

# Exhibit A



# Program Budget

FISCAL YEAR 2024-2025

APRIL 2024



May 3, 2024

Canyon Lakes GHAD Board of Directors  
c/o Supervisor Candace Andersen  
309 Diablo Road  
Danville, California 94526

**SUBJECT: Program Budget for Fiscal Year 2024-2025  
Canyon Lakes Geologic Hazard Abatement District**

Dear Board Members:

Attached please find the proposed program budget for the Canyon Lakes Geologic Hazard Abatement District (“Canyon Lakes GHAD”, “GHAD” or “District”) for fiscal year 2024-2025. The proposed fiscal year budget totals \$754,000, which projects a \$190,958 surplus and contribution to the reserve fund. At the time of this publication, it is expected that the fund balance on June 30, 2024, will be approximately \$6,632,687. A fund balance of \$6,823,645 is projected for June 30, 2025.

There are four major budget categories, their respective budget expenses breakdown as follows:

Major Repair	20 percent
Preventive Maintenance and Operations	33 percent
Special Projects	20 percent
Administration	27 percent

Following the extraordinary rains of 2022-2023 and completion of a scheduled district-wide Major Projects program to restore subsurface drainage systems throughout the district, GHAD increased instrument monitoring protocol and will proceed with a first phase of a robust targeted groundwater study. District site data collected during the rain events and subsequently will provide a greater understanding of groundwater regimes after extraordinary weather events. During FY23/24, a major program workflow was initiated to address other GHAD assets and instrumentation systems (i.e.: Piezometers, Inclinerometers, Debris Benches, etc.). Data has shown that these analyses and site maintenance efforts assist in recognizing any associated risk and further a greater understanding of latent slope stability impacts due to elevated subsurface water regimes after extraordinary rain events.

The Preventive Maintenance Program will focus on continued efforts to maintain asset site restorations district wide. We 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 through this period, with the exception of study areas where more frequent site data collection may be beneficial to the study.

Within the Special Projects Program, Amendment 2 to the Plan of Control was ratified by the Canyon Lakes Board through Resolution 2022/01, which clarifies the independent role of the GHAD and strengthens those areas of the plan that define the scope of the district's responsibilities and practices. It is anticipated that the GHAD will pursue additional studies in the areas of Fiscal Policy and geologic risk analyses. Approximately 19% of the annual budget has been established for the Special Projects Program. We continue to work to preserve our open communication profile with district constituents and stakeholders within the Canyon Lakes community, by implementing a new user-friendly website that will allow constituents to post incidents or concerns directly to the website, therefore expediting a response to their concerns and informing the GHAD about the important particulars and characteristics of the incident. The site will be launched in early fiscal year 2024-2025.

This budget anticipates continued strengthening and building efficiencies within the Administration Program, by developing and implementing an advanced Information Technology (IT) system; upgraded Geographic Information System (GIS), and Content Management System (CMS). 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. General legal counsel will continue to be provided by the Canyon Lakes GHAD Board appointed attorney, Patricia Curtin of Fennemore, Rosen, LLP.

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

Respectfully yours,

**Canyon Lakes Geologic Hazard Abatement District**



Michael D. Sands  
Sands Construction Company, Inc.  
General Manager

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**Upon Execution: The management will post approved Budget at  
[www.canyonlakesghad.com](http://www.canyonlakesghad.com)**

Canyon Crest Homeowners Association  
c/o Association Management Company, Inc.  
P.O. Box 503  
Pleasanton, CA 94566  
(925) 462-2138 ext. 102  
Attention: Ms. Tani Cligny

Golden View Elementary School  
Nancy White, Principal  
5025 Canyon Crest Drive  
San Ramon, CA 94583  
(925) 735-0555

Canyon Green Homeowners Association  
Fleur DuMont Homeowners Association  
Canyon View Homeowners Association  
c/o Homeowner Association Services  
2266 Camino Ramon  
San Ramon, CA 94583  
(925) 830-4848  
Attention: Tom Bantz and Brian Ritter

San Ramon Regional Center  
Gary Sloan, CEO  
6001 Norris Canyon Road  
San Ramon, CA 94583  
(925) 275-9200

Canyon Owners' Association  
c/o Howe Association Management, Inc.  
485 Hartz Avenue, Suite 100  
Danville, CA 94526  
(925) 837-2805 ext. 1#  
Attention: Jackie Howe

Vista Pointe Canyon Lakes Owners Assoc  
c/o M & C Association Management  
4305 Hacienda Drive, Suite 180  
Pleasanton, CA 94588  
Pleasanton, CA 94588  
Attention: Adrian Breato

Canyon Woods Homeowners Association  
c/o Christison Company  
3090 Independence Drive  
Livermore, CA 94551-9469  
(925) 371-5710  
Attention: Elizabeth Ramirez

Echo Ridge Homeowners Association  
The Lake at Canyon Lakes Homeowners Association  
c/o Common Interest Management Services  
315 Diablo Road, Suite 221  
Danville, CA 94526  
(925) 743-3080 ext. 235  
Attention: Janice Schock and Melanie Malik

# Canyon Lakes Geologic Hazard Abatement District

## Program Budget

### Fiscal Year 2024/2025

The following proposed line-item program budget (Table 1) summarizes the anticipated expenditures for fiscal year 2024/2025 for the Canyon Lakes Geologic Hazard Abatement District (“Canyon Lakes 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 \$50,000.

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***

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 the 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 Canyon Lakes GHAD Plan of Control.

Typical Canyon Lakes GHAD assets include, concrete lined ditches, subdrainage systems, groundwater measuring instrumentation, slope inclinometers and moisture gauges, and slope debris catchment facilities.

The Preventive Maintenance Program also includes preparations for emergency response, winterization measures including erosion protection, 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 to avert landslide activity. In addition to the instrumentation 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 Canyon Lakes 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 Canyon Lakes GHAD and implement projects and programs. Administrative expenses include personnel and consultants to manage the operations including the General Manager, Operations Manager, Administrative Manager, Construction Services Manager, certain clerical and accounting staff, consultants, and legal support.

General Manager Program Budget FY24/25	\$ 230,000.00
Operations Manager Program Budget FY24/25	<u>\$ 160,000.00</u>
	\$ 390,000.00

The scope of services for the General Manager includes but is not limited to, 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 and costs, including but not limited to, a General Manager, Operations Manager, Administrative Manager, a Constructions 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.

Within the General Management of the Canyon Lakes GHAD, the Operations Program scope of services 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 also include specific project management and construction oversight, preparing for and responding to emergency incidents, monitoring instrumentation and assets, and analyzing and processing collected data into established district programs for response distribution or future study programs. The Operations Program provides for certain operational positions including, but not limited to; Project Engineer, Construction Services Supervisor as well as certain overhead costs, such as, office supplies and rent, and electronic monitoring devices, testing apparatus, equipment rental and conditional use of subcontractors such as contractors, consultants, engineers, and special inspectors, within the payment limits of the Consulting Services Agreement.

A summary of the proposed Fiscal-Year 2024-2025 Budget is presented in Table 1 on the following pages.

**Table 1 – Summary of Proposal Fiscal Year 2024/2025 Budget**

Budget Item	Budget Amount	% of Total Budget
<b>Major Projects</b>		
Study: Groundwater Study: Multiple Regional Studies	\$ 85,000	
Horizontal Drain Cleaning Program (Recurring Area)	\$ 35,000	
Unanticipated Sites	\$ 20,000	
Landscape Replacement (associated GHAD repairs)	\$ 10,000	
<b>Total Major Projects</b>	<b>\$ 150,000</b>	<b>20%</b>

<b>Preventive Maintenance/Operations</b>		
<b>Preventive Maintenance</b>		
Drainage		
Storm Drain Facilities	\$ 20,000	
B-58 Concrete Lined Ditches		
Maintenance/Cleaning/Mapping	\$ 35,000	
Repair and replace	\$ 10,000	
Subdrain Systems	\$ 15,000	
Horizontal Drains	\$ 15,000	
Subdrain Outlets/Pumps	\$ 10,000	
Piezometers	\$ 30,000	
Settlement Monitors	\$ 2,000	
Retention Basins	\$ 4,000	
Minor Repairs	\$ 5,000	
Winterization/Inventory	\$ 40,000	
Emergency Response	\$ 10,000	
Debris Benches	\$ 20,000	
<b>Subtotal</b>	<b>\$ 216,000</b>	
<b>Operations</b>		
Piezometer Monitoring	\$ 8,000	
Horizontal Drain Monitoring	\$ 8,000	
Subdrain Monitoring	\$ 8,000	
Settlement Monitoring	\$ 2,000	
Incident Response/Community Relations	\$ 10,000	
<b>Subtotal</b>	<b>\$ 36,000</b>	
<b>Total Preventive Maintenance/Operations</b>	<b>\$ 252,000.00</b>	<b>33%</b>

<b>Special Projects</b>		
Plan of Control	\$ 2,000	
Reserve Study	\$ 15,000	
Special Studies	\$ 10,000	
Information Technology/Content Management	\$ 20,000	
Geographic Information Systems	\$ 75,000	
Accounting Systems Upgrade	\$ 10,000	
Procedures Manual	\$ 2,500	
Communications Program	\$ 2,500	
CA Association of GHADs - Membership/Insurance	\$ 11,000	
<b>Total Special Projects</b>	<b>\$ 148,000.00</b>	<b>20%</b>

<b>Administration</b>		
Legal Fees	\$ -	
General Counsel	\$ 10,000	
Special Counsel	\$ -	
Litigation/Legal Concerns	\$ 5,000	
HOA/CCCFCD	\$ -	
Assessment Roll Update	\$ 9,000	
Administrative Support		
Staffing/Administrative Support	\$ 85,000	
Accounting/Financial Services	\$ 75,000	
Training/Education	\$ 2,000	
Office - Rent/Supplies/Equipment/Lease	\$ 18,000	
<b>Total Administration</b>	<b>\$ 204,000</b>	<b>27%</b>

<b>TOTAL PROPOSED BUDGET FY2024/2025</b>	<b>\$ 754,000</b>	<b>100%</b>
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<b>Available Funds</b>		
Estimated Beginning Fund Balance - July 1, 2024*		\$ 6,632,687
Estimated Property Owner Assessment totals		\$ 734,456
Single Family detached	\$ 319.30/unit**	
Townhomes	\$ 213.88/unit**	
Commercial (per building square foot)	\$0.157726/sqft**	
Estimated Interest on Investments/Change in Value		\$ 210,502
Other Income		\$ -
<b>Total Available Funds</b>		<b>\$ 7,577,645</b>
<b>Use of Funds</b>		
Major Projects		\$ 150,000
Preventive Maintenance		\$ 252,000
Special Projects		\$ 148,000
Administrative		\$ 204,000
<b>Total Use of Funds</b>		<b>\$ 754,000</b>
<b>Estimated Reserve Available/Ending Fund Balance June 30, 2025</b>		<b>\$ 6,823,645</b>

\*Including estimated true-up revenue payment (June 2024) of \$35,0378.41; Projected Fund Balance date of publication

\*\*Estimates based on USBS April 2024 CPI San Francisco, Oakland, Hayward Area

## 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 tailoring programs targeted to capitalize on the most effective preemptive measures as the GHAD implements its Major Projects Program and Preventive Maintenance Program.

#### 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 in collaboration with the Horizontal Drain Study results in the effectiveness of horizontal drains in lowering local groundwater levels. It is expected that recent rain events will significantly impact this study and the efficacy of drainage systems, and runoff regimes throughout the district.

**Estimated Cost    \$85,000**

#### Horizontal Drain Cleaning Program (Selected Phase 2 and 3 Locations)

Study: This study analyzes the results of our in-progress Horizontal Drain Cleaning Program (Phase 3) previously completed in FY23/24. 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 2024) will be accessed and utilized to further inform the Horizontal Drain Program.

**Estimated Cost    \$35,000**

#### Unanticipated Sites:

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 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    \$20,000**

**Landscape Replacement:**

Typically, remedial landscaping is either included in the scope of work for major projects or eliminated completely from the repair scheme: however, on occasion the associated License Agreements executed in preparation of the work will address a reimbursement or allowance to the property owner for remedial landscaping installation. With as many sites and events that the Canyon Lakes GHAD must attend to over the next fiscal year, we have allowed for certain, unknown at this time, landscape/structure reimbursements.

**Estimated Cost      \$10,000**

**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 strengthen its profile through this fiscal year with those tasks that are essential to maintaining slope instrumentation sites and information; data collection procedures and postprocessing efficiencies that began in FY23/24 will continue. 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 of above-ground structures are made during the annual cleaning events in early fall. Increased budgets for Storm Water Facilities have been anticipation of additional infrastructure damage because of the extraordinary rains experienced over recent winters and natural aging of concrete infrastructure over time. In addition to our annual above-ground facilities inspections the GHAD has begun designing an in-situ video monitoring and assessment program to begin tracking any degradation of only district maintained subterranean structures after approximately 50 years of operation. The expected serviceable life of this form of infrastructure is estimated to be between 75-100 years<sup>1</sup>. We will continue the program design in FY24/25 and then begin a scheduled inspection protocol in late FY24/25 or FY25/26.

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

**Estimated Cost      \$20,000**

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<sup>1</sup> ASCE – “Life-Cycle Design, Assessment, and Maintenance of Structures and Infrastructure Systems (2019)

**B-58 Drain Systems**

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

**Estimated Cost      \$35,000**

*Repair and Replacement* – The GHAD has repaired or replaced all the listed lineal feet of severely damaged B-58 throughout the district. This year and in the future, a priority will be established based on the degree of damage and risk to improved properties, and a percentage of future replacement projects will be budgeted throughout the upcoming years. In recent years, minor repairs were accomplished involving approximately 1500 lineal feet of B-58 drainage systems. This year an additional several hundred lineal feet of minor repair (cracks and small spalls) has been budgeted for repair. The remaining budget will be utilized on repairs to existing B-58s on a site-by-site basis.

**Estimated Cost      \$10,000**

**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.

**Estimated Cost      \$15,000**

**Horizontal Drains**

In recent years, 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 restoring the sites and installing identification markers.

**Estimated Cost      \$15,000**

**Subdrain Outlets/Pumps**

The Canyon Lakes GHAD conducts ongoing efforts to identify, locate, and make determinations about the effectiveness of the network of subdrains throughout the Development. The district anticipates that on-site restoration work may be necessary at some sites. This additional work, as well as the introduction of the subdrain systems into the District GIS, has been incorporated into this budget item.

The district maintains three substation subdrain pumping facility sites located around the lake at Canyon Lakes. Periodic site checks for operation are required. In recent years the equipment, instrumentation, and electronics have been updated. A budget has been established to provide ongoing site maintenance and pump replacement.

**Estimated Cost      \$10,000**

**Piezometers**

The district reads and maintains in excess of 72 piezometers measuring ground water elevations. A definitive list of sites requiring repairs has been determined and restoration work has been completed on many of the sites, as well as the installation of identification markers and protective monuments at virtually all sites. The work this year has been expanded to include a greater number of sites and inclusion of the sites into the GIS.

**Estimated Cost      \$30,000**

**Settlement Monitors**

Over time, several 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. A modest budget has been established for site preservation and maintenance.

**Estimated Cost      \$2,000**

**Retention Basins**

Previously protracted drought and then heavy rain load conditions in northern California have resulted in significant variance of water level surfaces in many dual-purpose storm water retention facilities in the area, including the Canyon Lakes development. The GHAD manager has actively worked with local Homeowners Associations and jurisdictional agencies to further explore the potential risk ramifications to collectively plan for impacts.

**Estimated Cost      \$4,000**

**Minor Repairs**

A budget is established annually for anticipated, as well as unanticipated minor repair projects. There are not currently any anticipated minor projects within the Preventive Maintenance Program.

**Estimated Cost      \$5,000**

**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. Winterization materials inventory have been fortified since significant depletion of materials during the last three season's responses. With efforts to continue replenishment of emergency response materials, this year's winterization measures should normalize once again. Inventory analyses, offsite storage, and procurement policies are planned for FY24/25.

**Estimated Cost      \$40,000**

**Emergency Response**

During the winter rainy season, the Canyon Lakes GHAD responds to a range of urgent active and threatening landslides and 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 be the initiation of slope stabilization measures in preparation for a major repair.

**Estimated Cost      \$10,000**

### **Debris Benches**

Numerous earthen debris benches exist throughout the District. It is essential that these facilities are 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      20,000**

### **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. Often completed repair sites 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 water 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 currently being integrated 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 has been institutionalized as a role of GHAD management. All incidents are recorded within the GIS and move through the District response mechanisms as is appropriate and consistent with the 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 a recurrence of heavy rain conditions.

**Estimated Cost      \$36,000**

## **Special Projects**

During fiscal year 2024/2025 the District will continue several special projects. Brief descriptions of the special projects are presented in Table 1 and further described below:

### **Plan of Control Update**

Amendment 2 to the Plan of Control (POC) has been adopted by the GHAD Board and put into use. Amendment 2 supersedes previous plans and addresses additional clarification and instruction with respect to the GHAD responsibilities and authorities. A modest allowance has been established for any activity that may involve the Plan of Control.

**Estimated Cost      \$2,000**

### **Reserve Study**

The Canyon Lakes GHAD reserve fund study has been completed. The Reserve Study functions as a pro-forma analysis of the financial needs of the GHAD. It serves as a tool to calculate the annual contribution requirements by the District to build and maintain sufficient funds for emergencies based on past weather patterns and slide repair costs. The Reserve Study projects annual contribution to the funds required over a forty-year period and is periodically updated to represent new conditions and impacts.

**Estimated Cost      \$15,000**

### **Special Studies**

The Canyon Lakes GHAD intends to conduct targeted studies in the areas of fiscal policy and geologic risk. The recent research and study into the Plan of Control update and the Reserve analysis will be utilized to provide initial data to conduct these research projects. The Canyon Lakes GHAD, now in its 38<sup>th</sup> 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.

**Estimated Cost      \$10,000**

### **Information Technology Systems (IT) I Geographic Information Systems (GIS)**

In early 2024 GHAD issued Requests for Proposals (RFP) in a planned effort of upgrading its managed Information Technology (IT) systems to modernize data collection systems, storage, processing and expansion capabilities. In April Rooted Software, a Walnut Creek based firm, was selected and engaged to perform a scope of work to accomplish this project. Completion of the work is scheduled for late FY23/24 or during the first quarter of FY24/45. New safeguards are being implemented for data protection and increased data storage capacities, as well as file convention modernization and integration ability with a new planned Geographic Information System (GIS) upgrade.

Additionally, a new interactive GHAD website will be launched in early FY24/25 allowing constituents to learn more about the GHAD, its history, activities, and current documents are presented on the site, as well as opportunities to report incidents or ask questions about the GHAD and to assist property owners and disseminate information to our constituents and stakeholders. The [www.canyonlakesghad.com](http://www.canyonlakesghad.com) website will remain as the address of the GHAD.

It is anticipated that work will commence with significant upgrades and enhancements to the GHAD GIS during FY24/25 and extending into FY25/26. The current GIS will serve in the interim until the launch of the new GIS program. The GHAD is currently working with consultants on features and compatibilities with components of the ongoing IT upgrades.

**Estimated Cost for IT and GIS      \$95,000**

### **Accounting System Upgrade**

Periodic upgrades are necessary to enhance accounting system capabilities. The 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. The GHAD Treasurer and the General Manager work collaboratively to fortify the accounting systems, receivables and invoice processing procedures.

**Estimated Cost      \$10,000**

### **Procedures Manual**

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
- Contracts and Agreements
- Administrative Procedures

**Estimated Cost      \$2,500**

### **Communications Plan**

The Canyon Lakes 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.

**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 Canyon Lakes GHAD Manager, in association with others make up the CAGHAD Board of Directors and share information and knowledge through a consortium of GHAD managers. 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 \$9,000<sup>2</sup>, plus administrative costs.

Additionally, the GHAD manager participates in the CAGHADs as the organization pursues other financial instruments that may provide the Canyon Lakes 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    \$11,000**

**Administration**

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

**Legal**

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

**Estimated Cost    \$10,000**

**Special Counsel** – GHAD management requires the services of special counsel from time to time in the areas of litigation and other legal concerns. GHAD continues to engage Canyon Lakes HOAs and Contra Costa County Flood Control District on community drainage responsibility clarity.

**Estimated Cost    \$5,000**

**Assessment Roll Update**

Annually, the District funds an effort to recalculate the final assessment roll for the District. This budget allows for a periodic analysis of the comprehensiveness of the roll in addition to calculating the properties status and rate modifications.

**Estimated Cost    \$9,000**

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<sup>2</sup> 2023/2024 Premium referenced  
2024/2025 Program Budget

**Staffing/Administrative Support**

The Canyon Lakes GHAD staff includes the General Manager, Operations Manager, 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 Operations Manager and Construction Services Manager, among other tasks, administer 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 Budget    \$180,000**