

**SANTIAGO GEOLOGIC HAZARD ABATEMENT DISTRICT
PROGRAM BUDGET FOR FISCAL YEAR 2025/26**



Project No.
14174.002.025

October 21, 2025

Santiago GHAD Board of Directors
Santiago Geologic Hazard Abatement District
3111 N. Tustin Steet, Suite 200
Orange, CA 92865

Subject: Santiago Geologic Hazard Abatement District
Anaheim, California

PROGRAM BUDGET FOR FISCAL YEAR 2025/26

Dear Chair and Boardmembers:

Attached is the program budget for the Santiago Geologic Hazard Abatement District (GHAD) for Fiscal Year (FY) 2025/26. The program budget as proposed for FY 2025/26 is \$349,679. The budget expenses breakdown into the following approximate percentages of the total proposed expenditures.

Major Repair.....	0 percent
Preventative Maintenance and Operations.....	76 percent
Administration- GHAD Manager.....	9 percent
Administration- Outside Professional Services.....	7 percent
Contingency.....	8 percent

The FY 2025/26 budget anticipates a total revenue of \$359,679. A summary of the expenses is shown in Table 1 below, 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,

Santiago Geologic Hazard Abatement District
ENGEO Incorporated, GHAD Manager
ENGEO Project No. 14174.002.025

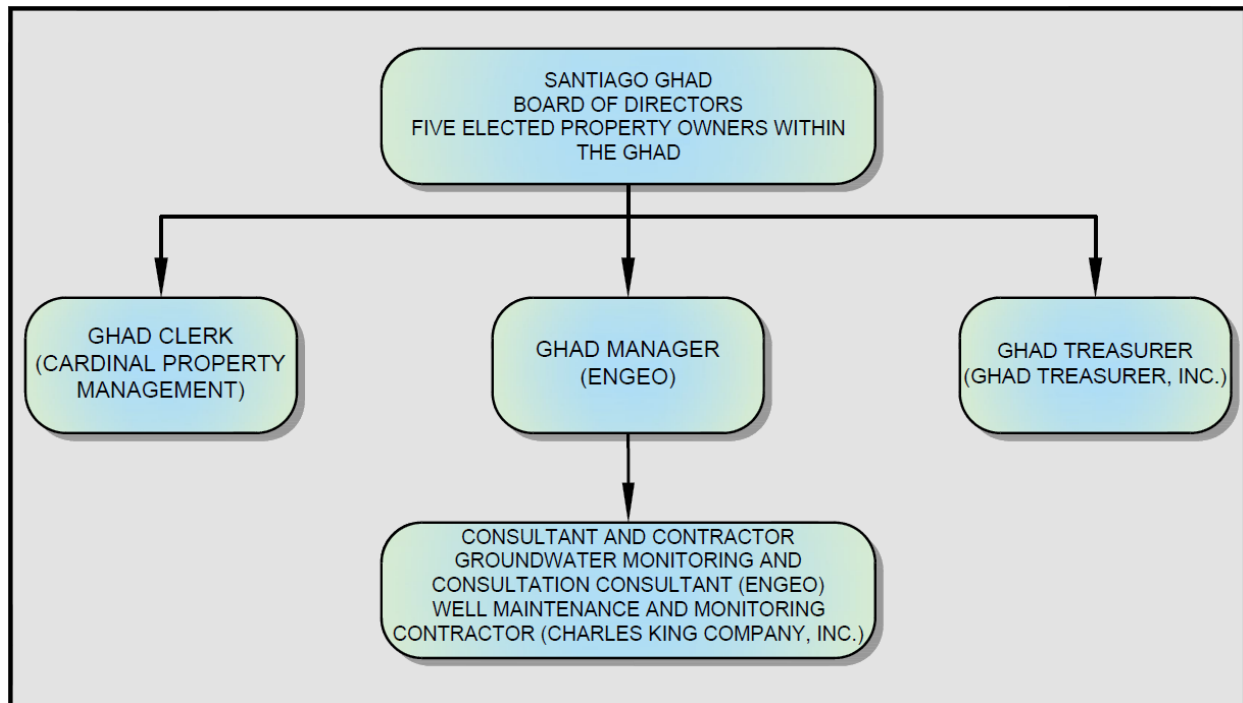
Haley Ralston

Matthew Swanson

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**Santiago Geologic Hazard Abatement District
Program Budget
Fiscal Year 2025/26**

The following proposed program budget summarizes the anticipated receivables and expenditures for FY 2025/26 for the Santiago Geologic Hazard Abatement District. The structure of the Santiago GHAD is shown below.



The GHAD has maintenance and monitoring responsibilities for parcels listed in Exhibit A.

The fiscal year for the Santiago GHAD begins on July 1. The budget is divided into three categories including Major Repair, Preventative Maintenance and Operations, and Administration and Accounting. As needed, the GHAD Manager may reallocate funds within the board-approved budget without additional Board approval. The budget amounts listed are based on the prior expense history or contracts proposed or approved by the GHAD Board of Directors.

ADMINISTRATION AND ACCOUNTING

Administrative expenses include the General Manager duties related to the operation and administration of the GHAD. These include clerical and accounting functions.

PREVENTIVE MAINTENANCE AND OPERATIONS

Preventive maintenance and operations include professional services in addition to ongoing maintenance and repair of the GHAD-maintained dewatering well system.

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 well and drain maintenance program such as major dewatering-well rehabilitation or replacement. While it appears that there are significant well maintenance and repair items that have been deferred, to help maintain the GHAD account balance and allow response to critical failures that may occur, these items are not funded in the FY 2025/26 budget.

Table 1 provides a summary of use of funds between FY 2024/25 and proposed FY 2025/26. Table 2 provides a summary of the proposed FY 2025/26 budget.

TABLE 1: Summary of Use of Funds

USE OF FUNDS				
	FY 2024/25 ESTIMATE	FY 2024/25 BUDGET	FY 2025/26 PROPOSED	PERCENT CHANGE FROM FY 2024/25
Administration and Accounting				
Administration– GHAD Manager				
Administration	\$24,000	\$24,000	\$26,403	
Additional Documents Preparation	\$19,700	\$9,000	\$6,000	
Subtotal	\$45,165	\$33,000	\$32,403	-1.8%
Administration– Outside Professional Services				
GHAD Clerk	\$7,075	\$7,000	\$7,000	
GHAD Treasurer	\$1,523	\$2,000	\$2,000	
GHAD Attorney	\$5,159	\$5,000	\$5,000	
California Association of GHADs Membership	\$176	\$176	\$176	
Insurance - General Liability	\$878	\$850	\$1,000	
Insurance - Directors and Officers	\$961	\$1,300	\$1,000	
Assessment and Assessment Roll Preparation	\$25,395	\$0	\$3,500	
Orange County Assessor's Fees	\$1,465	\$1,465	\$1,514	
Facility Rental	\$1,845	\$1,200	\$1,500	
Subtotal	\$44,477	\$18,991	\$22,690	19.5%
Administration and Accounting Total	\$89,642	\$51,991	\$55,093	6.0%
Preventive Maintenance and Operations				
Preventive Maintenance and Operations – GHAD Manager				
Semi-annual inspection and monitoring of groundwater observation wells and piezometers	\$2,200	\$2,200	\$2,200	
Semi-annual comparison of groundwater levels	\$2,200	\$2,200	\$2,200	

USE OF FUNDS				
	FY 2024/25 ESTIMATE	FY 2024/25 BUDGET	FY 2025/26 PROPOSED	PERCENT CHANGE FROM FY 2024/25
Monthly comparison of groundwater discharge volumes	\$9,000	\$9,000	\$9,000	
Monthly coordination and documentation of vertical wells, piezometers, horizontal wells, and dewatering wells.	\$9,600	\$9,600	\$9,600	
As-needed inspections of GHAD-maintained facilities	\$806	\$3,000	\$3,864	
Subtotal	\$23,806	\$26,000	\$26,864	3.3%
Preventive Maintenance and Operations – Maintenance Contractor and Vendors				
Well Operation and Monitoring	\$173,654	\$161,806	\$166,022	
Maintenance, Repair, and Reserve Accumulation for Deferred Maintenance	\$0	\$31,200	\$32,387	
Electrical Charges and Pedestals	\$17,084	\$18,720	\$19,342	
Minimum Allocation for Deferred Maintenance	\$0	\$0	\$20,000	
Subtotal	\$190,738	\$211,726	\$237,751	12.3%
Preventive Maintenance and Operations Total	\$214,544	\$237,726	\$264,615	11.3%
Major Repairs				
Subtotal	\$0	\$0	\$0	0%
Contingency (10%)				
Subtotal	\$0	\$28,972	\$29,971	3.4%
Total Use of Funds	\$304,186	\$318,689	\$349,679	9.7%

TABLE 2: Summary of Proposed Fiscal Year 2025/26 Budget

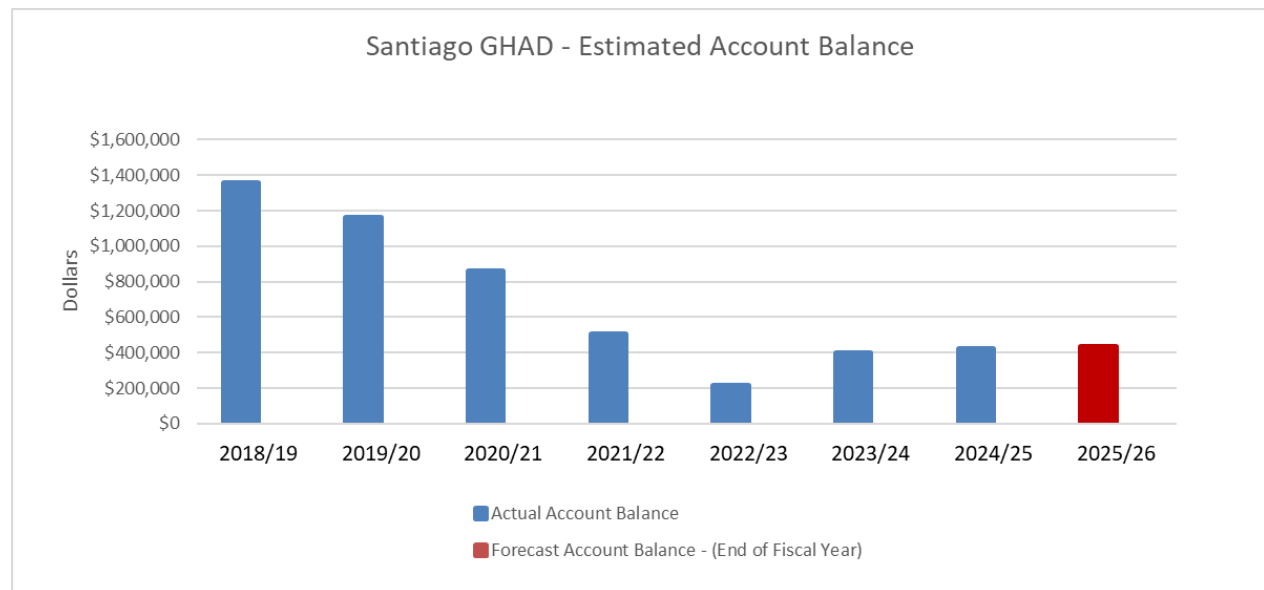
BUDGET ITEM	BUDGET AMOUNT	PERCENT OF TOTAL BUDGET (FY 2025/26)
Administration and Accounting		
Administration- GHAD Manager	\$26,403	
Additional Documents Preparation	\$6,000	
Subtotal	\$32,403	9.3%
Administration Outside Professional Services - Nontechnical		
GHAD Clerk	\$7,000	
GHAD Treasurer	\$2,000	
GHAD Attorney	\$5,000	
California Association of GHADs Membership	\$176	
Insurance- General Liability	\$1,000	

BUDGET ITEM	BUDGET AMOUNT	PERCENT OF TOTAL BUDGET (FY 2025/26)
Insurance- Directors and Officers	\$1,000	
Assessment and Assessment Roll Preparation	\$3,500	
Orange County Assessor's Fees	\$1,514	
Facility Rental	\$1,500	
Subtotal	\$22,690	6.5%
Administration and Accounting TOTAL	\$55,093	15.8%
Preventive Maintenance and Operations		
GHAD Manager		
Semi-annual inspection and monitoring of groundwater observation wells and piezometers	\$2,200	
Semi-annual comparison of groundwater levels	\$2,200	
Monthly comparison of groundwater discharge volumes	\$9,000	
Monthly coordination and documentation of vertical wells, piezometers, horizontal wells, and dewatering wells.	\$9,600	
As-needed inspections of GHAD-maintained facilities	\$3,864	
Subtotal	\$26,864	7.7%
Maintenance Contractor and Vendors		
Well Operation and Monitoring	\$166,022	
Maintenance, Repair, and Reserve Accumulation for Deferred Maintenance	\$32,387	
Electrical Charges and Pedestals	\$19,342	
Minimum Allocation for Deferred Maintenance	\$20,000	
Subtotal	\$237,751	68.0%
Preventive Maintenance and Operations TOTAL	\$264,615	75.7
Major Repairs		
Major Repairs TOTAL	\$0	0%
Contingency (10% of total budget)	\$29,971	8.6%
PROPOSED EXPENDITURES 2025/26 TOTAL	\$349,679	
BALANCE ON JULY 1, 2024		\$395,960
Estimated 2024/25 Revenue		
Estimated Revenue	\$321,072	
Estimated Investment Income	\$10,065	
Estimated 2024/25 Expenses		
Estimated Expenses	\$304,186	
ESTIMATED BALANCE ON JUNE 30, 2025		\$422,911
Estimated 2025/26 Revenue		
Estimated Revenue	\$349,679	
Estimated Investment Income	\$10,000	

BUDGET ITEM	BUDGET AMOUNT	PERCENT OF TOTAL BUDGET (FY 2025/26)
Estimated 2025/26 Expenses		
Estimated Expenses	\$349,679	
ESTIMATED BALANCE ON JUNE 30, 2026	\$432,911	

A summary of the GHAD’s actual and estimated account balance is shown in Graph 1 below.

GRAPH 1: Estimated Account Balance



Below is a more detailed description of each line item shown in the budget tables above.

ADMINISTRATION AND ACCOUNTING

Administration- GHAD Manager

Administration

Administrative expenses include the GHAD Manager duties related to the operation and administration of the GHAD.

Additional Document Preparation

Additional document preparation includes preparation of flyers and other mailings, or other related document preparation as requested by the GHAD Board of Directors

Administration Outside Professional Services – Nontechnical

GHAD Clerk

This budget item accounts for fees to provide clerical staffing and support services for the GHAD Board of Directors and to keep and provide interested parties with official records and documents relative to Board actions.

GHAD Treasurer

This budget item accounts for fees related to investment of the GHAD funds and processing of accounts payable. GHAD Treasurer, Inc., charges the GHAD an annual fee of 0.25%, or 25 basis points, per year on the account balance of the GHAD. In addition, the GHAD Treasurer has an annual fee of 0.25% or 25 basis points per year on the account balance managed by the investment manager, CAPTRUST Advisors.

GHAD Attorney

This budget item allows the GHAD to engage legal counsel for the District for an as-needed basis. The as-needed duties of the legal counsel may include, but not be limited to, preparation or review of contracts, board resolutions, and other board matters as directed.

California Association of GHADs Membership

The GHAD maintains membership in the California Association of GHADs.

Insurance – General Liability

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

Insurance – Directors and Officers

The GHAD maintains directors and offices insurance for the Board of Directors.

Assessment and Assessment Roll Preparation

This budget item allows for preparation of the annual assessment and assessment roll.

Orange County Assessor's Fees

This budget item accounts for the fees collected by the Orange County Assessor's Office for placing the assessment on the property tax bills.

Facility Rental

As allowed by state and local regulations, the GHAD may rent facilities for regularly scheduled Board of Director's meetings and other events such as GHAD workshops. The cost estimate plans for eight meetings in the 2025/26 fiscal year.

PREVENTIVE MAINTENANCE AND OPERATIONS

GHAD Manager

As provided in Revision 1 of the Plan of Control, primary monitoring and analysis services are related to the dewatering wells, horizontal drains, and other GHAD facilities, as well as review and consultation services.

Maintenance Contractor and Vendors

Well Operation and Maintenance

This budget item allows for maintenance of the equipment within the well vaults, well casing, and electrical system up to the pump control box. Includes monthly monitoring reports for each of the wells.

Maintenance, Repair, and Reserve Accumulation for Deferred Maintenance

This budget item allows for monitoring, maintenance, and repair of observation wells and drains.

Electrical Charges and Pedestals

This budget item allows for payment of electrical charges and maintenance of electrical pedestals incurred for ongoing operation of the production wells.

Minimum Allocation for Deferred Maintenance

This budget item allows for minimum allocation for deferred maintenance of the GHAD's facilities, such as dewatering wells, horizontal drains, etc.