

**MORAGA GEOLOGIC HAZARD ABATEMENT DISTRICT
BELLAVISTA DEVELOPMENT
PROGRAM BUDGET FOR FISCAL YEAR 2024/25**



June 13, 2024

Moraga Geologic Hazard Abatement District Board of Directors
Chair Teresa Onoda
Vice Chair Steve Woehleke
Boardmember Renata Sos
Boardmember Kerry Hillis
Boardmember David Shapiro

Moraga Geologic Hazard Abatement District
329 Rheem Boulevard
Moraga, CA 94556

Subject: Bellavista Development
Moraga Geologic Hazard Abatement District
Moraga, California

PROGRAM BUDGET FOR FISCAL YEAR 2024/25

Dear Chair Onoda and Boardmembers:

Attached is the program budget for the Moraga Geologic Hazard Abatement District (GHAD) for Fiscal Year (FY) 2024/25. The proposed program budget is \$98,988. The budget expenditures break down into the following approximate percentages of the total revenue.

Administration- GHAD Manager.....	7 percent
Outside Professional Services - Nontechnical.....	7 percent
Preventive Maintenance and Operations	41 percent
Special Projects	6 percent
Major Repair	0 percent
Reserve Contribution	39 percent

The budget anticipates FY 2024/25 revenue of \$163,475 with an estimated contribution of \$63,487 to the reserve fund. A summary of the expenses is shown in Table 4, followed by a brief description of each budget item on the following pages.

If you have any questions regarding the contents of this letter, please contact us.

Sincerely,

Moraga Geologic Hazard Abatement District
ENGEO Incorporated, GHAD Manager
ENGEO Project No. 2655.002.023

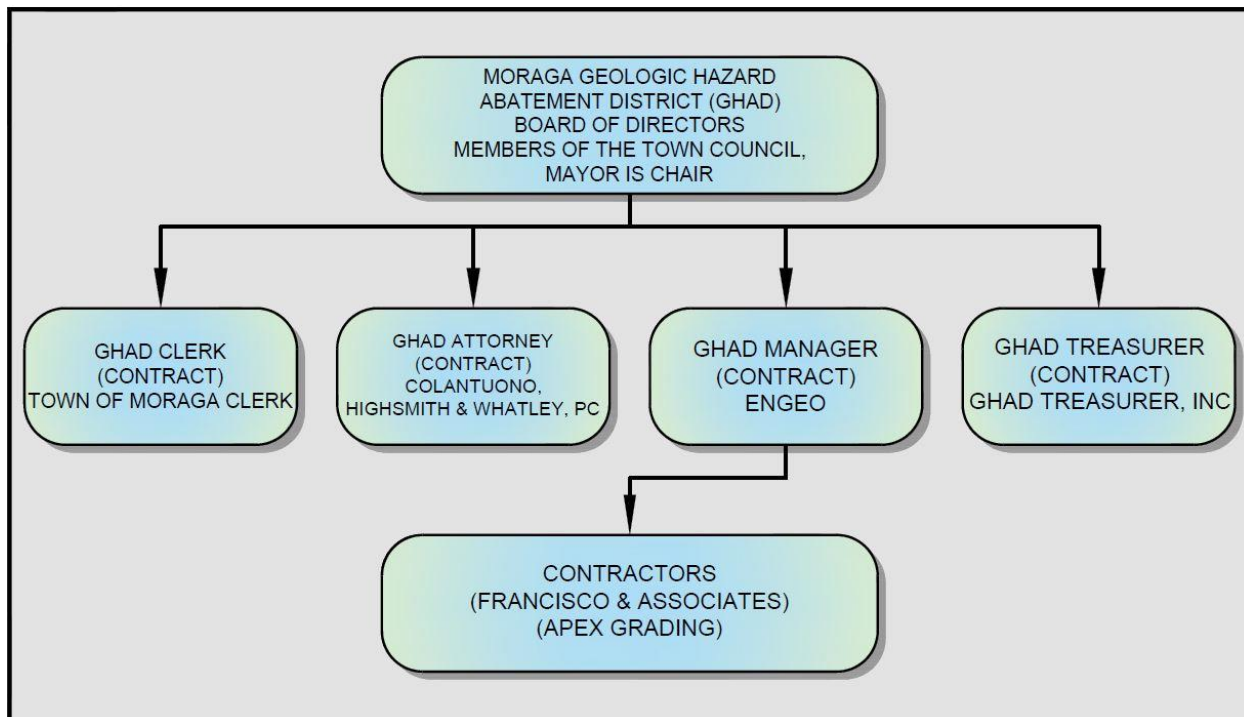
Haley Ralston

Eric Harrell

hjr/eh/ca

**MORAGA GEOLOGIC HAZARD ABATEMENT DISTRICT
 BELLAVISTA DEVELOPMENT
 PROPOSED PROGRAM BUDGET
 FISCAL YEAR 2024/25**

The following proposed program budget summarizes the anticipated revenues and expenditures for Fiscal Year (FY) 2024/25 for the Moraga Geologic Hazard Abatement District (GHAD), which includes the Bellavista (formally Rancho Laguna II) and will include Hetfield Estates and Palos Colorados developments in the future. The structure of the Moraga GHAD is shown below.



The GHAD has accepted maintenance and monitoring responsibilities for the following parcels within the District as listed on Table 1. In addition, those parcels that are owned by the GHAD are identified. Maintenance, monitoring responsibilities, and ownership for the listed parcels were accepted by the Moraga GHAD Board of Directors by resolution on March 24, 2021.

TABLE 1: Accepted Parcels within the Bellavista Development of the Moraga GHAD

ASSESSOR'S PARCEL NUMBER	DESCRIPTION (Subdivision 9330)	GHAD OWNERSHIP
256-040-025	Parcel A	Yes
256-040-026	Parcel B	Yes
256-470-011	Parcel C	No
256-470-012	Parcel D	Yes
256-470-013	Parcel E	No
256-040-028	Parcel G	No
256-040-027	Parcel H	No
Various	Residential Lots 1 through 27	No

Maintenance and monitoring responsibilities for the remaining properties within the Moraga GHAD (Hetfield Estates and Palos Colorados developments) not listed above are the responsibility of the individual property owners. The proposed budget was prepared for Plan of Control identified responsibilities for the Bellavista development only for FY 2024/25. The Hetfield Estates and Palos Colorados developments are not subject to a GHAD assessment at this time, nor do they receive GHAD services.

On February 10, 2021, the Town of Moraga, with the approval of Resolution 8-2021, accepted complete landscape, public, and private improvements within the Bellavista development (Subdivision 9330). As part of the acceptance, SummerHill Homes LLC (Developer) had a 1-year warranty period on the Town-accepted improvements. The warranty period has ended; therefore, the GHAD now performs maintenance items previously covered under the Developer’s 1-year warranty period. The costs for those items are reflected in the proposed FY 2024/25 budget. In addition, the Developer completed the fifth and final year of the monitoring and maintenance for seasonal wetland areas and continues towards the 10-year monitoring interval for the creek and riparian vegetation.

The GHAD is funded through real property assessments, cell tower lease revenue, and return on investments, if any, from existing reserves. The initial assessment limits were approved by the Board of Directors for the Bellavista development in the Engineer’s Report dated May 20, 2015. The Engineer’s Report recommended an annual assessment limit for the Bellavista development of \$4,044 per detached single-family residential unit (Fiscal Year 2014/15 dollars). The assessment limit is adjusted annually on June 30 to reflect the percentage change in the San Francisco-Oakland-Hayward Consumers Price Index (CPI) for All Urban Consumers as shown on Table 2. The initial levy for the Bellavista development was set to \$3,559 per single-family residential unit (Fiscal Year 2014/15 dollars) to reflect the anticipated income from land lease agreements with AT&T and Verizon.

On May 24, 2023, the Moraga GHAD Board of Directors adopted Resolution 01-2023 accepting the assignment of the AT&T cell lease to AP Wireless Investments I, LLC and received a lump sum of \$99,217.16 during FY 2022/23. On September 13, 2023, the GHAD Board of Directors opted to continue receiving monthly lease payments from Verizon for the other cell site. The proposed budget reflects the anticipated lease revenue from Verizon for FY 2024/25. Even though the GHAD will receive consistent revenue from only one cell lease, GHAD Staff continues to recommend setting the assessment levy at the lower recommended levy as described above and shown in Table 2 below.

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

FISCAL YEAR	INDEX DATE	SAN FRANCISCO-OAKLAND-HAYWARD CPI (JUNE /JUNE)	SAN FRANCISCO-OAKLAND-HAYWARD CPI (JUNE /JUNE)	BELLAVISTA ANNUAL ASSESSMENT LIMIT ¹	BELLAVISTA ANNUAL ASSESSMENT LEVY ¹
2014/2015		253.317	-	\$4,044.00	\$3,559.00
2015/2016	6/30/2015	259.117	2.29%	\$4,136.61	\$3,640.50
2016/2017	6/30/2016	266.041	2.67%	\$4,247.06	\$3,737.70
2017/2018	6/30/2017	275.304	3.48%	\$4,394.85	\$3,867.77
2018/2019	6/30/2018	286.062	3.91%	\$4,566.69	\$4,019.00
2019/2020	6/30/2019	295.259	3.22%	\$4,713.74	\$4,148.42
2020/2021	6/30/2020	300.032	1.62%	\$4,789.77	\$4,215.33
2021/2022	6/30/2021	309.479	3.15%	\$4,940.87	\$4,348.31

FISCAL YEAR	INDEX DATE	SAN FRANCISCO-OAKLAND-HAYWARD CPI (JUNE /JUNE)	SAN FRANCISCO-OAKLAND-HAYWARD CPI (JUNE /JUNE)	BELLAVISTA ANNUAL ASSESSMENT LIMIT ¹	BELLAVISTA ANNUAL ASSESSMENT LEVY ¹
2022/2023	6/30/2022	330.539	6.80%	\$5,276.79	\$4,643.94
2023/2024	6/30/2023	340.056	2.88%	\$5,428.72	\$4,777.65
2024/2025	6/30/2024	-	3.00% ²	\$5,591.58 ²	\$4,920.98 ²

¹If assessment limit is an odd number, the annual levy is rounded down to nearest even cent.

² Estimate through April 2024

The final assessment roll prepared for the 2023/24 FY and submitted to the Contra Costa County Assessor’s Office identifies all 27 residential properties within the Bellavista development subject to the levy of the GHAD assessment. The total levy amount for the 2023/24 FY was \$128,996.28.

Based on the San Francisco-Oakland-Hayward CPI data reported through April 2024, for budgeting purposes, we estimated a FY 2024/25 annual inflation rate adjustment of 3 percent. We estimate that 27 residential units will be subject to assessment in FY 2024/25. Parcels are subject to the levy starting the first fiscal year following the close of escrow.

TABLE 3: Estimated Revenue

	FY 2024/25 ESTIMATE
Assessed Residential Units (Bellavista)	27
Assessment	\$132,866
Investment Income	\$15,483
Cell Lease Revenue	\$15,126
Total Revenue	\$163,475

The budget is divided into four categories including Major Repair, Preventive Maintenance and Operations, Special Projects, and Administration and Accounting. As needed, the GHAD Manager, in its discretion, may reallocate funds within the budget. A description of each of the categories is provided below. In general, the budget amounts listed are based on the Engineer’s Report approved by the Moraga GHAD Board of Directors in 2015. The budget amounts have been inflation adjusted to provide the estimates.

ADMINISTRATION AND ACCOUNTING

This category includes administrative expenses for tasks of the GHAD Manager, and clerical and accounting staff related to the operation and administration of the GHAD. The budget amounts listed are based on the Engineers’ Reports approved by the Moraga GHAD Board of Directors in 2015 for Bellavista development. The budget amounts have been inflation adjusted to provide the listed budget estimates.

PREVENTIVE MAINTENANCE AND OPERATIONS

Preventive maintenance and operations include slope stabilization services, erosion protection, and professional services within the District. Professional services include site-monitoring events as specified in the GHAD Plan of Control. Slope stabilization and erosion protection responsibilities include the open space slopes and drainage swales. GHAD-maintained improvements generally include detention and water-quality basins, maintenance roads,

concrete-lined drainage ditches, retaining walls, subsurface drainage facilities, storm drain facilities, trails, and debris benches.

SPECIAL PROJECTS

The Special Projects category allows the GHAD to budget for projects beneficial to the GHAD that do not fit into one of the other three categories. Special projects can include items such as global positioning system (GPS)/geographic information system (GIS) development for GHAD-maintained improvements; website development and maintenance; reserve studies to reevaluate the financial condition of the GHAD; and other items that don't fit into the administrative or preventive maintenance and operations categories. In the FY 2024/25 budget, we anticipate consultation with East Bay Municipal Utilities District (EBMUD) for a waterline adjustment project EBMUD is planning within their easement along Fay Hill Road on GHAD-owned land. Additionally, we anticipate consultation with John Muir Land Trust (JMLT) related to fencing and grazing efforts within the GHAD-owned open space, once approved by resource agencies.

MAJOR REPAIR

Included within the major repair category are those repair or improvement projects that are intermittent and, by their nature, do not fit within a scheduled maintenance program. Minor slope repair and erosion control items are generally funded within the Preventive Maintenance and Operations category. For the purposes of this budget, we define major repairs as those estimated at over \$250,000.

There are currently no major repair projects anticipated in the FY 2024/25 budget within the GHAD-maintained areas of the Moraga GHAD. The reserve portion of the budget allows for funding toward these unpredictable events

TABLE 4: Summary of Proposed Fiscal Year 2024/25 Budget

BUDGET ITEM	FY 2023/24 ESTIMATE*	FY 2023/24 BUDGET	FY 2024/25 PROPOSED	PERCENT OF TOTAL REVENUE (Table III, FY 2024/25)
Administration and Accounting				
Administration and Accounting	\$9,500	\$9,500	\$9,780	
Annual Reporting/Budget Preparation	\$1,100	\$1,100	\$1,130	
Assessment Roll and Levy Update	\$1,300	\$1,250	\$1,300	
Contra Costa County Assessor's Fees	\$273	\$273	\$273	
California Association of GHADs Membership	\$107	\$107	\$107	
GHAD Clerk	\$1,500	\$1,500	\$1,500	
GHAD Treasurer	\$1,300	\$1,300	\$3,000	
GHAD Legal Counsel	\$2,000	\$3,000	\$3,000	
Insurance – General Liability	\$2,273	\$2,400	\$2,400	
Insurance – Directors and Officers	<u>\$557</u>	<u>\$650</u>	<u>\$650</u>	
Subtotal	\$19,910	\$21,080	\$23,140	14%

BUDGET ITEM	FY 2023/24 ESTIMATE*	FY 2023/24 BUDGET	FY 2024/25 PROPOSED	PERCENT OF TOTAL REVENUE (Table III, FY 2024/25)
Preventive Maintenance and Operations – Maintenance Contractor				
Sediment Removal from Drainage Ditches	\$840	\$935	\$840	
Detention Basin Maintenance	\$2,500	\$2,550	\$2,500	
Vegetation Management	\$10,100	\$10,602	\$10,100	
Open Space Maintenance	\$1,600	\$2,020	\$1,600	
Subdrain Maintenance	\$1,000	\$11,560	\$11,500	
Slope Stabilization	\$3,000	\$11,475	\$12,000	
Vegetation Management – Invasive Species	\$5,000	\$5,250	\$6,000	
Wetlands Mitigation Program	\$0	\$0	\$0	
Subtotal	\$24,040	\$44,392	\$44,540	27%
Preventive Maintenance and Operations – GHAD Manager				
Scheduled Monitoring Events	\$8,500	\$8,500	\$8,750	
Heavy Rainfall Monitoring Event	\$648	\$1,600	\$1,600	
Detention Basin Scheduled Monitoring	\$2,100	\$2,100	\$2,150	
Detention Basin Heavy Rainfall Monitoring	\$0	\$900	\$900	
Sediment Removal from Drainage Ditches	\$165	\$165	\$168	
Detention Basin Maintenance	\$450	\$450	\$500	
Vegetation Management	\$2,048	\$2,048	\$2,020	
Open Space Maintenance	\$130	\$130	\$320	
Subdrain Maintenance	\$600	\$2,040	\$2,300	
Slope Stabilization	\$2,025	\$2,025	\$2,400	
Vegetation Management – Invasive Species	\$750	\$750	\$1,200	
Conservation Easement Activities	\$0	\$0	\$0	
Subtotal	\$17,416	\$20,708	\$22,308	14%
Special Projects				
Consultation for Cell Lease	\$5,120	\$0	\$0	
Consultation with EBMUD	\$440	\$0	\$5,000	
Consultation with JMLT	\$1,387	\$0	\$5,000	
Subtotal	\$6,700	\$0	\$10,000	7%
Major Repairs				
Subtotal	\$0	\$0	\$0	0%
Proposed Expenditures Total	\$67,313	\$86,180	\$99,988	61%
ESTIMATED RECEIVABLES				
Beginning Balance				
Balance (July 1, 2023)			\$494,733	

BUDGET ITEM	FY 2023/24 ESTIMATE*	FY 2023/24 BUDGET	FY 2024/25 PROPOSED	PERCENT OF TOTAL REVENUE (Table III, FY 2024/25)
Estimated FY 2023/24 Revenue				
Assessment Revenue			\$132,866	
Investment Revenue			\$14,500	
Cell Lease Revenue			\$2,448	
Estimated 2023/24 Expenses				
Estimated Expenses			\$68,313	
ESTIMATED RESERVE ON JUNE 30, 2024			\$576,234	
Estimated 2024/25 Revenue				
Estimated FY 2024/25 Assessment			\$132,866	
Estimated FY 2024/25 Investment Income			\$15,483	
Estimated FY 2024/25 Cell Lease Revenue			\$15,126	
Estimated 2024/25 Expenses				
Expenses through June 30, 2025			\$99,988	
ESTIMATED RESERVE ON JUNE 30, 2025			\$639,721	

Section 4a. of the approved Moraga Geologic Hazard Abatement District Services Contract provides that a payment limit shall be determined each fiscal year by the GHAD Board of Directors by resolution. For fiscal year 2024/25 (July 1, 2024, through June 30, 2025), the payment limit is set at \$43,218. The tasks included within the payment limit may include site monitoring events, report preparation, oversight of maintenance and repair projects, administration, and assessment roll updates.

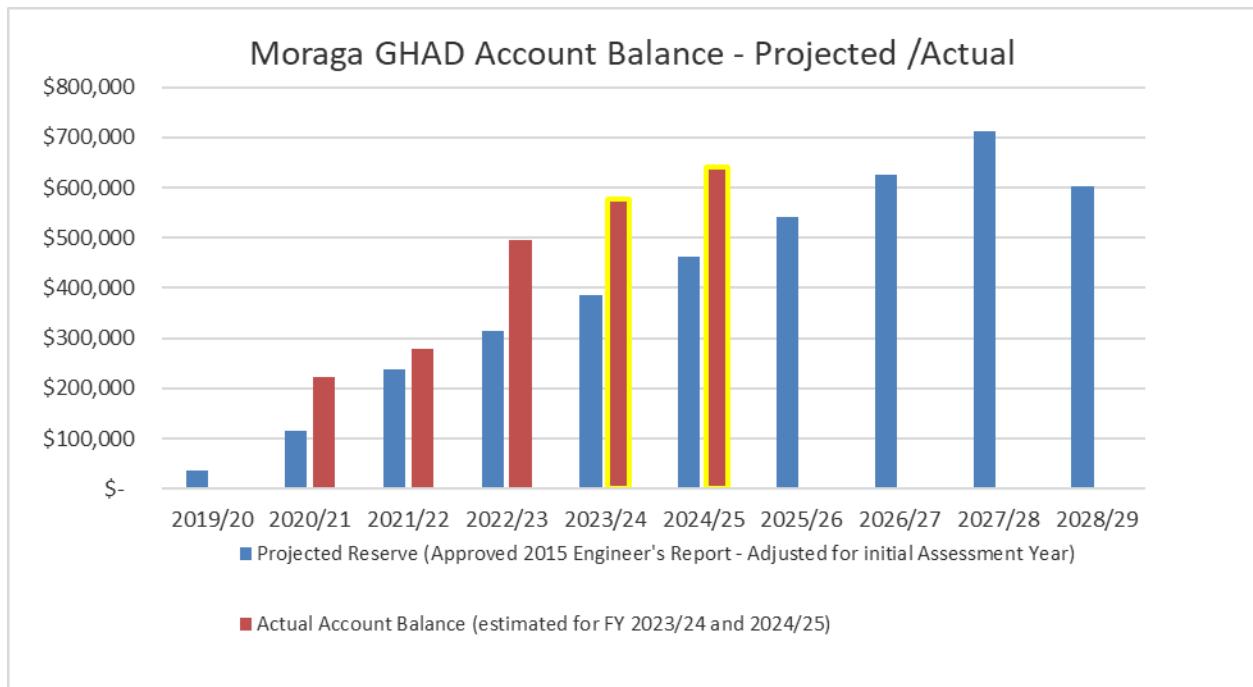
TABLE 5: Payment Limit

TASK	AMOUNT
Administration and Accounting	\$9,780
Budget Preparation	\$1,130
Scheduled Monitoring Events	\$8,750
Heavy Rainfall Monitoring Event	\$1,600
Detention Basin Monitoring Events	\$2,150
Heavy Rainfall Detention Basin Monitoring Events	\$900
Sediment Removal from Concrete Structures	\$168 ¹
Detention Basin Maintenance	\$500 ¹
Vegetation Management – Fire Suppression	\$2,020 ¹
Open Space Maintenance	\$320 ¹
Subdrain Maintenance	\$2,300 ¹
Slope Stabilization, Erosion, and Minor Repairs	\$2,400 ¹
Vegetation Management – Artichoke Thistle Program	\$1,200 ¹
Consultation with EBMUD	\$5,000
Consultation with JMLT	\$5,000
Amount Total	\$43,218

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

At the beginning of the 2024/25 FY, the cumulative reserve is estimated at approximately \$576,234 and approximately \$639,721 by the end of the 2024/25 FY. As shown on Graph 1 below, the forecast cumulative reserve is above the amount estimated in the 2015 Engineer's Report. The graph below shows a 10-year period, but in the 2015 Engineer's Report the target reserve was estimated to reach approximately \$915,000 in current dollars (\$2,985,000 in 2055 dollars) by 2055. The GHAD account balance is intended to fund long-term capital improvements, major repairs, and unanticipated expenses that may occur.

GRAPH 1:



Below is more detail about each line item included in the annual budget proposed above.

ADMINISTRATION AND ACCOUNTING

GHAD Manager

Administration

Administrative expenses include the GHAD Manager duties related to the operation and administration of the GHAD. The budget estimate for administrative services is derived from the original GHAD budget used to prepare the GHADs Engineer's Report.

Annual Report and Budget Preparation

This budget provides for the preparation of the annual report and budget.

Outside Professional Services

Assessment Roll and Levy Update

This budget item allows for preparation of the assessment roll for the GHAD and the updated levy based on the Consumer Price Index adjustment.

Contra Costa County Assessor's Fees

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

California Association of GHADs Membership

The GHAD maintains membership in the California Association of GHADs.

Clerk

This budget item allows the GHAD to fund clerk services for the District. The Board appointed the Town of Moraga to serve as the GHAD Clerk on June 10, 2015, with the approval of Resolution 1-2015. The estimated cost shown is based on the existing contract with the Town of Moraga for GHAD Clerk services approved on November 18, 2020, and assumes one GHAD Board of Director's meetings will be held in FY 2024/25. In addition, this item allows the GHAD to fund preparation of minutes for the GHAD Board of Director's meetings.

Treasurer

This budget item accounts for fees related to investment of the GHAD reserve funds and processing of accounts payable. The Board appointed the GHAD Treasurer on June 10, 2015, with the approval of Resolution No. 01-2015 and on September 9, 2020, approved the GHAD Treasurer's name change from Watermark Asset Management, Inc. to GHAD Treasurer, Inc.

Legal Counsel

This budget item allows the GHAD to fund legal counsel for the District. The Board appointed Colantuono, Highsmith, and Whately, LLP as the GHAD Attorney on December 9, 2020, with the approval of Resolution No. 3-2020. The duties of the legal counsel may include but not be limited to transfer documentation, preparation or review of contracts, grant deeds, right of entry, and board resolutions.

Insurance - General Liability

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

Insurance - Directors and Officers

If desired by the Board, this budget item allows for the GHAD to maintain directors and officers insurance for the Board of Directors.

PREVENTIVE MAINTENANCE AND OPERATIONS

Maintenance and Operations

Sediment Removal from Concrete Structures

This budget item is to provide for the annual removal of sediment and clearing of vegetation from the concrete-lined drainage ditches.

Detention Basin Maintenance

This budget item is to provide for annual maintenance of the detention basins including inlets and outfalls.

Vegetation Management - Fire Suppression

This budget item includes annual weed abatement for fire suppression and required biological monitoring prior to weed abatement that will occur during FY 2024/25. Budget estimate allows for a second cutting of firebreaks if significant regrowth occurs.

Open Space Debris Removal

This budget item is to provide for the removal of debris/litter within the GHAD-owned open space parcels. Budget estimate allows for three litter collection events, if necessary.

Trail Maintenance

This budget item includes trail maintenance that may occur during the 2024/25 fiscal year.

Subdrain and Subdrain Outlets

This budget item is to provide for a one-time installation of subdrain markers and construction of subdrain outfall aprons.

Slope Stabilization, Erosion, and Minor Repairs

This is for unanticipated minor repairs, including slope instability or erosion, which may occur during FY 2024/25.

Vegetation Management – Artichoke Thistle Management

This budget item includes annual artichoke thistle control that will occur during FY 2024/25. The GHAD may contract with Contra Costa County to provide these services as part of its countywide program.

Professional Services- GHAD Manager

Scheduled Monitoring Events

As provided in the Plan of Control, there are two scheduled monitoring events within the GHAD that will occur during each fiscal year.

Heavy Rainfall Monitoring Event

We have budgeted for one heavy rainfall-monitoring event during the 2024/25 winter season. Expense estimates prepared for the approved Engineer's Report anticipated that a heavy rainfall-monitoring event would be needed on average once every 2 years.

Detention Basin Scheduled Monitoring Events

As provided in the Plan of Control, there are two scheduled monitoring events for the detention basins within the GHAD that will occur during each fiscal year.

Detention Basin Heavy Rainfall Monitoring Event

We have budgeted for one heavy rainfall-monitoring event for the detention basins during the 2024/25 winter season. Expense estimates prepared for the approved Engineer's Report anticipated that a heavy rainfall-monitoring event would be needed on average once every 2 years.

SPECIAL PROJECTS

In the FY 2024/25 budget, we anticipate consultation with EBMUD for a waterline adjustment project EBMUD is planning within their easement along Fay Hill Road on GHAD-owned land. Additionally, we anticipate consultation with JMLT related to fencing and grazing efforts within the GHAD-owned open space once approval is obtained from the appropriate resource agencies.

MAJOR REPAIRS

There are currently no major repair projects anticipated in the FY 2024/25 budget within the GHAD-maintained areas of the Moraga GHAD. While no major repairs are ongoing at this time, by their nature, major repairs such as landslides are unpredictable and could occur during FY 2024/25. The reserve portion of the budget allows for the funding toward these unpredictable events.