

**SANTA PAULA GEOLOGIC HAZARD ABATEMENT DISTRICT
PROGRAM BUDGET FOR FISCAL YEAR 2024/25**

May 16, 2024

Santa Paula Geologic Hazard Abatement District Board of Directors
Chair Leslie Cornejo
Vice Chair Pedro Chavez
Boardmember Jenny Crosswhite
Boardmember Carlos Juarez
Boardmember Andy Sobel

Santa Paula Geologic Hazard Abatement District
970 East Ventura Street
Santa Paula, CA 93060-3637

Subject: Santa Paula Geologic Hazard Abatement District
Ridgeview at Vista Glen
Santa Paula, California

PROGRAM BUDGET FOR FISCAL YEAR 2024/25

Dear Chair Cornejo and Boardmembers:

Attached is the program budget for the Santa Paula Geologic Hazard Abatement District (GHAD) for Fiscal Year (FY) 2024/25. The proposed program budget is \$57,789. The budget expenses break down into the following approximate percentages of the total revenue.

Administration and Accounting	7 percent
Additional - Outside Professional Services	8 percent
Preventive Maintenance and Operations	33 percent
Special Projects	0 percent
Major Repair	0 percent
Reserve	52 percent

The budget anticipates FY 2024/25 revenue of \$119,074 with an estimated contribution of \$61,285 to the reserve fund. A summary of the expenses is shown in Table 2, 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,

Santa Paula Geologic Hazard Abatement District
ENGEO Incorporated, GHAD Manager
ENGEO Project No. 7290.002.023



Haley Ralston



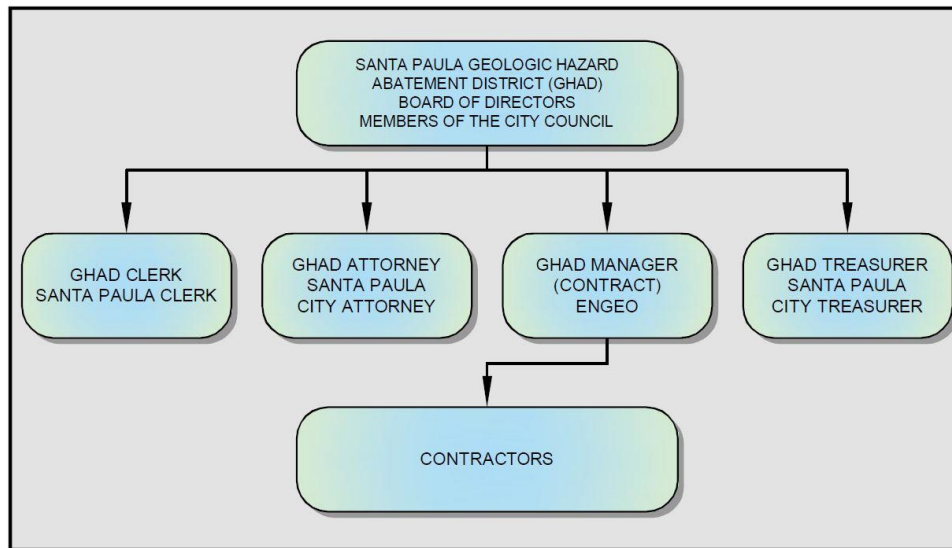
Eric Harrell

hjr/eh/ca

**SANTA PAULA GEOLOGIC HAZARD ABATEMENT DISTRICT
 PROPOSED PROGRAM BUDGET
 FISCAL YEAR 2024/2025**

The following proposed program budget summarizes the anticipated revenues and expenditures for fiscal year (FY) 2024/25 for the Santa Paula Geologic Hazard Abatement District (GHAD), which currently includes the Ridgeview at Vista Glen (“Ridgeview”) development. The structure of the Santa Paula GHAD is shown below.

EXHIBIT 1: Santa Paula GHAD Structure



The GHAD has had monitoring and maintenance responsibilities within the Ridgeview development since 2016 when the GHAD Board of Directors adopted Resolution No. 6974 accepting responsibility for GHAD-maintained improvements.

REVENUE

The GHAD is funded through real property assessments. The initial assessment limit was approved by the Board of Directors with the adoption of Resolution 2008-03(G) on July 28, 2008, at \$1,414. The assessment limit is adjusted annually on April 30 to reflect the percentage change in the Los Angeles-Long Beach-Anaheim Consumer Price Index (CPI) for All Urban Consumers. For fiscal year (FY) 2024/25, the assessment limit increased by 3.90 percent to reflect an increase in the CPI.

The annual assessment limits are as follows.

TABLE 1: CPI Adjustments

FISCAL YEAR	LOS ANGELES CPI (APRIL/APRIL)	ASSESSMENT LIMIT	ANNUAL ASSESSMENT LEVY
2008/2009		\$1,414.00	\$1,414.00
2009/2010	-1.31%	\$1,395.54	\$1,414.00
2010/2011	1.90%	\$1,422.13	\$1,414.00
2011/2012	3.28%	\$1,468.73	\$1,414.00

FISCAL YEAR	LOS ANGELES CPI (APRIL/APRIL)	ASSESSMENT LIMIT	ANNUAL ASSESSMENT LEVY
2012/2013	1.52%	\$1,491.06	\$1,414.00
2013/2014	0.92%	\$1,504.76	\$1,414.00
2014/2015	1.42%	\$1,526.13	\$1,414.00
2015/2016	0.47%	\$1,533.25	\$1,414.00
2016/2017	1.97%	\$1,574.01	\$1,414.00
2017/2018	2.66%	\$1,605.03	\$1,112.00
2018/2019	3.97%	\$1,668.76	\$1,156.00
2019/2020	3.34%	\$1,724.47	\$1,194.00
2020/2021	0.70%	\$1,782.04	\$1,202.00
2021/2022	3.61%	\$1,846.35	\$1,246.00
2022/2023	7.87%	\$1,991.66	\$1,246.00
2023/2024	3.82%	\$2,058.15	\$1,246.00
2024/2025	3.90%	\$2,148.45	\$1,246.00

For FY 2024/25, all 75 residential parcels within the Ridgeview at Vista Glen development are subject to the levy of GHAD assessments. The assessment roll for FY 2024/25 is estimated to total \$93,450 with the recommended assessment levy at \$1,246.00 per residential parcel, which is the same assessment levy approved for FY 2023/24. In addition, as shown on Graph 1, the rate of accumulation towards the target reserve remains above the projected estimates in the approved 2008 Engineer's Report. Each year, GHAD Staff will review the projected reserve account balance against the target reserve balance and determine if the assessment levy needs to be adjusted to remain on track with the target reserve balance.

As provided in the approved Engineer's Report, the assessment limit will continue to be adjusted for inflation annually. The proposed assessment levy for FY 2024/25 does not preclude the GHAD Board in the future from increasing or decreasing the levy of the assessment up to the inflation-adjusted assessment limit. This determination is made by the GHAD Board each year in approving the annual budget for the GHAD. As long as the GHAD Board levies future assessments in accordance with the Engineer's Report, a vote of property owners is not required; a vote is only required if the assessment limit is increased beyond that allowed in the Engineer's Report.

EXPENSES

The budget amounts listed are based on the Engineer's Reports approved by the Santa Paula GHAD Board of Directors in 2008. The budget amounts have been inflation adjusted to maintain a constant dollar value in the listed budget estimates. The budget is divided into four categories including Administration and Accounting, Preventive Maintenance and Operations, Special Projects, and Major Repair. As needed, the GHAD Manager may, in its discretion, reallocate funds within the budget.

ADMINISTRATION AND ACCOUNTING

This category includes administrative expenses for tasks of the GHAD Manager, clerical, and accounting staff related to the operation and administration of the GHAD.

PREVENTIVE MAINTENANCE AND OPERATIONS

Preventive maintenance and operations include slope stabilization, erosion protection, and professional services within the District. Professional services include site-monitoring as specified in the GHAD Plan of Control. Slope stabilization and erosion protection responsibilities include the open-space slopes. GHAD-maintained improvements generally include detention and water-quality improvements, concrete-lined drainage ditches, retaining walls, splash walls, Geobruigg screen walls, subdrains, storm drain facilities, and vegetation management for fire suppression (Parcel “C” only, which is a GHAD-owned parcel).

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. Although not proposed in the FY 2024/25 budget, special projects can include items such as global position system (GPS)/geographic information system (GIS) development for GHAD-maintained improvements, website development and maintenance, and reserve studies to reevaluate the financial condition of the GHAD.

MAJOR REPAIR

Included within the major repair category are those repair or improvement projects that are intermittent and, by their nature, do not fit within a scheduled maintenance program. Minor slope repair and erosion control items are generally funded within the Preventive Maintenance and Operations category. For the purposes of this budget, we define major repairs as those estimated at over \$50,000.

TABLE 2: Summary of Use of Funds

USE OF FUNDS				
	FY 2023/24 ESTIMATE*	FY 2023/24 BUDGET	FY 2024/25 PROPOSED	PERCENT CHANGE FROM FY 2023/24
MAJOR REPAIRS				
Subtotal	\$0	\$0	\$0	0.0%
PREVENTIVE MAINTENANCE AND OPERATIONS – PROFESSIONAL SERVICES				
Open Space Scheduled Monitoring Events	\$9,400	\$9,400	\$9,600	
Heavy Rainfall Monitoring Events	\$1,639	\$3,000	\$3,000	
Subtotal	\$11,039	\$12,400	\$12,600	1.6%
PREVENTIVE MAINTENANCE AND OPERATIONS – MAINTENANCE AND OPERATIONS				
Sediment Removal Concrete Structures	\$3,150	\$3,800	\$3,800	
Maintenance Stormwater Improvements	\$0	\$2,700	\$2,700	
Vegetation Management and Revegetation	\$5,350	\$5,600	\$5,700	
Subdrain Outlets	\$0	\$2,000	\$2,000	
Slope Stabilization and Erosion Repairs	\$0	\$13,000	\$13,000	
Subtotal	\$8,500	\$27,100	\$27,200	0.4%

USE OF FUNDS				
	FY 2023/24 ESTIMATE*	FY 2023/24 BUDGET	FY 2024/25 PROPOSED	PERCENT CHANGE FROM FY 2023/24
SPECIAL PROJECTS				
Subtotal	\$0	\$0	\$0	0.0%
ADMINISTRATION AND ACCOUNTING				
Administration – City of Santa Paula to GHAD	\$3,800	\$3,800	\$3,900	
GHAD Manager	\$4,800	\$4,800	\$4,900	
Subtotal	\$8,600	\$8,600	\$8,800	2.3%
PROFESSIONAL SERVICES – NON-TECHNICAL				
GHAD Manager – Contracting and Oversight	\$5,200	\$5,200	\$5,300	
GHAD Manager – Consultation and Meetings	\$2,300	\$2,300	\$2,350	
Treasurer	\$600	\$600	\$620	
Ventura County Assessor’s Fees	\$290	\$290	\$300	
California Association of GHADs Membership	\$119	\$119	\$119	
Insurance – General Liability	\$500	\$500	\$500	
Subtotal	\$9,009	\$9,009	\$9,189	2.0%

*FY 2023/24 Estimate Includes Actual Expenses through April 30, 2024, with estimate for remaining expenditures through June 30, 2024.

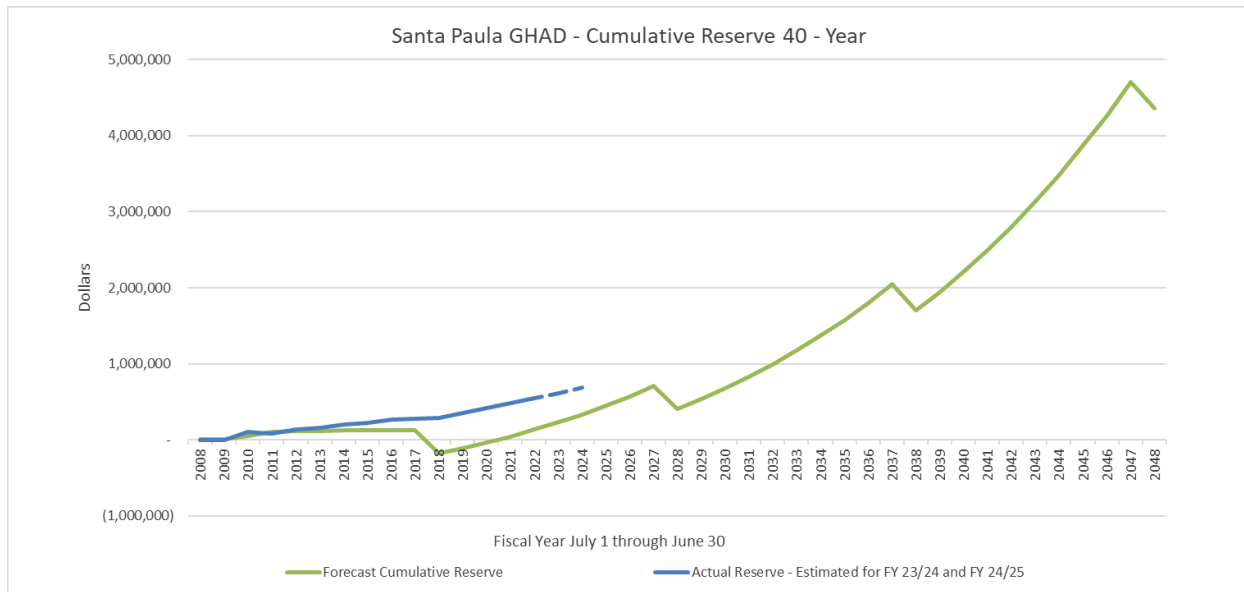
TABLE 3: Summary of Proposed Fiscal Year 2024/25 Budget

BUDGET ITEM	LABEL	BUDGET AMOUNT	PERCENTAGE OF TOTAL REVENUE
MAJOR REPAIRS			
	TOTAL	\$0	0%
PREVENTIVE MAINTENANCE AND OPERATIONS			
<u>Professional Services</u>			
Open Space Scheduled Monitoring Events		\$9,600	
Heavy Rainfall Monitoring Events		\$3,000	
	Subtotal	\$12,600	
<u>Contractor Services</u>			
Sediment Removal – Concrete Structures		\$3,800	
Stormwater Improvement Maintenance		\$2,700	
Vegetation Management and Revegetation		\$5,700	
Subdrain/Storm Drain Outfall Maintenance		\$2,000	
Slope Stabilization and Erosion Protection		\$13,000	
	Subtotal	\$27,200	
	TOTAL	\$39,800	31%

BUDGET ITEM	LABEL	BUDGET AMOUNT	PERCENTAGE OF TOTAL REVENUE
SPECIAL PROJECTS			
	TOTAL		0%
ADMINISTRATION			
Administration – GHAD to City of Santa Paula		\$3,900	
GHAD Manager		\$4,900	
	Subtotal	\$8,800	7%
ADMINISTRATION PROFESSIONAL SERVICES – NON-TECHNICAL			
GHAD Manager – Contracting and Oversight		\$5,300	
GHAD Manager – Consultation and Meetings		\$2,350	
Treasurer		\$620	
Ventura County Assessor’s Fees		\$300	
California Association of GHADs Membership		\$119	
Insurance – General Liability		\$500	
	Subtotal	\$9,189	8%
	TOTAL	\$17,989	
ESTIMATED EXPENDITURES			
	TOTAL	\$57,789	46%
Fund Balance (June 30, 2023)		\$612,010	
FY 2023/24 Estimated Revenue		\$108,446	
FY 2023/24 Estimated Expenditures		\$37,148	
ESTIMATED FUND BALANCE JUNE 30, 2024	TOTAL	\$683,308	
FY 2024/25 Estimated Revenue		\$119,074	
FY 2024/25 Expenses		\$57,789	
ESTIMATED RESERVE/FUND BALANCE ON JUNE 30, 2025	TOTAL	\$744,593	

The current Program Budget estimates that at the beginning of the 2024/25 fiscal year, the cumulative reserve will be about \$683,308 and \$744,593 at the end of FY 2024/25. As shown on the graph below, the cumulative reserve is above the amount estimated in the 2008 Engineer’s Report and is estimated to reach approximately \$4,350,000 by 2048. The GHAD reserve is intended to fund unanticipated expenses that may occur.

GRAPH 1: Cumulative Reserve



We attribute the additional reserve accumulation to a number of factors including (1) the expenditures for maintenance of the open space surrounding the development have been lower than anticipated in the 2008 Engineer’s Report; (2) a large-scale repair has not been necessary within the GHAD-maintained areas; and (3) the budgets submitted and expenditures made by the current GHAD manager reflect the lower level of activity, thus allowing a higher percentage of the GHAD revenues to be applied to the reserve portion of the budget, while maintaining an appropriate monitoring and maintenance program.

ADMINISTRATION AND ACCOUNTING

GHAD Management

Administration

City Services

This budget item accounts for payment of GHAD-authorized fees for City of Santa Paula services. Administrative expenses include the Public Works Department duties related to the operation and administration of the GHAD.

Estimated Budget: \$3,900

GHAD Manager

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

Estimated Budget: \$4,900

Outside Professional Services – Non-Technical

GHAD Contracting and Oversight Services

This budget item includes contracting for GHAD Manager maintenance, repair, and emergency response that may occur during FY 2024/25.

Estimated Budget: \$5,300

Meeting and Consultation

This budget item allows for GHAD Manager meetings and consultation with the City of Santa Paula, the Ridgeview at Vista Glen Homeowners Association, and the GHAD Board of Directors during this period.

Estimated Budget: \$2,350

Treasurer

This budget item accounts for fees related to investment of the GHAD reserve funds and processing of accounts payable.

Estimated Cost: \$620

Ventura County Assessor's Fees

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

Estimated Cost: \$300

California Association of GHADs Membership

The GHAD maintains membership in the California Association of GHADs.

Estimated Cost: \$119

Insurance

The GHAD maintains general liability insurance through the California Association of GHADs for GHAD-owned open space areas within the GHAD (Parcel C only).

Estimated Cost: \$500

PREVENTIVE MAINTENANCE AND OPERATIONS

Professional Services

Scheduled Monitoring Events

As provided in the Plan of Control, there are two scheduled monitoring events and heavy rainfall monitoring events. In general, these monitoring events will occur in April, after winter rains, and October, before winter rains.

Estimated Budget: \$9,600

Heavy Rainfall Monitoring Events

As described in the Plan of Control, heavy rainfall monitoring events are to occur when precipitation totals greater than 2 inches in a 24-hour period. We anticipate two heavy rainfall monitoring events may occur during the 2023/24 fiscal year.

Estimated Budget: \$3,000

Maintenance and Operations

Sediment Removal - Concrete Structures

This budget item is to provide for the periodic removal of vegetation, cleaning, sealing, and minor repair of concrete-lined drainage ditches.

Estimated Budget: \$3,800

Maintenance – Stormwater Improvements

This budget item is to provide for the maintenance of stormwater improvements within the Ridgeview development including the CDS unit maintenance.

Estimated Budget: \$2,700

Vegetation Management and Revegetation

This budget item includes firebreak mowing on Parcel “C”, vegetation management, and revegetation, which will occur during the 2024/25 fiscal year.

Estimated Budget: \$5,700

Subdrain Outlets

This budget item provides for subdrain outlets to be located, relocated, and repaired, as necessary.

Estimated Budget: \$2,000

Slope Stabilization and Erosion Repairs

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

Estimated Budget: \$13,000

SPECIAL PROJECTS

There are currently no special projects anticipated in the 2024/25 fiscal year budget within the GHAD-maintained areas of the Santa Paula GHAD.

MAJOR REPAIRS

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