

Exhibit A

**WENDT RANCH GEOLOGIC HAZARD ABATEMENT DISTRICT
PROGRAM BUDGET FOR FISCAL YEAR 2024/25**



June 13, 2024

Wendt Ranch GHAD Board of Directors
Chair Candace Andersen
Vice Chair Federal D. Glover
Board Member John M. Gioia
Board Member Diane Burgis
Board Member Ken Carlson

Wendt Ranch Geologic Hazard Abatement District
1025 Escobar Street
Martinez, CA 94553

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

PROGRAM BUDGET FOR FISCAL YEAR 2024/25

Dear Chair Andersen and Boardmembers:

Attached is the program budget for the Wendt Ranch Geologic Hazard Abatement District (GHAD) for Fiscal Year (FY) 2024/25. The program budget as proposed is \$483,132. The budget expenses break down into the following approximate percentages of the total expenses.

Administration and Accounting	11 percent
Outside Professional Services	15 percent
Preventive Maintenance and Operations	73 percent
Special Projects.....	1 percent
Major Repairs.....	0 percent

The budget anticipates FY 2024/25 revenue of \$740,125 with an estimated increase of \$256,993 to the reserve fund. A summary of the expenses is shown on Table 5 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. 4063.002.023

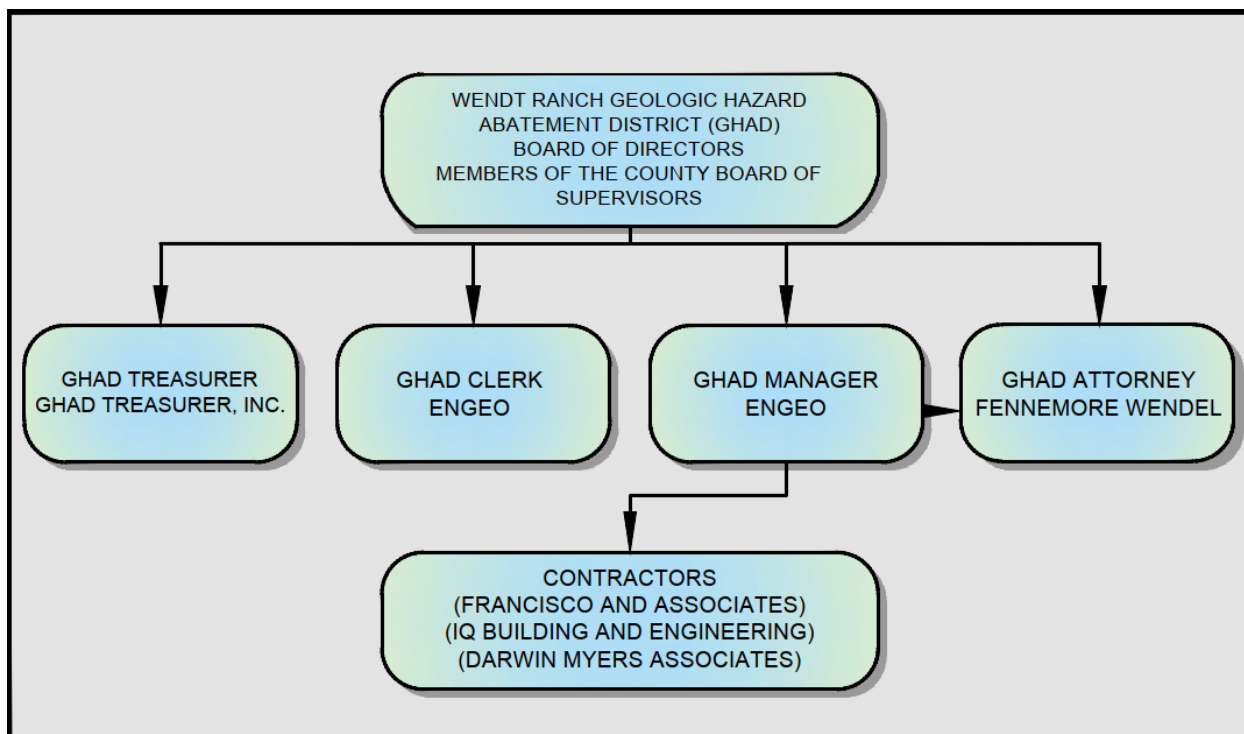
Haley Ralston

Eric Harrell

hjr/eh/ca

**Wendt Ranch Geologic Hazard Abatement District
 Program Budget
 Fiscal Year 2024/25**

The following proposed program budget summarizes the anticipated receivables and expenditures for Fiscal Year 2024/25 for the Wendt Ranch Geologic Hazard Abatement District (District), which currently includes Wendt Ranch, Intervening Properties (Monterosso), Alamo Creek, and Somerset 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 the open-space parcels within the Monterosso and Wendt Ranch developments. Maintenance, monitoring responsibilities, and ownership of the listed parcels have been transferred to the GHAD.

TABLE 1: Parcels Owned and/or Maintained 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
206-630-054	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 Detention Basin
Alamo Creek Development		
206-030-058		Recreation Sports Fields
206-030-077		School Parcel
206-030-078		Alamo Creek Central Open Space, South of Lusitano Street
206-030-079		Alamo Creek Open Space, West of Belarus Street
206-030-080		Alamo Creek Open Space, East of Bengali Street

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 2024/25 fiscal year, additional, and possibly all parcels within the Alamo Creek and Somerset developments, will be transferred to the Wendt Ranch GHAD and these expenses have been anticipated in the 2024/25 budget estimates.

On August 3, 2021, the Wendt Ranch GHAD Board of Directors adopted Resolution 2021/03 approving the annexation of the Somerset development into the Wendt Ranch GHAD. On November 28, 2023, the Wendt Ranch GHAD Board of Directors adopted Resolution 2023/06 authorizing the levy of the assessment for GHAD responsibilities within the Somerset development. To date, the GHAD has not accepted any Plan of Control responsibilities within the Somerset development; however, it is anticipated that the Somerset development will transfer Plan of Control responsibilities to the GHAD in FY 2024/25. The budget prepared for FY 2024/25 allows for expenses related to the Somerset development for Fiscal Year 2024/25.

The annual assessment limits and actual levies are summarized below.

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

FISCAL YEAR	INDEX DATE	SAN FRANCISCO-OAKLAND-HAYWARD CPI (JUNE /JUNE)	MONTEROSSO, WENDT RANCH, AND ALAMO CREEK ASSESSMENT LIMIT	MONTEROSSO, WENDT RANCH, AND ALAMO CREEK ANNUAL ASSESSMENT LEVY	SOMERSET ASSESSMENT LIMIT AND LEVY
2005/06		-	\$422.00	\$300.00	
2006/07	6/30/2006	3.93%	\$438.57	\$311.78	
2007/08	6/30/2007	3.36%	\$453.29	\$322.25	
2008/09	6/30/2008	4.19%	\$472.30	\$335.76	
2009/10	6/30/2009	0.23%	\$473.37	\$336.52	
2010/11	6/30/2010	1.07%	\$478.44	\$340.12	
2011/12	6/30/2011	2.43%	\$490.06	\$348.38	

FISCAL YEAR	INDEX DATE	SAN FRANCISCO-OAKLAND-HAYWARD CPI (JUNE /JUNE)	MONTEROSSO, WENDT RANCH, AND ALAMO CREEK ASSESSMENT LIMIT	MONTEROSSO, WENDT RANCH, AND ALAMO CREEK ANNUAL ASSESSMENT LEVY	SOMERSET ASSESSMENT LIMIT AND LEVY
2012/13	6/30/2012	2.64%	\$502.98	\$357.57	
2013/14	6/30/2013	2.56%	\$515.84	\$366.71	
2014/15	6/30/2014	3.00%	\$531.32	\$377.71	
2015/16	6/30/2015	2.29%	\$543.48	\$386.36	
2016/17	6/30/2016	2.67%	\$558.00	\$396.68	
2017/18	6/30/2017	3.48%	\$577.42	\$410.49	
2018/19	6/30/2018	3.91%	\$599.99	\$426.53	
2019/20	6/30/2019	3.22%	\$619.26	\$440.23	
2020/21	6/30/2020	1.62%	\$629.29	\$447.36	
2021/22	6/30/2021	3.15%	\$649.14	\$461.48	
2022/23	6/30/2022	6.80%	\$693.28	\$0	
2023/24	6/30/2023	2.88%	\$727.94	\$383.08	\$615.00
2024/25	6/30/2024	3% ¹	\$734.64 ¹	\$366.84 ²	\$633.45 ¹

¹Estimate based on Consumers Price Index through February 2024 and approval by the Board of Directors.

²Proposed assessment levy for Fiscal Year 2024/25 subject to approval by the Board of Directors.

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 2.88 percent from the 2002/23 assessment levels. All 1,317 properties within the Monterosso, Wendt Ranch, and Alamo Creek developments were subject to the levy of the GHAD assessment in FY 2023/24. All 150 properties within the Somerset development will be subject to the levy of the GHAD assessment beginning on FY 2024/25. The actual FY 2024/25 assessment limit will be calculated to reflect the percentage change in the San Francisco-Oakland-Hayward Consumer Price Index (CPI) for All Urban Consumers for June 2024 through June 2025.

As shown on Graph 1 below, the GHAD has exceeded the target reserve rate of accumulation forecast in the approved Engineer’s Reports for the Alamo Creek, Monterosso, and Wendt Ranch developments. We have in this proposed budget, and may in future budgets, recommend an annual levy amount less than the assessment limit if the following conditions are met.

- Unencumbered reserve funds collected from within a development exceed the target reserve amount estimated in the approved Engineer’s Report or unencumbered reserve funds collected from a development exceed the target reserve
- Reserve funds collected from within a development exceed the dollar amount estimated for a large-scale repair

We are recommending an assessment levy less than the assessment limit to cover annual maintenance and operation costs for the GHAD for FY 2024/25. The proposed assessment levy for FY 2024/25 is \$364.04 per single-family residence within the Monterosso, Wendt Ranch, and Alamo Creek developments only. The residential properties within the Somerset development will be assessed at the inflation-adjusted assessment limit. The June CPI is released in mid-July and

is used by the GHAD Manager to determine the final assessment limit for each development. Table 3 shows the estimated revenue for FY 2024/25.

TABLE 3: Estimated Revenue for FY 2024/25

	FY 2024/25 ESTIMATE
Assessment Revenue	\$578,150
Investment Income	\$161,975
Total Revenues	\$740,125

In general, the budget amounts listed are based on the Engineer's Report approved by the Wendt Ranch GHAD Board of Directors for each development in the GHAD. The budget amounts have been adjusted by estimated inflation to provide the FY 2024/25 estimates. The fiscal year for the Wendt Ranch GHAD begins on July 1 annually. The budget is divided into four categories including Administration and Accounting, Preventive Maintenance and Operations, Special Projects, and Major Repair. As needed, the GHAD Manager may reallocate funds without additional Board approval.

ADMINISTRATION

Administrative expenses include the General Manager duties related to the operation and administration of the GHAD. These include clerical and accounting functions.

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.

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 \$250,000.

TABLE 4: Summary of Use of Funds

USE OF FUNDS				
	FY 2023/24 ESTIMATE*	FY 2023/24 BUDGET	FY 2024/25 PROPOSED	PERCENT CHANGE FROM FY 2023/24
Administration and Accounting				
Administration and Accounting (GHAD Manager)	\$44,000	\$44,000	\$47,300	
Annual Reporting/Budget Preparation (GHAD Manager)	\$4,200	\$4,200	\$4,900	
Subtotal	\$48,200	\$48,200	\$52,200	8.3%
Assessment Roll and Levy Update	\$4,450	\$3,800	\$4,450	
Alameda County Assessor's Fees	\$1,400	\$1,400	\$1,500	
California Association of GHADs Membership	\$429	\$470	\$470	
GHAD Treasurer	\$32,000	\$32,000	\$34,200	
GHAD Legal Counsel	\$10,000	\$12,000	\$12,000	
Insurance – General Liability	\$6,000	\$6,000	\$6,500	
Transfer Services	\$0	\$13,000	\$13,000	
Subtotal	\$54,279	\$68,670	\$72,120	5.0%
Preventive Maintenance and Operations - Maintenance Contractor				
Sediment Removal from Drainage Ditches	\$9,425	\$8,800	\$9,425	
Detention Basin Maintenance	\$0	\$19,000	\$25,750	
Bioretention Basin Maintenance	\$3,000	\$18,650	\$6,000	
Vegetation Management	\$46,315	\$69,865	\$69,865	
Access Roadway Maintenance	\$68,315	\$68,315	\$30,362	
Open Space Maintenance	\$10,670	\$6,120	\$4,500	
Subdrain Maintenance	\$0	\$14,300	\$17,160	
Slope Stabilization	\$24,394	\$40,000	\$40,000	
Erosion Control	\$10,000	\$44,000	\$44,000	
Subtotal	\$172,118	\$289,050	\$247,062	-14.5%
Preventive Maintenance and Operations - Professional Services (GHAD Manager)				
Scheduled Monitoring Events	\$20,000	\$20,000	\$42,600	
Heavy Rainfall Monitoring Event	\$332	\$10,000	\$11,300	
Detention/Bioretention Basin Scheduled Monitoring	\$0	\$4,000	\$4,000	
Detention/Bioretention Basin Heavy Rainfall Monitoring	\$0	\$2,000	\$2,000	
Sediment Removal from Drainage Ditches	\$457	\$2,200	\$2,000	
Detention Basin Maintenance	\$0	\$3,800	\$5,150	
Bioretention Basin Maintenance	\$1,440	\$3,730	\$1,200	
Vegetation Management	\$2,000	\$10,000	\$10,000	
Access Roadway Maintenance	\$1,500	\$6,000	\$6,000	
Open Space Maintenance	\$2,000	\$7,000	\$2,000	
Subdrain Maintenance	\$1,723	\$2,860	\$3,500	
Slope Stabilization	\$10,607	\$10,000	\$8,000	
Erosion Control	\$1,000	\$11,000	\$8,000	
Subtotal	\$20,332	\$92,590	\$105,750	14.2%

USE OF FUNDS				
	FY 2023/24 ESTIMATE*	FY 2023/24 BUDGET	FY 2024/25 PROPOSED	PERCENT CHANGE FROM FY 2023/24
Special Projects				
GIS	\$5,000	\$5,000	\$5,000	
Web Site Maintenance	\$1,000	\$1,000	\$1,000	
Reserve Study	\$0	\$0	\$0	
Subtotal	\$6,000	\$6,000	\$6,000	0.0%
Major Repairs				
Contracted Services	\$58,000	\$70,000	\$0	
Professional Services	\$16,736	\$15,000	\$0	
Subtotal	\$74,736	\$85,000	\$0	0.0%
Total	\$375,666	\$589,510	\$483,132	-18.0%

A summary of the proposed Fiscal Year 2024/25 Budget is shown in Table 5.

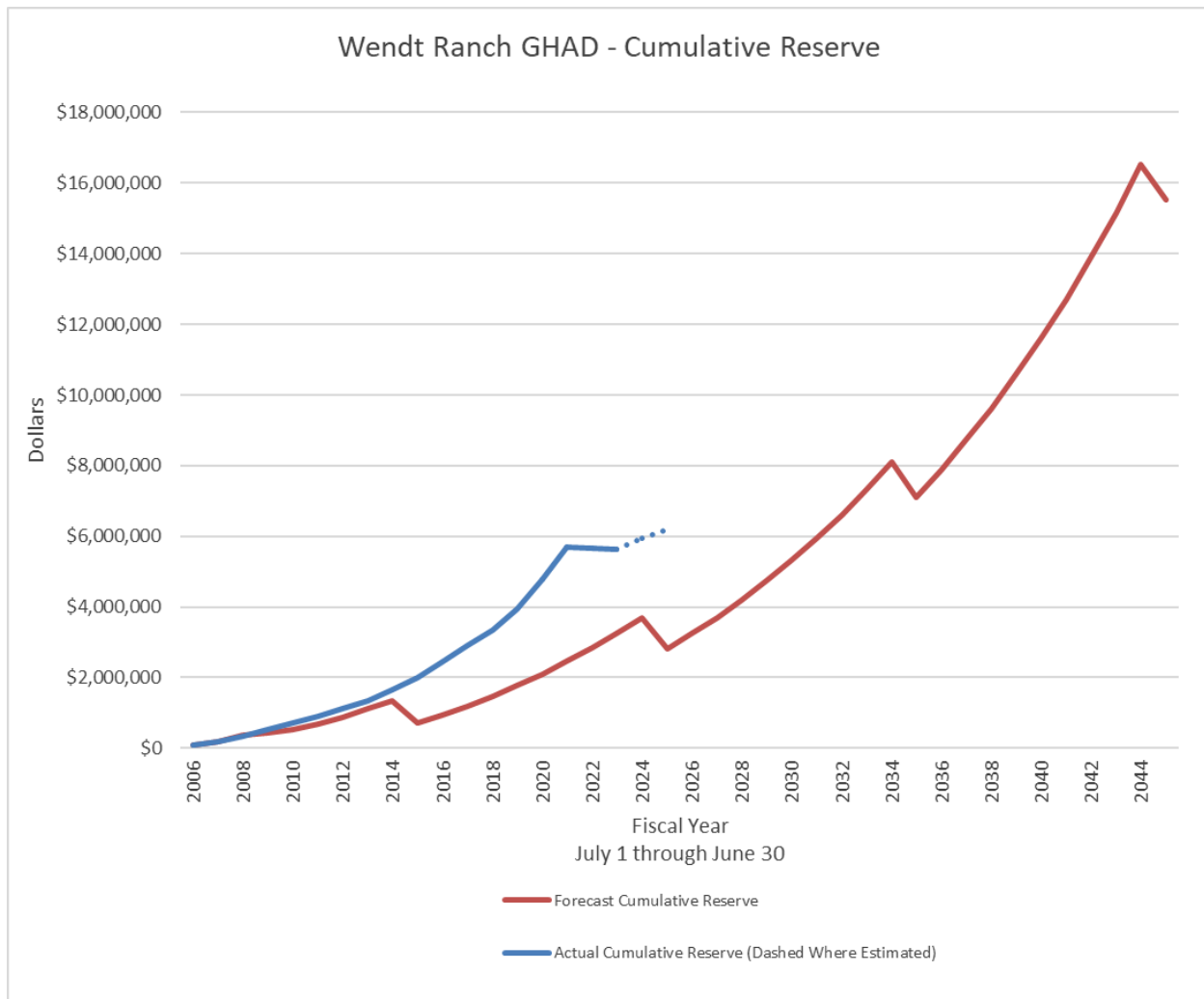
TABLE 5: Summary of Proposed Fiscal Year 2024/25 Budget

BUDGET ITEM	BUDGET AMOUNT	PERCENT OF TOTAL BUDGET (FY 2024/25)
Administration		
Administration and Accounting – GHAD Manager	\$47,300	
Annual Reporting/Budget Preparation – GHAD Manager	\$4,900	
Subtotal	\$52,200	10.8%
Assessment Roll and Levy Update Preparation	\$4,450	
Alameda County Assessor’s Fees	\$1,500	
California Association of GHADs Membership	\$470	
GHAD Treasurer	\$34,200	
GHAD Legal Counsel	\$12,000	
Insurance – General Liability	\$6,500	
Transfer Services	\$13,000	
Subtotal	\$72,120	14.9%
TOTAL	\$124,320	25.7%
Preventive Maintenance and Operations		
<i>Maintenance and Operations – Maintenance Contractor</i>		
Sediment Removal from Drainage Ditches	\$9,425	
Detention Basin Maintenance	\$25,750	
Bioretention Basin Maintenance	\$6,000	
Vegetation Management	\$69,865	
Access Roadway Maintenance	\$30,362	
Open Space Maintenance	\$4,500	
Subdrain Maintenance	\$17,160	
Slope Stabilization	\$40,000	
Erosion Control	\$44,000	
Subtotal	\$247,062	
<i>Monitoring Services – GHAD Manager</i>		

BUDGET ITEM	BUDGET AMOUNT	PERCENT OF TOTAL BUDGET (FY 2024/25)
Open Space Scheduled Monitoring Events	\$42,600	
Heavy Rainfall Monitoring Event	\$11,300	
Detention/Bioretenion Basin Scheduled Monitoring	\$4,000	
Detention/Bioretenion Basin Heavy Rainfall Monitoring	\$2,000	
Subtotal	\$59,900	
<i>Maintenance and Operations Oversight – GHAD Manager</i>		
Sediment Removal from Drainage Ditches	\$2,000	
Detention Basin Maintenance	\$5,150	
Bioretenion Basin Maintenance	\$1,200	
Vegetation Management	\$10,000	
Access Roadway Maintenance	\$6,000	
Open Space Maintenance	\$2,000	
Subdrain Maintenance	\$3,500	
Slope Stabilization	\$8,000	
Erosion Control	\$8,000	
Subtotal	\$45,850	
TOTAL	\$352,812	73.0%
Special Projects		
GIS	\$5,000	
Web Site Maintenance	\$1,000	
Reserve Study	\$0	
TOTAL	\$6,000	1.2%
Major Projects		
Contracted Services	\$0	
Professional Services	\$0	
TOTAL	\$0	0%
ESTIMATED EXPENDITURES	TOTAL	\$483,132
ESTIMATED RECEIVABLES		
Beginning Balance		
Balance (July 1, 2023)		\$5,629,103
Estimated FY 2023/24 Revenue		
Assessment Revenue	\$529,674	
Investment Revenue	\$162,050	
Estimated 2023/24 Expenses		
Estimated Expenses	\$375,666	
ESTIMATED RESERVE ON JUNE 30, 2024		\$5,945,162
Estimated 2024/25 Revenue		
Estimated FY 2024/25 Assessment	\$578,150	
Estimated FY 2024/25 Investment Income	\$161,975	
Estimated 2024/25 Expenses		
Expenses through June 30, 2025	\$740,125	
ESTIMATED RESERVE ON JUNE 30, 2025		\$6,202,155

At the beginning of the 2024/25 fiscal year, the cumulative reserve is estimated at \$5,945,162 and about \$6,202,155 at the end of the 2024/25 fiscal year. As shown on the Graph 1 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.

GRAPH 1: Cumulative Reserve



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 sixteen 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 2024/25 (July 1, 2024, through June 30, 2025), the payment limit is set at \$163,950. The tasks included within the payment limit are listed in Table 6.

TABLE 6: Payment Limit

TASK	AMOUNT
Administration and Accounting	\$47,300
Annual Report and Budget Preparation	\$4,900
Monitoring Services	\$59,900
Maintenance and Operations Oversight	\$45,850 ¹
Special Projects (GPS, Website, and Reserve Study)	\$6,000
Major Repairs	\$0 ¹
TOTAL	\$163,950

¹Dependent on maintenance and/or repair activities by the GHAD during FY 2024/25. ENGEEO payment limit is estimated at up to 20% of the total budget item.

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.

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.

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.

County Assessor's Fees

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

Association Membership

The GHAD maintains membership in the California Association of GHADs.

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. As budgeted, half of the estimated cost is for the Treasurer services with half for the investment advisor services.

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.

Insurance

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

Transfer Services

We do not anticipate any transfer activities to occur during FY 2024/25.

PREVENTIVE MAINTENANCE AND OPERATIONS

Maintenance and Operations

The budget items listed in the tables above are to provide for the maintenance of concrete-lined drainage ditches, detention basins, vegetation management, maintenance roads, debris catchment structures, litter removal, and subdrain outlets within the GHAD-accepted portions of the Wendt Ranch GHAD, as described in the Plans of Control for each development.

Slope Stabilization

This is for minor repairs, including slope instability or erosion, which may occur during the 2024/25 fiscal year. Purchase of emergency stabilization supplies is included within this budget item.

Erosion Control

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

Professional Services- GHAD Manager

Scheduled Monitoring Events

As provided in the Plan of Control, we have two scheduled monitoring events within the GHAD during each calendar year, which includes monitoring of detention and bioretention basins.

Heavy Rainfall Events

We have budgeted for two heavy rainfall-monitoring events during the 2024/25 winter season.

Maintenance and Operations Oversight

This budget item is to provide for scheduling and coordination of general maintenance and repair operations.

SPECIAL PROJECTS

Global Positioning System (GPS)/Geographic Information System (GIS) Development

To provide for a more efficient system to capture, store, update, analyze, and display information pertaining to GHAD features (including, but not limited to, subdrains, landslides, drainage facilities, walls, or slopes), the GHAD has provided a budget item to continue development and use of a GIS database. The database facilitates the tracking of location, maintenance, and repair activities and automates the communication of this information to affected parties. We anticipate GIS database development for FY 2024/25 would include continued transition of available and pertinent information to an electronic format suitable for GIS deployment, and as necessary, field-verification with GPS surveys.

Website 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.

MAJOR REPAIRS

There are currently no ongoing repair projects, and none are anticipated for the 2024/25 fiscal year within 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 FY 2024/25. The reserve portion of the budget allows for funding toward these unpredictable events.