



HILLCREST HEIGHTS
GEOLOGIC HAZARD ABATEMENT DISTRICT

Program Budget
FISCAL YEAR 2026-2027

APRIL 2026



HILLCREST HEIGHTS
GEOLOGIC HAZARD ABATEMENT DISTRICT

April 21, 2026

Hillcrest Heights GHAD Board of Directors
c/o Supervisor John M. Gioia
11780 San Pablo Avenue, Suite D
El Cerrito, California 94530

**SUBJECT: Program Budget for Fiscal Year 2026-2027
Hillcrest Heights Geologic Hazard Abatement District**

Dear Board Members:

Attached is the proposed program budget for the Hillcrest Heights Geologic Hazard Abatement District (“Hillcrest Heights GHAD,” “GHAD,” or “District”) for fiscal year 2026–2027. The proposed budget reflects the District’s continued focus on risk-based prioritization, preventive maintenance, and long-term infrastructure management.

The budget is organized into four primary categories: Major Projects, Preventive Maintenance and Operations, Special Projects, and Administration, Legal, and Accounting. These programs collectively support the District’s responsibility to prevent, mitigate, abate, and control geologic hazards in accordance with the Plan of Control. The FY2026/2027 anticipates a surplus of annual revenue producing a contribution to the Reserve Fund.

BACKGROUND:

On July 23, 1996, the Contra Costa Board of Supervisors adopted Resolution 96/239 approving the formation of the Hillcrest Heights Geologic Hazard Abatement District (Hillcrest Heights GHAD), located in the hills of El Sobrante, within the jurisdiction of Contra Costa County. The Hillcrest Heights GHAD was formed pursuant to State Public Resources Code § 26500 et seq. The Board of Supervisors at that time appointed itself as the Board of Directors of the Hillcrest Heights GHAD.

Resolution 97/178 adopted on April 1, 1997, by the Board of Supervisors, acting as the Hillcrest Heights Board, confirmed the assessments for the District and ordered the collection of the amounts called for in the Assessment Report. The initial fiscal year for the Hillcrest Heights GHAD was established as 1997-1998.

A 15-lot subdivision located in El Sobrante, known as Spanish Trails, was annexed in 2008 to the Hillcrest Heights GHAD and on February 25, 2009, the Notice of Assessment was recorded. Assessments were levied on the 15 lots beginning fiscal year 2009-2010. Maintenance transfer to

the Hillcrest Heights GHAD for the activities pursuant to the approved Plan of Control occurred on February 5, 2010.

A 32-lot subdivision also located in El Sobrante known as Edgemont (Colina Canyon) was also annexed to the Hillcrest Heights GHAD on May 11, 2010, with the Final Map and Notice of Assessment recorded on July 29, 2010. Construction commenced on several model homes and activities halted and the subdivision remained in this condition for a time, although the District has been receiving revenue from property assessments. Maintenance transfer to the Hillcrest Heights GHAD has not been completed and therefore the District cannot currently provide services.

The Major Projects program - In March of 2024, Alan Kropp & Associates (AKA), issued a report at the GHAD's directive to evaluate a comprehensive video survey of the storm drain infrastructure in Hillcrest Heights. The AKA report details and prioritizes a number of drainage pipe damage areas. It appears that the damage sites recorded in the video inspections were caused during the original installations of the storm drain systems as part of the overall development of Hillcrest Heights. The report cites that the observed damages do not appear to negatively impact the drainage system's operation. Since the project was considered discretionary and therefore lower in priority, During FY25/26 GHAD chose to move the project into a more comprehensive schedule of infrastructure evaluations and maintenance protocol within the Preventive Maintenance program (see below) and initiated scheduled periodic events to observe conditions and performance of the community storm drain systems. This Study/Project has been moved into the Preventive Maintenance program this year and will comply with the protocol established within that platform.

The Preventive Maintenance Program – In FY25/26 a District-wide infrastructure Test Program was initiated across several GHAD maintained systems. This three-phase program has been incorporated and tested in other Contra Costa County GHADs under the same management as Hillcrest Heights. The first phase of the program assesses the feasibility of system initiation; a second phase establishes current conditions of infrastructure and makes recommendations for repairs, maintenance, longevity assessments and costing; a third phase, informed by the previous phases prioritizes and implements a district-wide maintenance program. The Storm Drain system program from the Major Projects program has been incorporated into this year's Preventive Maintenance project under this described protocol. The program will continue into third phase operations during FY26/27.

Additional annual maintenance on instrumentation and infrastructure will continue in fiscal year 26/27 to be addressed on a priority basis. Specifically, we will target the following program elements - Concrete Interceptor Ditch Systems (Repair and Replace Program); the Horizontal Drains (Site Maintenance Program); the Piezometers (Site Maintenance Program); Retention Basins (Maintenance Program), and the Soil Debris Bench/Impact Walls (Maintenance Program), with the addition of Storm Drain systems under the Preventive Maintenance program.

The Operations Program will continue its existing monitoring profile through this period. Recurring semi-annual site monitoring and reporting of GHAD assets, slope performance and infrastructure conditions will continue to be conducted by Alan Kropp & Associates providing current conditions. GHAD conducts ongoing studies of accumulated empirical data from its many monitoring assets to further expose any notable trending that might occur over significant periods of time, thereby reducing risk exposure. Currently, The National Oceanic and

Atmospheric Administration (NOAA) reports Oceanic warming and expected trade winds may produce a one-in-three chance of El Niño conditions in the Southern Oscillation in Fall of 2026; however, early probability forecasts have often changed throughout the summer months.

The Special Projects Program will include analyzing the Plan of Control and other essential documents that establish and direct the Hillcrest Heights GHAD. A preliminary review was initiated to assess the need to conduct a formal Reserve Study that would serve to test, identify weaknesses, and expose any necessary adjustments to the criteria or methodologies utilized in the program and anticipate revenue and reserve demands over time. The data and results of the Preventive Maintenance Test program will be used to inform a projected formal Reserve Study, possibly occurring in late FY26/27. GHAD continues to analyze the feasibility of integrating a Geographic Information System (GIS) into the Hillcrest Heights program.

This budget anticipates continued strengthening and building efficiencies within the Administration Program, by completing an Information Technology (IT) system, modeling a 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 a 40-year reserve study in progress.

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

A summary of the expenses is shown on Table 1, followed by brief descriptions of each of the budget items.

Respectfully yours,

Hillcrest Heights Geologic Hazard Abatement District



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

Enclosures

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Hillcrest Heights Geologic Hazard Abatement District
Program Budget
Fiscal Year 2026/2027

The following proposed line-item program budget (Table 1) summarizes the anticipated expenditures for fiscal year 2026-2027 for the Hillcrest Heights Geologic Hazard Abatement District (“Hillcrest Heights GHAD”, “GHAD”, or “District”). Through an ongoing assessment, the 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, is 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.

Projects considered for inclusion in the Major Projects Program typically involve a level of complexity requiring the preparation of plans and specifications, comprehensive engineering analysis, or geotechnical evaluation. These efforts may include modeling, investigation, and design, or may involve extended project durations due to site conditions, construction requirements, or coordination with regulatory agencies. While not a defining criterion, Major Projects often represent higher-cost efforts, frequently exceeding \$75,000.

Historically, the Major Projects Program has included significant landslide repair efforts as well as larger scale preventive and investigative initiatives that support long-term risk reduction. This range of project types reflects the need for deft program flexibility that can address both active or imminent landslide conditions and proactive measures, consistent with the priorities and authority established in the Plan of Control.

Preventive Maintenance and Operations Program

The annual Preventive Maintenance and Operations Program encompasses routine maintenance, minor repairs, debris removal, monitoring, and replacement of drainage facilities and related infrastructure that support the prevention, mitigation, abatement, or control of landslides. These activities are undertaken to maintain system functionality and to identify conditions associated with threatened landslides, allowing for timely and appropriate response measures.

Typical Hillcrest Heights GHAD assets include concrete lined ditches, sub-drainage systems, groundwater measuring instrumentation, slope inclinometers and moisture gauges, and slope debris catchment features. These systems are regularly evaluated as part of an integrated approach to managing landslide risk within GHAD boundaries.

The Preventive Maintenance Program also includes preparedness measures for emergency response, including seasonal winterization efforts such as installation of erosion control materials, staging of slope stabilization supplies, and ongoing maintenance of monitoring equipment.

The Operations Program is primarily populated with scheduled instrument monitoring events. Data from these instruments are used to assess site conditions, identify trends, and inform decisions regarding the prevention, mitigation, abatement, or control of landslides. In addition to the instruments monitoring program, the Operations Program contains the Incident Response and Community Relations Program, which incorporates comprehensive first response capabilities, and fosters community incident interaction.

Special Projects

The Hillcrest Heights GHAD undertakes ongoing and new initiatives identified as “Special Projects” that support the implementation of the Plan of Control. 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 efficiency, consistency, and reliability of the GHAD.

The Special Projects Program continues to support long-term operational planning, Reserve Study updates, GIS modernization, IT systems, accounting system enhancements, procedures development, and communications initiatives.

Recent GIS modernization study efforts including improved field reporting, incident tracking, asset management, and operational coordination through deployment of enhanced mobile and centralized data management tools utilizing GIS are undergoing a feasibility study continuing through FY26/27. Once feasibility has been determined the installation of a GIS system will be phased into operations.

Accounting System Upgrades are necessary as new software technologies are released or improved.

Procedure Manuals, Communication channels, along with Association memberships provide standardized systems and insurance pooling and networking opportunities and savings.

Administration

Administrative expenses are required to operate the Hillcrest Heights GHAD and the implementation of its programs and projects. 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 FY26/27 \$ 123,200.00

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 Construction Services Manager and a Network Administrator as well as overhead costs, such as office space rent, office supplies, and postage. The General Manager retains the necessary professionals, including without limitation, engineers, accounting professionals and other consultants and vendors to facilitate the operations of the GHAD.

The General Manager Consulting Services Agreement and associated budget also allow for the use of defined task subcontractors, including administrative, engineering, and construction-related subconsultants, as needed and within the established limits of the Agreement.

With respect to the Operations of the Hillcrest Heights GHAD, the scope of services for Operations includes, implementing the Major Projects and Preventive Maintenance Programs through forecasting work schedules and priorities, preparing Requests for Proposals, and managing maintenance and repair operations within the Major Projects and Preventive Maintenance Programs. These services include project management and construction management; and preparing for and responding to emergency incidents.

The General Manager will retain the necessary professionals, including without limitation: engineers, accounting professionals, and vendors to facilitate the operations of the Hillcrest Heights 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.

A summary of the proposed Fiscal Year 2026-2027 Budget is presented in Table 1 on the following pages and followed by detailed project descriptions.

Table 1 – Program Budget

Budget Item	Budget Amount	% of Total Budget
Major Projects		
Study: Groundwater Study/Slope Stability Study	\$ 50,000	
Unanticipated Sites.	\$ 20,000	
Landscape Replacement (associated GHAD Repairs)	\$ 7,000	
	\$ -	
Total Major Projects	\$ 77,000	20%

Preventive Maintenance/Operations		
Preventive Maintenance		
Drainage		
Storm Drain Facilities	\$ -	
B-58 Concrete Lined Ditches		
Maintenance/Cleaning/Mapping	\$ 8,000	
Repair and Replace - Study-driven Maintenance Schedule	\$ 10,000	
Storm Drain Maintenance/Repairs - Study-driven Maintenance Schedule	\$ 20,000	
Subdrain Systems		
Horizontal Drains - Study-driven Maintenance Schedule	\$ 7,000	
Subdrain Outlets/Pumps	\$ 7,000	
Piezometers - Study-driven Maintenance Schedule	\$ 7,000	
Settlement Monitors - Study-driven Maintenance Schedule	\$ 2,000	
Retention Basins - Study-driven Maintenance Schedule	\$ 12,500	
Debris Benches - Study-driven Maintenance Schedule	\$ 5,000	
Minor Repairs	\$ 30,000	
Winterization	\$ 3,000	
Emergency Response	\$ 7,500	
Subtotal	\$ 119,000	
Operations		
Piezometer Monitoring	\$ 7,000	
Horizontal Drain Monitoring	\$ 7,000	
Subdrain Monitoring	\$ 5,000	
Settlement Monitoring	\$ 2,000	
Incident Response/Community Relations	\$ 5,000	
Subtotal	\$ 26,000	
Total Preventive Maintenance/Operations	\$ 145,000	38%

Special Projects		
Plan of Control	\$ 15,000	
Reserve Study	\$ 7,500	
Special Studies/Annexations	\$ 5,000	
Information Technology/Content Management	\$ 12,000	
Geographic Information Systems - Feasibility Analysis	\$ 10,000	
Accounting Systems Upgrade	\$ 4,000	
Procedures Manual	\$ -	
Communications Program/Website - - Feasibility Analysis	\$ 3,000	
CA Association of GHADs - Membership/Insurance	\$ 2,500	
Total Special Projects	\$ 59,000	16%

Administration		
Legal Fees		
General Counsel	\$ 5,000	
Special Counsel	\$ -	
Litigation/Legal Concerns	\$ -	
Assessment Roll Update	\$ 4,000	
Administrative Support		
Staffing/Administrative Support	\$ 60,000	
Accounting/Financial Services	\$ 25,000	
Training/Education	\$ 1,000	
Office - Rent/Supplies/Equipment/Lease	\$ 4,000	
Total Administration	\$ 99,000	26%

TOTAL PROPOSED BUDGET FY2026/2027	\$ 380,000	100%
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Available Funds		
Estimated Beginning Fund Balance - July 1, 2026*		\$ 2,783,689
Estimated Property Owner Assessments		\$ 237,582
Hillcrest Heights	\$ 1,969.80**	
Colina Canyon	\$ 1,744.83**	
Spanish Trails	\$ 3,183.93**	
Estimated Interest, Dividends and Gains on Investments***		\$ 204,900
Other Income		\$ -
Total Available Funds		\$ 3,226,171
Use of Funds		
Major Projects		\$ 77,000
Preventive Maintenance		\$ 145,000
Special Projects		\$ 59,000
Administrative		\$ 99,000
Total Use of Funds		\$ 380,000
Estimated Reserve Available/Ending Fund Balance June 30, 2027		\$ 2,846,171

* Including estimated true-up revenue payment (June 2026) of \$11,444.21 – Projected Fund Balance date of publication

**Estimates based on USBLS April 2026 CPI San Francisco, Oakland, Hayward Area

***Investments change in value included in calculations

DESCRIPTION OF BUDGET ITEMS

Major Projects

Study/Project – Storm Drain System Project Repair (Phase 1)

In March of 2024, Alan Kropp & Associates (AKA), issued a report at the GHADs directive to evaluate a comprehensive video survey of the storm drain infrastructure in Hillcrest Heights. The AKA report details and prioritizes a number of drainage pipe damage areas. It appears that the damage sites recorded in the video inspections were caused during the original installations of the storm drain systems as part of the overall development of Hillcrest Heights. The report cites that the observed damages do not appear to negatively impact the drainage system operation.

GHAD has moved forward with Phase 1 and Phase 2 during FY25/26 of a three-phased plan to address many of these sites on a priority basis, based on a Test Project action plan developed by Prayco, a contracted construction consultant, addressing feasibility and costs. Since the Storm Drain System project was considered as a phased discretionary Major Project, GHAD chose to integrate it into a more comprehensive schedule of infrastructure evaluations and maintenance protocol within the Preventive Maintenance program and will comply with the protocol established within that platform (see below).

Estimated Budget \$0

Study – Groundwater Study/Slope Stability Analyses

Slope weathering and changes in groundwater levels and regimes over time can impact slope stability. It is important for Hillcrest Heights GHAD management to make dynamic assessments to ensure design thresholds are met in slope stability. This study addresses several potential sites and analyzes conditions. Recent storm events will be evaluated through onsite instrumentation data and any evidence of latent slope stability impacts identified and addressed.

An ongoing study of surfacing groundwater levels on Bridgeway Circle will continue with addressing possible mitigations in collaboration with the Hillcrest Heights HOA.

Estimated Budget \$50,000

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 Budget \$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 depending on impact from remedial efforts to restore slope stability. However, on occasion, and in compliance with the Plan of Control, the associated License Agreement executed in preparation of the work will address a reimbursement or allowance to the property owner for remedial landscaping installation.

Estimated Budget \$7,000

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 30 years it suggests that much of the infrastructure is approximately 35% - 40% through its serviceable life as projected by widely used data and projections within the structural concrete community. 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.

B-58 Drain Systems

Maintenance – Allows for one major annual cleaning and mapping. In addition, District staff periodically walks the B-58 systems to get a first-hand account of the current conditions and project serviceable life. This information, along with other empirical data, is typically utilized in Reserve Study updates. With extreme weather conditions in years past and the related soil and vegetation load impacting the network of B-58 systems, we have anticipated and allowed for a greater effort to maintain proper drainage.

Estimated Budget \$8,000

Repair and Replacement – Study-driven Maintenance Schedule An ongoing detailed assessment is performed to establish the existing condition of the B-58 Concrete ditches throughout the District. This assessment and associated data are periodically aggregated with past collected data to serve to establish a typical timeline for needed repairs. These assessments as to the remaining serviceable life of these assets are also utilized in reserve study criteria to anticipate repair and replacement costs. Currently there are no replacement projects active.

Estimated Budget \$10,000

Storm Drain Facilities – Study-driven Maintenance Schedule

Planned continued work on community storm drain condition and maintenance assessments. GHAD is working with consultants to establish conditions of existing storm drainage systems throughout the District. Assessments will be made on baseline conditions of drainage systems and projected longevity. Conclusions of this effort will inform the GHAD on current performance and future maintenance or replacement intervals for these infrastructure assets. As described in Major Projects above, development-wide storm drainage systems are currently being evaluated and deficiencies addressed on a priority basis.

Estimated Budget \$20,000

Subdrain Systems

Subdrain systems must be monitored, and maintenance provided to ensure the systems have not been damaged or impeded. This budget will allow for an inspection and minor maintenance of these sites through the Horizontal Drains and Sub-drain Outlets programs below.

Horizontal Drains

The District must provide ongoing maintenance to ensure horizontal drains remain functional. This budget will allow for the maintenance of new installations.

Estimated Budget \$7,000

Sub-drain Outlets

The Hillcrest Heights GHAD is currently conducting efforts to identify, locate and make determinations about the effectiveness of the network of subdrains throughout the District. It is anticipated that on-site restoration work may be necessary at some sites. This additional work has been incorporated into this budget item.

Estimated Budget \$7,000

Piezometers – Study-driven Maintenance Schedule

The District reads and maintains piezometers which measure ground water elevations. A budget has been established to provide for work to begin to restore the sites and install identification markers.

Estimated Budget \$7,000

Operations

An inventory of on-site instrumentation including piezometers, inclinometers, horizontal drains, sub-drains, and settlement monuments are monitored periodically throughout the year as a preventative measure.

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 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.

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 Hillcrest Heights GHAD management. All incidents are recorded and move through the District response mechanisms as is appropriate and consistent with the Hillcrest Heights GHAD Plan of Control.

The Hillcrest Heights GHAD Manager receives updates in long range weather and significant 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 El Niño conditions.

Estimated Budget \$26,000

Special Projects

During fiscal year 2026-2027 the District will continue several special projects. Brief descriptions of the special projects are presented in Table 1 and further described below:

- B-58 Concrete Lined Ditches
- Storm Drain Systems
- Subdrain Systems
- Retention Basins
- Debris Benches

Collected data will be used in long-term facility performance, and reserves analysis.

Plan of Control

It is anticipated that an evaluation and assessment of the current Plans of Control for the Hillcrest Heights GHAD, including Spanish Trails, will be pursued, to confirm operational compliance. Once an initial evaluation is completed, consideration will be given to amend the

current plan to incorporate historical practices of the GHAD and acknowledge technological and other procedural advancements.

Estimated Budget **\$15,000**

Reserve Study Assessment

A reserve study functions as a pro-forma analysis of the financial needs of the Hillcrest Heights GHAD. The study serves as a tool to calculate the annual contribution required by the District to build and maintain sufficient funds for emergencies and capital replacement programs based on past weather patterns, landslide repair costs, and general attrition. As a result of severe winters, draws will likely be necessary in the future on the reserve fund. Work is planned to evaluate and complete an analysis of the fund health and methodologies. This analysis will be used in establishing a pro-forma plan and provide instruction to Hillcrest Heights GHAD management as to the necessary reserve demands over time.

Estimated Budget **\$7,500**

Special Studies

The Hillcrest Heights GHAD intends to continue targeted studies in the areas of fiscal policy and geologic risk. The Hillcrest Heights GHAD, now in its 31st year, has the unique opportunity to address many of the issues surrounding long-term viability and sustainability, within changing environment 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 Budget **\$5,000**

Information Systems and Technology

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 of 2024 Rooted Software, a Walnut Creek based firm, was selected and engaged to perform a scope of work to accomplish this project. IT and Content Management Systems (CMS) have been initiated and will continue with advanced safeguards 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).

Estimated Budget **\$12,000**

Geographic Information System – Feasibility Study

Recent GIS modernization study efforts including improved field reporting, incident tracking, asset management, and operational coordination through deployment of enhanced mobile and centralized data management tools utilizing GIS are undergoing a feasibility study continuing through FY26/27. Once feasibility has been determined the installation of a GIS system will be phased into operations.

Estimated Budget **\$10,000**

Accounting System Upgrade

Periodic upgrades are necessary to enhance accounting system capabilities. The Hillcrest Heights GHAD utilizes expense accounting software to assist in reporting and the day-to-day operation of the District. Continued accounting systems enhancements will be implemented allowing more data entry streamlining, enhanced reporting, and quality control assurance procedures, augmenting the current systems.

Estimated Budget **\$4,000**

Communications Plan

The Hillcrest Heights GHAD maintains a communications plan designed to keep constituents up to date on Hillcrest Heights GHAD operations and developments. The plan addresses several venues and mediums used to disseminate information within this District and to other concerned parties, and to establish clear and accessible channels for community interaction.

The Hillcrest Heights GHAD continues to evaluate the community benefit to implement an interactive web page for public information, reporting and inquiries, and a multi-page informational brochure to be available to interested Homeowner Associations (HOA) and stakeholders that describes the Hillcrest Heights GHAD and its responsibilities and limitations.

Estimated Budget **\$3,000**

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 Hillcrest Heights GHAD Manager, in association with others, make up the CAGHAD Board of Directors and shares information and knowledge through a consortium of GHAD managers known as the California Association of GHADs (CAGHADs). The CAGHAD has obtained General Liability policies for its member GHADs. Additional GHAD onboarding and participation has reduced relative premiums. Policy premium costs for the Hillcrest Heights GHAD are approximately \$710.¹.

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

Estimated Budget **\$2,500**

Administration

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

Legal

General Counsel – Hillcrest Heights GHAD management must interact regularly with Hillcrest Heights GHAD Counsel. The day-to-day operations of the Hillcrest Heights GHAD present myriad opportunities and issues to work directly with GHAD counsel, in

¹ A more comprehensive policy was presented in 2025 with an incremental premium increase

