranch, and Intervening Properties (Monterosso) developments.

Estimated budget \$6,000

Bioretention and other Water Quality Facilities

The budget item allows for ongoing maintenance activities as described in the operations and maintenance manual.

Estimated budget \$15,000

Erosion Repairs

This is for unanticipated minor erosion repairs, including those that may occur during the 2018/19 fiscal year.

Estimated budget \$15,000

Subdrain Outlets

This budget item provides for subdrain outlets to be located, relocated, and marked as necessary.

Estimated budget \$1,500

Detention Basins

The budget allows for ongoing maintenance activities.

Estimated budget \$30,000

Creek Bank Maintenance

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

Estimated budget \$20,000

Slope Stabilization

This is for unanticipated minor repairs, including slope instability or erosion, which may occur during the 2018/19 fiscal year.

Estimated budget \$25,000

Trail, Fire Break and Fence Maintenance

This budget item includes annual firebreak mowing, gravel-surfaced road maintenance, trail maintenance, and fence repairs, which may occur during the 2018/19 fiscal year.

Estimated budget \$40,000

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 features (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 facilitates and streamlines the tracking of location, maintenance, and repair activities and automate the communication of this information to affected parties. This phase of GIS database development will include transition of available and pertinent information to an electronic format suitable for GIS deployment and, as necessary, field-verification of such features with GPS surveys.

Estimated budget \$5,000

Web Site Maintenance and Updates

To allow for greater access to information about the Wendt Ranch GHAD, the GHAD has provided a budget item to update and maintain the existing website launched during the 2013/2014 fiscal year.

Estimated budget \$2,000

Reserve Study

During fiscal year 2018/19, a reserve study will be completed 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

GHAD Manager

Administration and Accounting

Administrative expenses include the GHAD 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 \$42,000

Budget Preparation

This budget provides for the preparation of the annual report and budget.

Estimated budget \$4,000

Outside Professional Services – Nontechnical

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 \$5,000

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 \$12,000

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 \$9,000

Contra County Assessor's Fees

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

Estimated cost \$1,400

California Association of GHADs Membership

The GHAD maintains membership in the California Association of GHADs.

Estimated cost \$450

Insurance

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

Estimated cost \$3,750