



Program Budget

FISCAL YEAR 2022-2023

APRIL 2022

EXHIBIT A



BLACKHAWK
GEOLOGIC HAZARD ABATEMENT DISTRICT

May 12, 2022

Blackhawk GHAD Board of Directors
c/o Supervisor Candice Andersen
309 Diablo Road
Danville, California 94526

**SUBJECT: Program Budget for Fiscal Year 2022-2023
Blackhawk Geologic Hazard Abatement District**

Dear Board Members:

Attached please find the proposed program budget for the Blackhawk Geologic Hazard Abatement District ("Blackhawk GHAD", "GHAD" or "District") for fiscal year 2022-2023. The proposed fiscal year budget totals \$3,433,250, which exceeds projected revenues and anticipates a \$352,976 deficit and the need to draw a commensurate amount from the reserve fund. At the time of this publication, it is expected that the fund balance on June 30, 2022, will be approximately \$13,275,506. A fund balance of \$12,922,530 is projected for June 30, 2023.

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

Major Projects	46 percent
Preventive Maintenance and Operations	24 percent
Special Projects	12 percent
Administration, Legal, Accounting	18 percent

As a percentage of the annual budget, the Major Projects Program will utilize a higher portion of the budget and require draws from the reserve fund. Through several ongoing slope stability studies, a slow-moving landslide was determined to exist within the Blackhawk Executive Center. Site monitoring and repair design schemes are being considered and analyzed with respect to costs and viability.

Through a process of assigning and prioritizing risk, GHAD management may simultaneously contract or suspend other discretionary program work and studies within the Major Projects Program. We also intend on moving into a phase of dedicating additional resources to address preemptive measures and studies and asset maintenance all within our Major Projects program and our Preventive Maintenance program.

The Preventive Maintenance Program will focus on continued efforts to secure and conduct asset site restorations. The program will continue to upgrade and analyze these sites and the associated data collection to ensure all predictive features of these instrumentation and asset sites are fully realized. Specifically, we will continue to target the following program elements - Concrete Interceptor Ditch Systems (Repair and Replace Program); the Horizontal Drains (Site Maintenance Program, and a district wide cleaning program); the Piezometers (Site Maintenance Program), and the Soil Debris Bench (Maintenance Program).

The Operations Program will continue its existing monitoring profile throughout this period. Any deferred study and maintenance programs will continue to be reinstated and implemented as appropriate.

The Special Projects Program will be directed to implementing Amendment 3 to the Plan of Control which seeks to clarify the independent role of the Blackhawk GHAD and further strengthen those areas of the plan that serve to define the scope of the District's responsibilities. It is anticipated that the Amended Plan will be presented to the GHAD Board for approval and brought into service during fiscal year 2021-2022. It is anticipated that the GHAD will continue to resume existing studies and pursue additional studies in the areas of fiscal policy and geologic risk analyses within the Special Projects Program. Approximately 12% of the annual budget has been dedicated to the Special Projects Program. We continue to work to preserve our open communication profile with district constituents and stakeholders within the Blackhawk community.

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

As managers, we continually monitor and project significant short-term and long-term financial impacts on GHAD reserves and compare such impacts with our 40-year reserve study. The winding down of COVID-19 virus restrictions has allowed conventional GHAD operations protocol to be reinstated. Although the logistical impact has been challenging, we believe there has been no significant negative short-term or long-term effect on the future ability to provide the full array of services of the GHAD throughout and following this pandemic. Our ability to maintain and build reserves provides assurance of our capability to provide services in the future. We will continue to monitor the process and advise you of any changed conditions.

A summary of the expenses is shown on Table 1, pages 4 through 6. A summary of the planned projects and projected expenses are shown and followed by brief descriptions of each of the budget items on pages 7 through 15.

Respectfully yours,

Blackhawk Geologic Hazard Abatement District



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General Manager

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Upon Execution: The management will post approved Budget at www.blackhawkghad.com

Blackhawk Homeowners Association
4125 Blackhawk Plaza Circle, #105
Danville, CA 94506
Attention: Melissa Manzo

Hidden Oaks at Blackhawk
c/o Community Care Property Management
P.O. Box 269
Oakley, CA 94561

Tennis Villas at Blackhawk
c/o CMJ Associates, Inc.
P.O. Box 190
Pleasanton, CA 94566

Saddleback at Blackhawk
c/o Jean Bates & Associates
70 Railroad Avenue
Danville, CA 94506

Silver Oak Townhomes at Blackhawk
Canyons at Blackhawk
c/o Bridgeport Company
1 Annabel Lane #217
San Ramon, CA 94583
Attention: Bill Bavelas

Blackhawk Country Club
599 Blackhawk Club Drive
Danville, CA 94506
Attention: Kevin Dunne, General Manager

Blackhawk Geologic Hazard Abatement District
Program Budget
Fiscal Year 2022/2023

The following proposed line-item program budget (Table 1) summarizes the anticipated expenditures for fiscal year 2022-2023 for the Blackhawk Geologic Hazard Abatement District (“Blackhawk GHAD”, “GHAD”, or “District”). Through an ongoing assessment, the GHAD 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 \$75,000.

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.

Preventive Maintenance and Operations Program

The annual Preventive 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 preventive 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 Blackhawk GHAD Plan of Control.

Typical Blackhawk GHAD assets include concrete lined ditches, sub-drainage systems, groundwater measuring instrumentation, slope inclinometers and moisture gauges, and slope debris catchment features.

The Preventive 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 instruments 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 Blackhawk 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 ensure financial solvency. Special Projects also include utilizing new technologies to increase the efficiencies of the day-to-day operations of the GHAD. Establishment, testing, and placing into service a new Geographic Information System (GIS) has been one of many successful fruitions of the Special Projects Program.

Administration

Administrative expenses are required to operate the Blackhawk 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 Blackhawk GHAD - The Blackhawk GHAD Board of Directors, through Resolution 2021/01, among other business, adopted a payment limit to an existing Consulting Services Agreement with Sands Construction Company, Inc. to act as General Manager. The payment limit established for a term through Jun 30, 2022, was \$235,000; the proposed payment limit through June 30, 2023, is \$279,100. 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. 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 and engineering or construction sub-consultants, within the payment limits of the Consulting Services Agreement.

With respect to the Operations Management of the Blackhawk GHAD, the Operations Manager payment limit was set at \$330,000 for a term throughout June 30, 2022; the proposed payment limit through June 30, 2023 is \$396,000. The scope of services for the Operations Manager includes implementing the Major Projects and Preventive Maintenance Programs through forecasting work schedules and priorities, preparing Requests for Proposals and managing maintenance and repair operations within the Major Projects and Preventive Maintenance Programs. These services include project management and construction management; and preparing for and responding to emergency incidents. The Operations Manager Consulting Services Agreement provides for certain operational positions including, but not limited to; an Operations Manager, Construction Services Manager and Construction Services Technician, as well as certain overhead costs, such as, office supplies, and electronic monitoring devices testing apparatus rental. The Operations Manager Consulting Services Agreement and associated budget allows for the conditional use of subcontractors such as contractors, engineers, and special inspectors, within the payment limits of the Consulting Services Agreement.

A summary of the proposed Fiscal-Year 2022-2023 Budget is presented in Table 1 on the following pages.

Table 1 – Summary of Fiscal-Year 2022/2023 Budget

Budget Item	Budget Amount	% of Total Budget
Major Repairs		
Study: Hor. Drain Cleaning Efficacy Study (ongoing)	30,000	
Study: Groundwater Study – Multiple Regional Studies	60,000	
Study/Project: Slope Stability/Remedial Construction – Tennis Villas to Sports Field	120,000	
Study: Blackhawk Plaza Landslide Investigation	225,500	
Study/Project: 3840 BH Road Landslide Repair (Partial)	700,000	
Horizontal Drain Cleaning Program (Phase 3)	100,000	
Other Storm Event Landslides (Highest Priority)	200,000	
Landscape Replacement (associated with repairs) (Limited to no greater than 10% of repair costs) *	150,000	
Total Major Projects	\$1,585,500	46%

Preventive Maintenance		
Drainage		
Storm Drains		
Facilities	10,000	
B-58 Concrete Lined Ditches		
Maintenance/Clean/Map	52,000	
Repair and Replace	75,000	
Retention Basins	20,000	
Subdrain Systems		
Horizontal Drains	35,000	
Subdrain Outlets/Pumps	10,000	
Piezometers	40,000	
Settlement Monitors	160,000	
Minor Repairs	130,000	
Winterization	25,000	
Emergency Response	45,000	
Debris Benches	5,000	
Subtotal	\$607,000	
Budget Item	Budget Amount	% of Total Budget
Operations		
Piezometer Monitoring	15,000	
Horizontal Drain Monitoring	15,000	
Subdrain Monitoring	15,000	

Settlement Monitoring	25,000	
Incident Response/Community Relations	75,000	
Project Monitoring	45,000	
Subtotal	\$190,000	
Total Preventive Maintenance/Operations	\$797,000	24%

Special Projects		
Plan of Control	15,000	
Reserve Study Update	30,000	
Special Studies	150,000	
Information Technology	175,000	
Accounting Systems Upgrade	5,000	
Procedures Manual	5,000	
Communications Program	2,500	
CA Association of GHADs – Membership/Insurance	15,500	
Total Special Projects	\$398,000	12%

Administration		
Legal fees		
General Counsel	100,000	
Special Counsel		
Litigation/Legal Concerns	20,000	
Legal Matters/Claims	10,000	
Staffing/Administrative Support	321,750	
Accounting/Bookkeeping	161,000	
Training/Education	2,000	
Office – Rent/Supplies/Equipment/Lease	38,000	
Total Administration	\$652,750	18%

TOTAL PROPOSED BUDGET FY2022/2023	\$3,433,250	100%
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Available Funds	
Estimated Beginning Fund Balance – July 1, 2022**	13,275,506
Estimated Contributions from M-23 (M-23 Surplus)	2,499,659
Estimated Interest on Investments	580,615
Other Income	0.00
Total Available Funds	\$16,355,780
Uses of Funds	
Major Projects	1,585,500
Preventive Maintenance	797,000
Special Projects	398,000
Administrative	652,750
Total Use of Funds	\$3,433,250
Estimated Reserve Available/Ending Fund Balance June 30, 2023	\$12,922,530

* Pursuant to the Blackhawk GHAD Plan of Control – Section IX B-1

** Includes estimated accrued true-up revenue payment (Sept 2022) of \$69,487.00. Projected Fund Balance date of publication - (pending CSA M-23 FY21/22 actual expenses)

DESCRIPTION OF BUDGET ITEMS

Major Projects

STUDIES: Studies, as they relate to field conditions, are essential and are designed to analyze specific sets of aggregated empirical data with the intent of assessing condition of infrastructure and efficacy of instrumentation data collection. Through this effort, specific studies inform management about how to tailor programs to capitalize on the most effective preemptive measures as the GHAD implements its Major Projects Program and Preventive Maintenance Program.

Horizontal Drain Cleaning Efficacy Program

Study: This study analyzes the results of our in-progress Horizontal Drain Cleaning Program. Post-cleaning drain yields will be measured and analyzed compared to pre-cleaning yields. Impact on local groundwater levels will be analyzed and data will be additionally utilized in evaluating the efficacy of the Horizontal Drain Cleaning Program, as well as the impact on regional (district wide) groundwater levels. Data sets from historical above average rain events (2000 through 2021) will be accessed and utilized to further inform the Horizontal Drain Program.

Estimated Cost \$30,000

Groundwater Studies (Regional Sites)

Study: This study is projected to be conducted in multiple phases. It will analyze regional groundwater regimes where groundwater levels have risen over time. Data from piezometer histories will be the primary criterion used, along with collaboration with the Horizontal Drain Study results in the effectiveness of horizontal drains in lowering local groundwater levels and increasing slope stability.

Estimated Cost \$60,000

Slope Stability Study/Remedial Design and Repair – Tennis Villas – Sports Field

Study: This study and remedial repair design is projected to be conducted in multiple phases, pending study results. It will analyze regional slope stability along a slope above Blackhawk Road in the subject area of the district.

Estimated Cost \$120,000

Parking Lot Settlement – Landslide Investigation – Blackhawk Plaza

Study: This study and site investigation is focused on establishing causes for significant asphalt settlement in the west end parking lot area of the upper terrace at Blackhawk Plaza. Monitoring and site instrumentation will be used to evaluate the existence of a landslide. Should operations be determined necessary to address or prevent an imminent landslide, then design documents and repair operations would be initiated under separate authorization

Estimated Cost \$225,500

Study/Project 3840 Blackhawk Road (Blackhawk Executive Center (BECA) – Remedial Work Project

Study/Project: This study was initiated in FY2021-2022 and is ongoing relating to a slope adjacent to the subject property. Instrumentation installed at the site has shown small incremental downslope movement in the past. Mitigation designs are currently being evaluated should movement continue, and a preemptive operation becomes necessary to arrest movement in the impacted area. Budget for these operations have been allotted in FY2022-2023 Major Projects program to allow initiation of mitigation or repair operations.

Estimated Cost (partial FY22/23) \$700,000

Horizontal Drain Cleaning Program



Following a test program, a district-wide Horizontal Drain Cleaning Program commenced in FY2018-2019. The program continued in phased operations during FY2020/2021 and FY2021-2022. Continuation of Phase 3 operations are planned for FY2022-2023. A follow-up program has been formulated to determine an appropriate frequency interval for cleaning events and will be implemented this year as well.

Estimated Cost \$100,000

Other Storm Event Landslides

During heavy rain years, unexpected repairs are necessary to avert or control landslides that may threaten property within the District. It is vital for the manager to retain the availability of funds within the Major Repair Program to address just such an event.

It is also common to experience a change in the planned construction schedule to include additional sites. Known sites can rise in priority throughout the year and additional sites may emerge.

Estimated Cost \$200,000



Landscape Replacement

Typically, remedial landscaping is either included in the scope of work for major projects or eliminated completely from the repair scheme depending on impact from remedial efforts to restore slope stability. However, on occasion, and complying with Section (IX B-1) of the Plan of Control, the associated License Agreements executed in preparation of the work will address a reimbursement or allowance to the property

owner for remedial landscaping installation.

Estimated Cost \$150,000

Preventive Maintenance and Operations

Preventive Maintenance

Preventive 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.

The Preventive Maintenance Program will continue its current profile through this fiscal year with those tasks that are essential to maintaining slope instrumentation sites and information; data collection and other measures to ensure slope stability, and possible resumption of discretionary programs regarding instrument site maintenance and capital expenditures will be evaluated on a case-by-case basis.

Storm Drains/Facilities

Storm drains and drain inlets associated with B-58 drainage systems occasionally need repair or replacing. Assessments are made during the annual cleaning events in early fall.

Estimated Cost \$10,000

B-58 Drain Systems

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

Estimated Cost \$52,000

Repair and Replacement – As a result of intensified efforts in recent years, a total of around 2300 lineal feet of B-58 have been replaced and several-thousand lineal feet of B-58 repaired. A priority has been established based on the degree of damage and associated risk to improved properties, and a percentage of these replacement projects will be budgeted throughout the upcoming years. This year’s budget will be utilized on repairs to existing B-58s on a site-by-site basis.

Estimated Cost \$75,000

Retention Basins

There are seven retention basins within the District boundaries. Three basins are unimproved retention basins and are maintained exclusively by the Contra Costa County Flood Control District through CSA M-23. Blackhawk GHAD, as well as the property owners, perform certain periodic maintenance operations at the other four basin locations. In a collective agreement with the Homeowners Association, the Country Club (landowner), and the GHAD, de-siltation efforts have been periodically completed on two retention basins. Currently, planning, permitting and engineering efforts are being conducted in anticipation of a multi-year dredging project on the golf course involving the three participant entities.

Initiated in FY 2017-2018 and ongoing, the GHAD management has continued to engage the Contra Costa County Public Works Department (Public Works) and the Blackhawk Homeowners Association in discussions to develop clarity as to the relative responsibilities for drainage maintenance within the GHAD. These trilateral discussions have produced an agreement and a further understanding when it comes to maintenance of drainage systems, creeks and retention basins.

Estimated Cost \$20,000

Subdrain Systems

Outlet sites for subdrain systems must be monitored and maintenance provided to ensure outlets have not been damaged or impeded. This budget will allow for an inspection and minor maintenance of these sites.

Horizontal Drains

The District Manager has placed a high priority on verifying the condition and restoring as many existing horizontal drains throughout the development as possible. A definitive list of sites requiring maintenance has been determined and work continues on restoring the sites and installing identification markers.

Estimated Cost \$35,000

Subdrain Outlets/Pumps

The Blackhawk GHAD conducts ongoing 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 as well as the additional introduction of the subdrain systems into the District GIS system has been incorporated into this budget item.

The GHAD maintains a subdrain pumping facility located adjacent to Hole #1 of the Lakes Course Country Club. Periodic site checks for operation are required. In recent years the equipment, instrumentation and electronics have been updated. This year, maintenance will be performed at this site to ensure the continued reliability of this system and facility.

Estimated Cost \$10,000

Piezometers

The District reads and maintains in excess of 100 piezometers measuring ground water elevations. A definitive list of sites requiring repairs has been determined and work begun on restoring the sites and installing identification markers. The work this year has been continued in order to include a greater number of sites and inclusion of the sites into the GIS, and to maintain site locations.

Estimated Cost \$40,000

Settlement Monitors

Over time, a number of settlement monitors have been placed throughout the development. These monitors were, in large part, installed as part of a specific study and therefore are not continually monitored. The establishment of new monitoring programs exist in several areas of the District. Older, obsolete instrument sites will be evaluated, and if appropriate, decommissioned.

Estimated Cost \$160,000

Minor Repairs

A budget is established annually for ongoing smaller projects or unanticipated minor projects within the Preventive Maintenance Program.

Estimated Cost \$130,000

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. To replenish and keep materials available, inventories are routinely taken, and materials procured. This years' winterization material needs are expected to range within normal parameters for expenses. Therefore, the budget has been reduced from previous years.

Estimated Cost \$25,000

Emergency Response

During the winter rainy season, the Blackhawk GHAD responds to a range of urgent, active, and 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 \$45,000

Debris Benches

Numerous earthen debris benches exist throughout the district. It is essential that these facilities be inspected to ensure capacities and drainage have not been compromised. Annual inspections are made, and periodic debris removal plans are initiated. This year's budget allows for geotechnical evaluations and the periodic removal of accumulated debris from several of those benches identified during the study and routine monitoring events.

Estimated Cost \$5,000

Operations

An inventory of on-site instrumentation including hundreds of piezometers, inclinometers, horizontal drains, subdrains, and settlement monuments are monitored periodically throughout the year as a preventative measure. Collected data from these sites is analyzed and aggregated into the GIS for further analysis to establish trends.

Monitoring sites can be established for a variety of uses. Completed repair sites often 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. Archiving of historical data is ongoing integrating into the GHAD GIS.

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, have been institutionalized as a role of Blackhawk GHAD management. All incidents are recorded within the GIS and move through the district response mechanisms as is appropriate and consistent with the Blackhawk 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 seasonal heavy rain or seismic conditions.

Estimated Cost \$190,000

Special Projects

During fiscal year 2022/2023 the District will continue several special projects and studies. Brief descriptions of the special projects are presented in Table 1 and further described below:

Plan of Control Update

It is anticipated that Amendment 3 to the Plan of Control will be presented to the Board in late FY2021-2022, which will contain minor efforts to strengthen the document by incorporating new advancements in technology, and provide additional clarity regarding the GHADs authorized work and responses.

Estimated Cost \$15,000

Reserve Study Update

The Blackhawk GHAD reserve fund study was originally completed in FY2002-2003. An extensive update to the plan was completed in fiscal year 2012-2013. The reserve study functions as a pro-forma (40 year) analysis of the financial needs of the Blackhawk GHAD. It serves as a tool to calculate the annual contribution required by the GHAD to build and maintain sufficient funds for emergencies and capital replacement programs based on past weather patterns, landslide repair costs, and general attrition. Historically, as a result of severe winters, draws have been necessary on the reserve fund. Work has been completed on an independent analysis of the fund health and methodologies. This analysis has been used in updating the pro-forma plan and provides instruction to GHAD management as to the necessary reserve demands over time.

Estimated Cost \$30,000

Special Studies

The Blackhawk GHAD intends to continue targeted and site-specific studies in the areas of fiscal policy and geologic risk. The GHAD, as we anticipate our 37th year, has the unique opportunity to address many of the issues surrounding long-term viability and sustainability within changing environmental 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. The Special Studies program has been substantially expanded this year to account for projected costs incurred to continue site specific studies currently underway.

Estimated Cost \$150,000

Information Systems and Technology

The Blackhawk GHAD completed an upgrade to its GIS to include all the GHAD's data collection and monitoring operations. The system has been fully operational and is run from internal servers, combined with secure and private "cloud" storage. 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. A planned new GIS platform will be introduced in FY2022-2023. As technology has grown, so must the GHAD's ability to economically access and benefit from additional platforms and features. GHAD is seeking vendors to provide evaluation of existing GIS and recommendations moving forward.

As a result of an independent evaluation of the Blackhawk GHAD's information systems conducted in 2012 and again in 2015, the GHAD has modernized its IT systems and security. With recent rising international IT risks, the GHAD has incorporated additional safeguards to protect data.

Additionally, the GHAD website www.blackhawkghad.com has continued to provide a mechanism to disseminate information to our constituents. Both our ongoing IT system and the GHAD website continue to modernize as appropriate to provide security and user access to our efforts to communicate with our constituents.

It is anticipated that work will continue on enhancements to the GHAD GIS during this term. Work will include incorporating access features to data, and graphic representations and improving the performance and usability of each site.

Estimated Cost \$175,000

Accounting System Upgrade

Periodic upgrades are necessary to enhance accounting system capabilities. The Blackhawk 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.

Estimated Cost \$5,000

Procedures Manual

The Blackhawk GHAD continually upgrades procedures and modifies plans to incorporate new technologies that assist the GHAD in delivering the highest level of services. Procedures require certain modifications and enhancements as new methodologies are introduced and incorporated into the GHAD Standard Operation Procedures. Certain financial and operations procedures have been institutionalized within the program. Additional procedures will be incorporated to further define and standardize the following areas:

- Preventive Maintenance/Operations
- Standard Form Contracts (Evaluation)
- Administrative Procedures (Evaluation)

Estimated Cost \$5,000

Communications Plan

The Blackhawk GHAD maintains a communications plan designed to keep constituents current 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 GHAD has now implemented a web page for public information and a multi-page informational brochure has been completed and distributed to interested Homeowner Associations (HOA) that describes the GHAD and its responsibilities and limitations. Additionally, when asked the General Manager writes periodic articles for the HOA newsletter.

Estimated Cost \$2,500

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 Blackhawk 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 obtained General Liability policies for its member GHADs. Additional GHAD onboarding and participation has reduced relative premiums. Coverage for the Blackhawk GHAD is approximately \$8,000¹, plus administrative costs.

Additionally, the GHAD manager participates in the CAGHADs as the organization pursues other financial instruments that may provide the Blackhawk GHAD additional options for extraordinary event financial planning. In 2016, the CAGHAD Board adopted a new fee schedule reducing the annual GHAD fees for membership by 50%.

Estimated Cost \$15,500

Administration

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

Legal

General Counsel – Blackhawk GHAD management must interact regularly with GHAD Counsel. The day-to-day operations of the GHAD present a myriad of issues and opportunities to work directly with GHAD counsel in the areas of contracts, agreements, new business, legislation, and property owner issues.

Estimated Cost \$100,000

Special Counsel – Blackhawk GHAD management requires the services of special counsel from time to time in the areas of litigation and other legal concerns. Currently special legal counsel is advising the GHAD in a variety of legal areas.

Estimated Cost \$30,000

Staffing/Administrative Support

The Blackhawk GHAD staff includes the General Manager, a Construction Services Manager, an Administration Manager and frequently other support staff and consulting professionals. The General Manager administers all GHAD day-to-day operations, including financial budgeting and communications regarding its activities. The Construction Services 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 \$522,750

¹ A more comprehensive policy was presented in 2022 with a small premium increase