

**WENDT RANCH GEOLOGIC HAZARD ABATEMENT DISTRICT
PROGRAM BUDGET FOR FISCAL YEAR 2021/22**

June 8, 2021

Wendt Ranch GHAD Board of Directors
Chair Diane Burgis
Vice Chair Federal D. Glover
Boardmember John M. Gioia
Boardmember Candace Andersen
Boardmember Karen Mitchoff

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 2021/22

Dear Chair Burgis and Boardmembers:

Attached is the program budget for the Wendt Ranch Geologic Hazard Abatement District (GHAD) for the Fiscal Year (FY) 2021/22. The program budget as proposed is \$313,150. The budget expenses break down into the following approximate percentages of the total revenue.

- Major Repair 0 percent
- Preventive Maintenance and Operations..... 28 percent
- Special Projects 1 percent
- Administration and Accounting 6 percent
- Additional - Outside Professional Services 7 percent
- Reserve 58 percent

The budget anticipates FY 2021/22 revenue of \$755,820 with an estimated contribution of \$442,670 to the reserve fund. A summary of the expenses is shown on Table 4 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. 4063.002.020



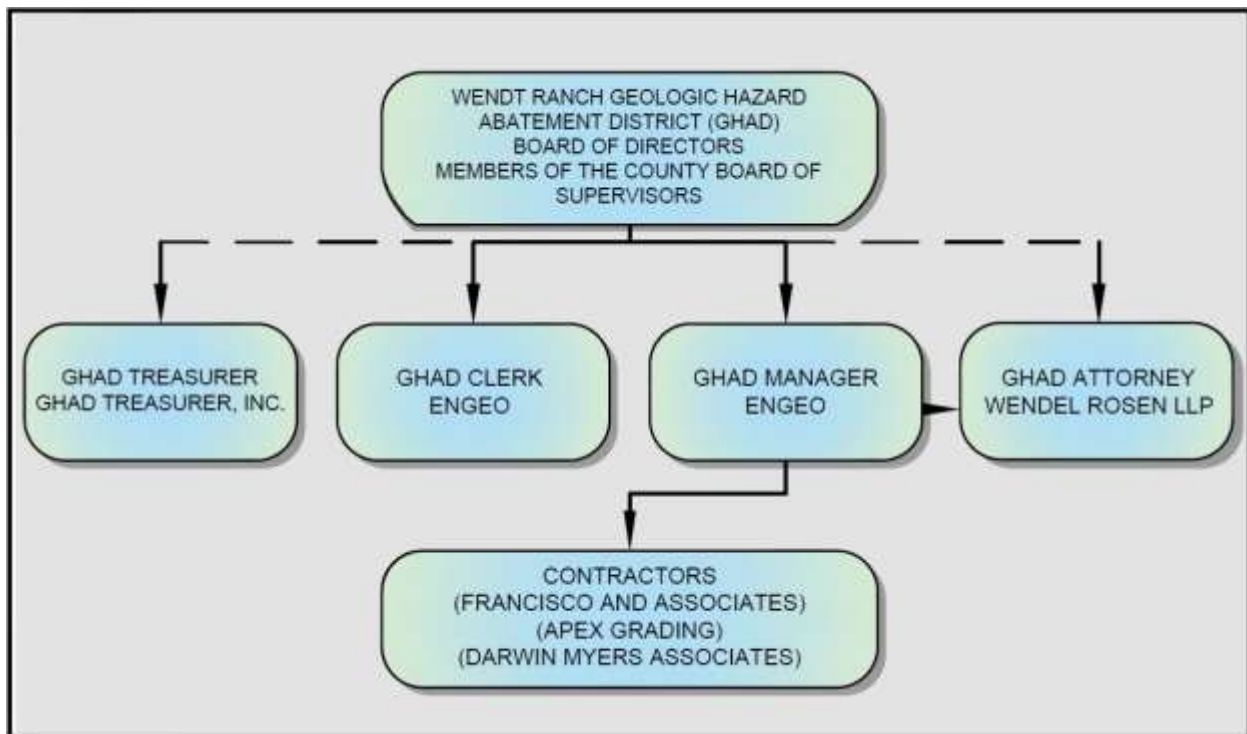
Haley Ralston
hjr/eh/mt/jf



Eric Harrell

**Wendt Ranch Geologic Hazard Abatement District
 Program Budget
 Fiscal Year 2021/22**

The following proposed program budget summarizes the anticipated receivables and expenditures for Fiscal Year 2021/22 for the Wendt Ranch Geologic Hazard Abatement District (District), which includes Wendt Ranch, Intervening Properties (Monterosso), and the Alamo Creek communities. The structure of the Wendt Ranch GHAD is shown below.



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

ASSESSOR'S PARCEL NUMBER	PARCEL	DESCRIPTION
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 2021/22 fiscal year additional and possibly all parcels within the Alamo Creek development will be transferred to the Wendt Ranch GHAD, and these expenses have been anticipated in the 2021/22 budget estimates.

The fiscal year for the Wendt 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.

The annual assessment limits are as follows.

TABLE 2: Actual CPI Adjustments and Assessment Limit for Single Family Residential Properties

FISCAL YEAR	SAN FRANCISCO- OAKLAND-HAYWARD CPI (JUNE /JUNE)	ASSESSMENT LIMIT	ANNUAL ASSESSMENT LEVY
2005/06	-	\$422.00	\$300.00
2006/07	3.93%	\$438.57	\$311.78
2007/08	3.36%	\$453.29	\$322.25
2008/09	4.19%	\$472.30	\$335.76
2009/10	0.23%	\$473.37	\$336.52
2010/11	1.07%	\$478.44	\$340.12
2011/12	2.43%	\$490.06	\$348.38
2012/13	2.64%	\$502.98	\$357.57
2013/14	2.56%	\$515.84	\$366.71
2014/15	3.00%	\$531.32	\$377.71
2015/16	2.29%	\$543.48	\$386.36
2016/17	2.67%	\$558.00	\$396.68
2017/18	3.48%	\$577.42	\$410.49
2018/19	3.91%	\$599.99	\$426.53
2019/20	3.22%	\$619.26	\$440.23
2020/21	1.62%	\$629.29	\$447.36
2021/22 ¹	4% ¹	\$654.46 ¹	\$465.26 ¹

¹Estimate based on Consumers Price Index through April 2021.

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 past 12 months. The assessment limits were adjusted up 1.62 percent from the 2019/20 assessment levels. The final assessment roll prepared for the 2020/21 fiscal year and submitted to the Contra Costa County Assessor's Office identified 1,302 properties subject to the levy of the GHAD assessment. The total levy amount for the 2020/21 FY was \$612,039.

Based on the San Francisco-Oakland-Hayward CPI data reported through April 2021, for budgeting purposes, we estimated a FY 2021/22 inflation rate adjustment of 4 percent. We estimate that 1,310 residential units and 7 nonresidential parcels will be subject to assessment in FY 2021/22. 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 budget amounts have been inflation adjusted to provide the estimates.

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. There are no major repair projects anticipated for FY 2021/22.

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.

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.

TABLE 3: Summary of Use of Funds

USE OF FUNDS				
	FY 2020/21 ESTIMATE	FY 2020/21 BUDGET	FY 2021/22 PROPOSED	PERCENT CHANGE FROM FY 2020/21
MAJOR REPAIRS				
Subtotal	\$0	\$0	\$0	0.0%
PREVENTIVE MAINTENANCE AND OPERATIONS - PROFESSIONAL SERVICES				
Open Space Scheduled Monitoring Events	\$13,000	\$16,000	\$16,000	
Heavy Rainfall Monitoring Events	\$0	\$8,000	\$8,000	
Bioretention Cell Scheduled Monitoring Events	\$2,682	\$4,000	\$4,000	
Bioretention Heavy Rainfall Monitoring Events	\$0	\$2,000	\$2,000	
Transfer of Open Space and GHAD Maintained Improvements	\$4,000	\$9,000	\$9,000	
Technical Consultants, Parcel Transfer (Outside Services)	\$0	\$3,000	\$3,000	
Subtotal	\$19,682	\$42,000	\$42,000	0.0%
PREVENTIVE MAINTENANCE AND OPERATIONS - MAINTENANCE AND OPERATIONS				
Sediment Removal - Concrete Structures	\$1,041	\$6,000	\$6,000	
Bioretention and other Water Quality Facilities	\$2,400	\$15,000	\$15,000	
Erosion Repairs	\$225	\$15,000	\$20,000	
Subdrain Outlets	\$0	\$1,500	\$1,500	
Detention Basins	\$1,150	\$30,000	\$30,000	
Creek Bank Maintenance	\$0	\$20,000	\$25,000	
Slope Stabilization	\$1,200	\$25,000	\$25,000	
Trail, Fire Break, and Fence Maintenance	\$26,525	\$40,000	\$45,000	
Subtotal	\$32,541	\$152,500	\$167,500	9.8%
SPECIAL PROJECTS				
GPS/GIS Development	\$2,000	\$5,000	\$5,000	
Web Site Maintenance/Updates	\$500	\$1,000	\$1,000	
Subtotal	\$2,500	\$6,000	\$6,000	0.0%
ADMINISTRATION AND ACCOUNTING – GHAD MANAGER				
Administration and Accounting	\$42,000	\$42,000	\$42,000	
Budget Preparation	\$4,000	\$4,000	\$4,000	
Subtotal	\$46,000	\$46,000	\$46,000	0.0%
ADMINISTRATION AND ACCOUNTING – OUTSIDE PROFESSIONAL SERVICES				
Assessment Roll and Levy Update	\$3,800	\$3,800	\$3,800	
Legal Counsel	\$6,000	\$12,000	\$12,000	
Treasurer	\$13,500	\$24,000	\$28,000	
Contra Costa County Assessor's Fees	\$1,355	\$1,400	\$1,400	
California Association of GHADs Membership	\$425	\$450	\$450	
Insurance	\$1,205	\$4,500	\$6,000	
Subtotal	\$26,285	\$46,150	\$51,650	11.9%
Total	\$127,008	\$292,650	\$313,150	7.0%

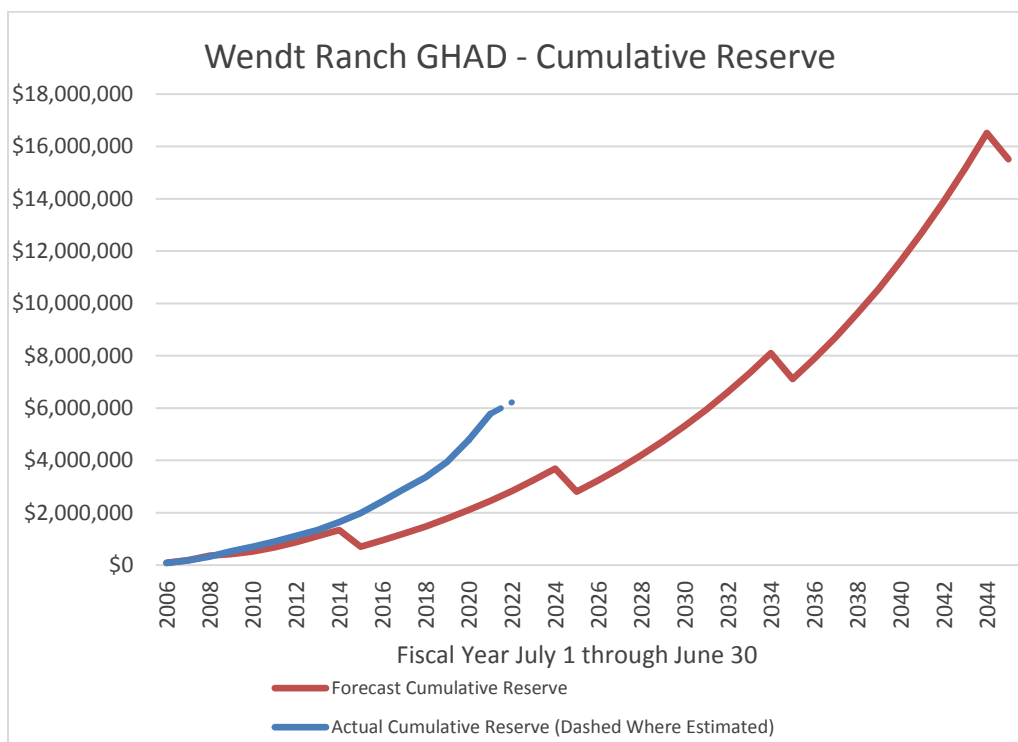
A summary of the proposed Fiscal Year 2021/22 Budget is shown in Table 4.

TABLE 4: Summary of Proposed Fiscal Year 2021/22 Budget

BUDGET ITEM	BUDGET AMOUNT	PERCENT OF TOTAL REVENUE (FY 2021/22)	PERCENT OF TOTAL REVENUE (FY 2020/21)
MAJOR REPAIRS			
TOTAL	\$0	0%	0%
PREVENTIVE MAINTENANCE AND OPERATIONS			
Professional Services			
Scheduled Monitoring Events	\$16,000		
Heavy Rainfall Monitoring Events	\$8,000		
Bioretention Cell Scheduled Monitoring Events	\$4,000		
Bioretention Heavy Rainfall Monitoring Events	\$2,000		
Transfer of Open Space and GHAD Maintained Improvements	\$9,000		
Technical Consultants, Parcel Transfer (Outside Services)	\$3,000		
Subtotal	\$42,000		
Maintenance and Operations			
Sediment Removal - Concrete Structures	\$6,000		
Bioretention and other Water Quality Facilities	\$15,000		
Erosion Repairs	\$20,000		
Subdrain Outlets	\$1,500		
Detention Basins	\$30,000		
Creek Bank Maintenance	\$25,000		
Slope Stabilization	\$25,000		
Trail, Fire Break, and Fence Maintenance	\$45,000		
Subtotal	\$167,500		
Preventive Maintenance and Operations TOTAL	\$209,500	29%	28%
SPECIAL PROJECTS			
GPS/GIS Development	\$5,000		
Web Site Maintenance and Updates	\$1,000		
Total	\$6,000	1%	1%
ADMINISTRATION AND ACCOUNTING – GHAD MANAGER			
Administration and Accounting	\$42,000		
Annual Report and Budget Preparation	\$4,000		
Subtotal	\$46,000	7%	6%
Outside Professional Services - Nontechnical Assessment Roll and Levy Update Preparation	\$3,800		
Legal Counsel	\$12,000		
Wendt Ranch GHAD Treasurer	\$28,000		
Contra Costa County Assessor's Fees	\$1,400		
California Association of GHADs Membership	\$450		
Insurance	\$6,000		
Subtotal	\$51,650	5%	7%
Administration and Accounting TOTAL	\$103,650		
PROPOSED EXPENDITURES TOTAL	\$313,150	42%	41%

BUDGET ITEM	BUDGET AMOUNT	PERCENT OF TOTAL REVENUE (FY 2021/22)	PERCENT OF TOTAL REVENUE (FY 2020/21)
ESTIMATED REVENUE			
Beginning Balance			
Balance (June 30, 2020)	\$4,783,244		
Estimated FY 2020/21 Revenue			
Estimated Assessment Revenue	\$612,039		
Estimated Assessment Interest/Dividend Revenue	\$509,221		
Estimated Expenses 2020/21 Expenses			
Estimated Expenses through 6/30/2021	\$127,008		
ESTIMATED RESERVE ON JUNE 30, 2021	\$5,777,495		
Estimated 2021/22 Revenue			
Estimated FY 2021/22 Assessment	\$643,500		
Estimated FY 2021/22 Interest/Dividend	\$112,320		
Estimated 2021/22 Expenses			
Estimated Expenses through June 30, 2022	\$313,150		
ESTIMATED RESERVE ON JUNE 30, 2022	\$6,220,165		

At the beginning of the 2021/22 fiscal year, the cumulative reserve is estimated at \$5,777,495 and about \$6,220,166 at the end of the 2021/22 fiscal year. As shown on the graph below, the forecast cumulative reserve is above the amount estimated in the 2005 Engineer's Reports and is estimated to reach approximately \$16,920,000 by 2044. The GHAD reserve is intended to fund unanticipated expenses that may occur.



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) nine 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 a resolution of the GHAD Board. For fiscal year 2021/22 (July 1, 2021, through June 30, 2022), the payment limit is set at \$116,125. 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.

TABLE 5: Payment Limit

TASK	AMOUNT
Scheduled Monitoring Events	\$16,000
Heavy Rainfall Monitoring Events	\$8,000
Bioretention Cell Scheduled Monitoring Events	\$4,000
Bioretention Heavy Rainfall Monitoring Events	\$2,000
Transfer of Parcels	\$9,000
Concrete-Lined Drainage Ditch Maintenance	\$900 ¹
Bioretention and other Water Quality Facilities	\$2,250 ¹
Erosion Repairs	\$3,000 ¹
Subdrain Outlets	\$225 ¹
Detention Basins	\$4,500 ¹
Creek Bank Maintenance	\$3,750 ¹
Slope Stabilization	\$3,750 ¹
Trail, Fire Break, and Fence Maintenance	\$6,750 ¹
Special Projects (GPS and Website)	\$6,000
Administration and Accounting	\$42,000
Budget Preparation	\$4,000
TOTAL	\$116,125

¹Dependent on maintenance and/or repair activities by the GHAD during FY 2021/22. ENGeo payment limit is estimated at 20% of the total budget item.

MAJOR REPAIR

There are currently no ongoing major repair projects, and none are anticipated for the 2021/22 fiscal year within the GHAD-maintained areas of the Wendt 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 2021/22 fiscal year. The reserve portion of the budget allows for 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 2021/22 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 2021/22 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 2021/22 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 \$9,000

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 \$3,000

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 2021/22 fiscal year.

Estimated budget \$20,000

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 for the detention basins.

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 \$25,000

Slope Stabilization

This is for unanticipated minor repairs, including slope instability or erosion, which may occur during the 2021/22 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 2021/22 fiscal year.

Estimated budget \$45,000

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 \$1,000

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 \$3,800

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 \$28,000

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 \$6,000