



Program Budget

FISCAL YEAR 2025-2026

APRIL 2025



May 5, 2025

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

**SUBJECT: Program Budget for Fiscal Year 2025-2026
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 2025-2026. The proposed fiscal year budget totals \$1,228,100, which exceeds projected revenues and projects a \$188,232 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, 2025, will be approximately \$7,346,754. A fund balance of \$7,158,522 is projected for June 30, 2026.

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

Major Repair	15 percent
Preventive Maintenance and Operations	39 percent
Special Projects	20 percent
Administration	26 percent

The Major Projects Program will once again focus on regional studies and facility infrastructure performance. Studies, as they relate to field conditions such as groundwater, are essential and are designed to analyze specific sets of aggregated empirical data with the intent of maintaining safe slope stability conditions. 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. The GHAD intends to release a phased horizontal drain cleaning and monitoring program after a multi-year District-wide effort to install or upgrade drain outlets to facilitate cleaning and provide more drain portal contamination security and ease of monitoring. The horizontal drain program and its many facilities work hand-in-hand with groundwater studies in managing safe groundwater levels throughout the District.

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.

The GHAD Preventive Maintenance Program has been a significant ongoing program to ensure facilities, infrastructure, systems and slopes are performing and operating as designed. The GHAD has incorporated a robust preventive maintenance program since the GHAD's inception, and the program has prevented untold numbers of slope failures. Since the GHAD has been in operation for nearly 40-years it suggests that much of the infrastructure is approximately 50% through its serviceable life as projected in the GHAD's Reserve Study, based on widely used open-source empirical data, testing and projections. In the 3rd and 4th quarter of fiscal year 24/25 the GHAD Manager ordered a comprehensive test study on infrastructure to identify existing conditions and produce a system-wide maintenance schedule to address any weaknesses in physical infrastructure as well as projecting recurring maintenance and capital repair costs. The program test studies have thus far identified and proposed actions to increase or restore infrastructure longevity. These studies will continue in fiscal year 25/26 to provide additional necessary information as we begin programs to address any infrastructure weaknesses, reset the longevity and/or serviceable life of infrastructure and the financial needs moving forward. Each of the Preventive Maintenance Program elements on (Table 1) of the accompanied Budget Report with the designation of "*Study-driven Maintenance Schedule*" is a program element that is subject to the Test Study results and protocol.

Notwithstanding special site monitoring protocol described above, the Operations Program will continue its typical monitoring profile throughout this period. Any deferred study and maintenance programs will be reinstated and implemented as appropriate.

Within the Special Projects Program, most notable projects will be the continuation of the new GIS and IT improvements. The GIS Phase I has been completed to build a new system and migrate all aspects and data of the previous system with numerous upgrades in efficiency and usability. Phase 2 of the GIS has begun to add additional features allowing the system to gather and process data into useful reports for management to assess risks and trends. Phase 3 of the GIS will allow data to be added to the system from the field expediting the process of collecting, aggregating and reporting data collection from instrumentation and project field operations.

Information Technology (IT) and Content Management System (CMS) systems are in the process of upgrades to enhance field operations access and standardized nomenclature. The upgrades will also comply with ongoing efforts to maintain data security in changing environments.

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, in close association with the GHAD Treasurer (Laffer Tengler Investments), we corporately monitor and project significant short-term and long-term financial impacts on GHAD reserves and compare such impacts with our 40-year reserve study. For further information regarding GHAD reserves please see the Treasurer's Investment Strategy Report enclosed.

General legal counsel will continue to be provided by the Canyon Lakes GHAD Board appointed attorney, Patricia Curtin of Fennemore, Wendel, LLP in a variety of areas including GHAD law, land use, contracts and agreements, claims processing and Federal, State and local Government agency matters.

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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INVESTMENTS

May 19, 2025

Board of Directors
Canyon Lakes Geologic Hazard Abatement District (GHAD)
C/O GHAD Manager, Michael Sands
959 Mountain View Drive
Lafayette, CA. 94549

REF: Treasurer's Report

Dear Board of Directors:

Recent Washington policy has created a challenging environment for investors. The Canyon Lakes GHAD portfolio has fared very well in this environment thanks to a thoughtful asset allocation plan and good security selection. Higher interest rates have benefited the individual bond holdings and the Fixed Income ETF strategy. Convertible securities and the modest allocation to equities have contributed significantly to total return.

As the Treasurer, I believe the asset allocation policy is flexible and comprehensive enough to allow us to respond to market shifts. Currently the Canyon Lakes GHAD portfolios are in line with the policy.

Laffer Tengler manages a wide variety of proprietary strategies which have strong long-term track records. The team benefits from a group of seasoned professionals who have expertise in stocks, bonds, convertible securities, a dynamic inflation strategy and global securities. This broad focus provides the firm with the perspective needed to navigate markets. Our team interacts well with the GHAD General Manager to ensure sufficient liquidity in the portfolio to address changing financial demands as the Canyon Lakes GHAD experiences weather related damages and other capital expenses.

In spite of all the concerns over tariff policy (legitimate to be sure) the bond market for the most part has not panicked. This has provided stability to the portfolio. Stocks have recovered most of their losses as the Administration has modified tariff policy and extended carve outs for U.S. companies. Though GDP was negative in the first quarter—largely due to a pull forward of imports which are deducted from GDP—the economy appears to be slowing but will likely avoid recession in our view. Corporate earnings for the first quarter are coming in surprisingly strong but earnings are backward looking and reflect events before tariff policy was announced. Importantly, guidance for the rest of the year has been largely upbeat.

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www.LafferTengler.com

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INVESTMENTS

We are quite comfortable with the Canyon Lakes GHAD allocation and underlying holdings and expect another solid year of growth.

Respectfully submitted,



Nancy Tengler
CEO and Chief Investment Officer
Laffer Tengler Investments

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Patricia Curtin, Esq. (Canyon Lakes GHAD Attorney)
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1850 Mt. Diablo Boulevard, Suite 340
Walnut Creek, CA 94596

GHAD Treasurer:

Laffer Tengler Investments
Nancy Tengler, CEO
6710 N Scottsdale Rd., Suite 130
Scottsdale, AZ 85253

**Upon Execution: The management will post approved Budget at
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 2025/2026

The following proposed line-item program budget (Table 1) summarizes the anticipated expenditures for fiscal year 2025/2026 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 \$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

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 FY25/26	\$ 285,000.00
Operations Manager Program Budget FY25/26	<u>\$ 190,000.00</u>
	\$ 475,000.00

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 2025-2026 Budget is presented in Table 1 on the following pages.

Table 1 – Summary of Proposal Fiscal Year 2025/2026 Budget

Budget Item	Budget Amount	% of Total Budget
Major Projects		
Study: Groundwater Study: Multiple Regional Studies – Study Informed	\$ 60,000	
Horizontal Drain Cleaning Program (Recurring Area) - Study-driven	\$ 75,000	
Unanticipated Sites	\$ 30,000	
Landscape Replacement (associated GHAD repairs)	\$ 15,000	
Total Major Projects	\$ 180,000	15%

Preventive Maintenance/Operations		
Preventive Maintenance		
Drainage		
Storm Drain Facilities - Study-driven Maintenance Schedule	\$ 75,000	
B-58 Concrete Lined Ditches		
Maintenance/Cleaning/Mapping	\$ 40,000	
Repair and Replace - Study-driven Maintenance Schedule	\$ 20,000	
Subdrain Systems		
Horizontal Drains - Study-driven Maintenance Schedule	\$ 75,000	
Subdrain Outlets/Pumps - Study-driven Maintenance Schedule	\$ 15,000	
Piezometers - Study-driven Maintenance Schedule	\$ 40,000	
Settlement Monitors - Study-driven Maintenance Schedule	\$ -	
Retention Basins/Arterial Open Channels - Study-driven Maint. Schedule	\$ 45,000	
Minor Repairs	\$ 30,000	
Winterization/Inventory	\$ 20,000	
Emergency Response	\$ 15,000	
Debris Benches - Study-driven Maintenance Schedule	\$ 45,000	
Subtotal	\$ 420,000	
Operations		
Piezometer Monitoring	\$ 6,000	
Horizontal Drain Monitoring	\$ 6,000	
Subdrain Monitoring	\$ 6,000	
Settlement Monitoring	\$ -	
Incident Response/Community Relations	\$ 45,000	
Subtotal	\$ 63,000	
Total Preventive Maintenance/Operations	\$ 483,000	39%

Special Projects		
Plan of Control	\$ 1,000	
Reserve Study	\$ 5,000	
Special Studies	\$ 45,000	
Information Technology/Content Management	\$ 50,000	
Geographic Information Systems	\$ 100,000	
Accounting Systems Upgrade	\$ 20,000	
Procedures Manual	\$ 5,000	
Communications Program	\$ 5,000	
CA Association of GHADs - Membership/Insurance	\$ 11,000	
Total Special Projects	\$ 242,000	20%

Administration		
Legal Fees	\$ -	
General Counsel	\$ 15,000	
Special Counsel	\$ 10,000	
Litigation/Legal Concerns	\$ 10,000	
HOA/CCCFCD	\$ -	
Assessment Roll Update	\$ 10,000	
Administrative Support		
Staffing/Administrative Support	\$ 165,000	
Accounting/Financial Services	\$ 89,600	
Training/Education	\$ 4,000	
Office - Rent/Supplies/Equipment/Lease	\$ 19,500	
Total Administration	\$ 323,100	26%

TOTAL PROPOSED BUDGET FY2025/2026	\$ 1,228,100	100%
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Available Funds		
Estimated Beginning Fund Balance - July 1, 2025*		\$ 7,346,754
Estimated Property Owner Assessment totals		\$ 751,965
Single Family detached	\$325.83/unit**	
Townhomes	\$218.25/unit**	
Condominiums/Multi-Family	\$162.95/unit**	
Commercial (per building square foot)	\$0.160950/sq ft**	
Estimated Interest and Dividends on Investments***		\$ 287,903
Other Income		\$ -
Total Available Funds		\$ 8,386,622
Use of Funds		
Major Projects		\$ 180,000
Preventive Maintenance		\$ 483,000
Special Projects		\$ 242,000
Administrative		\$ 323,100
Total Use of Funds		\$ 1,228,100
Estimated Reserve Available/Ending Fund Balance June 30, 2026		\$ 7,158,522

* Including estimated true-up revenue payment (June 2025) of \$36,527.72 – Projected Fund Balance date of publication

**Estimates based on USBLS February 2025 CPI San Francisco, Oakland, Hayward Area

***Investments change in value not included in calculations

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 \$60,000

Horizontal Drain Cleaning Program (Phase 1 Locations)

Project: This Phased cleaning program implements the results of our completed 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 \$75,000

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 events.

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 \$30,000

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 \$15,000

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 has been a significant ongoing program to ensure facilities, infrastructure, systems and slopes are performing and operating as designed. The GHAD has incorporated a robust preventive maintenance program since the GHAD's inception, and the program has prevented untold numbers of slope failures. Since the GHAD has been in operation for nearly 40-years it suggests that much of the infrastructure is approximately 50% through its serviceable life as projected in the GHAD's Reserve Study, based on widely used data and projections. In the 3rd and 4th quarter of fiscal year 24/25 the GHAD Manager ordered a comprehensive test study on infrastructure to identify existing conditions and produce a system-wide maintenance schedule to address any weaknesses in physical infrastructure and project costs. The program test studies have and will continue to provide the necessary information to begin addressing any infrastructure weaknesses, reset the longevity and/or serviceable life of infrastructure and the financial needs moving forward. Each of the Preventive Maintenance Program elements on (Table 1 and listed below) with the designation of "*Study-driven Maintenance Schedule*" is a program element that is subject to the Test Study results and protocol.

Storm Drains/Facilities – Study-driven Maintenance Schedule

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 years¹. We will continue the program design in FY25/26 and continued scheduled inspection protocol in early 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 \$75,000

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 \$40,000

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 \$20,000

Subdrain Systems

Outlet sites for subdrain systems must be monitored and maintenance provided to ensure outlets have not been damaged or impeded. Outlets will continue to be monitored under the existing protocol under the Operations Program. Maintenance costs will be deferred this fiscal year in favor of other program needs and as maintenance has recently been provided and not necessary in this budget.

Estimated Cost \$0

Horizontal Drains – Study-driven Maintenance Schedule

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 restoration work accomplished. Scheduled Phased cleaning operations has been established in the Major Projects Program. In addition to the budget proposed in the Major Projects Program an additional budget item has been created in the Preventive Maintenance Program with separate protocol for specialty cleaning that requires private property access agreements and/or requires specialty equipment or procedures to preform cleaning operations. The area around the Lakes of Canyon

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

Lakes subdevelopment is one such area that requires specialty protocol related to private property agreements and specialty work near a water body.

Estimated Cost \$75,000

Subdrain Outlets/Pumps – Study-driven Maintenance Schedule

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 \$15,000

Piezometers – Study-driven Maintenance Schedule

The District reads and maintains in excess of 100 piezometers measuring ground water elevations. A definitive list of sites requiring repairs have been determined and work continues restoring a number of sites and installing identification markers. The work this year will continue including a greater number of site restorations and inclusion of the sites into the GIS. Field operations will be modified as efforts are in place to fortify instrument location sites from damage and increase efficiencies in data collection and transmission by utilizing advancements in GPS locating of sites.

Estimated Cost \$40,000

Settlement Monitors - Study-driven Maint. Schedule

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. Normally a modest budget has been established for site preservation and maintenance. It has been determined that a budget is not necessary this fiscal year.

Estimated Cost \$0

Retention Basins - Study-driven Maint. Schedule

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. This fiscal year efforts

will be made to analyse the watercourse between the Lakes at Canyon Lakes and Canyon Lakes Drive (“Watson Canyon”). A preceding Test Study will inform inspection protocol and actions if necessary.

Estimated Cost \$45,000

Minor Repairs

A budget is established annually for anticipated, as well as unanticipated, minor repair projects. There currently exists a small number of anticipated minor projects within the Preventive Maintenance Program.

Estimated Cost \$30,000

Winterization/Inventory - Study-driven Maint. Schedule

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 FY25/26.

Estimated Cost \$20,000

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 \$15,000

Debris Benches - Study-driven Maint. Schedule

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 \$45,000

Operations

An inventory of onsite instrumentation including hundreds of piezometers, inclinometers, horizontal drains, subdrains, and settlement monuments are monitored periodically throughout the year as a preventive 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 protocol 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 as new features are designed and activated.

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 Canyon Lakes GHAD management. All incidents are recorded within the GIS and move through the District response mechanisms as is appropriate and consistent with the Canyon Lakes GHAD Plan of Control. GHAD is currently completed an updated user-friendly interactive website that will provide a portal for property owners and stakeholders to report incidents or inquire about the GHAD's operations.

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 \$63,000

Special Projects

During fiscal year 2025/2026 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 4 to the Plan of Control (POC) has been adopted by the GHAD Board and put into use. Amendment 4 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 \$1,000

Reserve Study Update

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 \$5,000

Special Studies

The Canyon Lakes GHAD intends to continue targeted and site-specific studies in the areas of fiscal policy and geologic risk. The GHAD, as we anticipate our 40th 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 physical maturation process of this District, as well as identifying infrastructure serviceability and project capital replacement costs in advance. We are confident that these studies have produced and will continue to produce beneficial results. The Special studies program has been modified this year to analyze and account for projected costs to continue site specific studies currently underway.

Estimated Cost \$45,000

Information Technology Systems (IT) Geographic Information Systems (GIS)

The Canyon Lakes GHAD completed an upgrade to its GIS to include all the GHAD's data collection and monitoring operations. The current system is run from internal servers, combined with secure and private "Cloud" storage. After independent input from several GIS experts, the GHAD has selected a GIS designer, and contracts were let, and several phases of the GIS system have been presented in beta form and finalized as to the replication and improvements of the pre-existing system. Recently the new GIS has gone live, and the next phases have begun that will include enhanced mobilization integration. It is expected that work will continue into FY25/26 to build additional efficiencies into the system.

With recent rising international data risks, the GHAD has incorporated additional safeguards and efficiencies to protect data by exclusively utilizing cloud-based data storage systems. Work will continue to complete the process of content management, data migration, software updates and training.

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

In our continued efforts to work to enhance our open communication profile with District constituents and stakeholders within the Canyon lakes community, we have implemented 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, whether as non-emergent issues, or quick-response needs during heavy incident reporting events. The site has been in use for approximately 6-months and has been well received by the community and stakeholders.

Estimated Cost for IT and GIS \$150,000

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 \$20,000

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
- Content Management Systems

Estimated Cost \$5,000

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 \$5,000

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 Canyon lakes GHAD is approximately 11,000², 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 \$15,000

Special Counsel/Litigation/Legal Concerns – GHAD management requires the services of special counsel from time to time in the areas of litigation, new legislation and other legal concerns.

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 \$10,000

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 \$278,100

² 2024/2025 Premium referenced with administration costs
2025/2026 Program Budget