



**SPECIAL MEETING AGENDA  
PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT  
MEADOW ROOM, Pajaro Dunes, 2661 Beach Road, Watsonville, CA 95076**

**Saturday, March 10, 2018 8:00 a.m.**

**A. OPEN SESSION CALL TO ORDER – PLEDGE OF ALLEGIANCE**

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**Roll Call**

Bob Moore, President  
Robert Allen, Vice President  
John Cullen, Secretary

David Ferrari, Community Liaison  
Jim Griffin, Director  
Sarah Mansergh, Clerk

**B. MEMBER COMMENTS**

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Matters under the jurisdiction of the Board and not on the posted agenda, may be addressed by members of the public before the Board for consideration. However, California law prohibits the Board from taking action on any matter which is not on the posted agenda unless it is determined to be an emergency by the Board of PDGHAD. Any person wishing to address the Board during the Member Comment period shall be permitted to be heard for up to 3 minutes, A) individuals may speak only once and B) the Board is unable to address any owner comments in depth, but may choose to direct the Clerk to follow-up on the matter for a future meeting.

**C. PRESIDENT’S REMARKS**

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The President will use this opportunity to inform the public of issues affecting the District and other items of a general nature not otherwise provided for on this agenda.

- Upcoming Regular Meeting Calendar:  
April 14<sup>th</sup>, May 12<sup>th</sup>, August 11<sup>th</sup>, November 10<sup>th</sup>, and December 8<sup>th</sup>.

**D. NEW BUSINESS**

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1. ITEM – Review 2018 Assessment Election Staff Report and assessment timeline and declare intention to authorize and levy an assessment for the updated Administrative and Operating Budget Fiscal Year 2018-2019.

- a. Board report
- b. Public comment
- c. Board discussion

d. Board action

2. ITEM – Consider a resolution appointing ARUP as Engineer of Record and accepting the Engineer’s Report for Fiscal Year 2018-2019.

- a. Board report
- b. Public comment
- c. Board discussion
- d. Board action

3. ITEM – Consider a resolution to accept the President’s Report for the 2018 assessment election

- a. Board report
- b. Public comment
- c. Board discussion
- d. Board action

4. ITEM- Consider a resolution approving the Assessment Notice for the 2018 assessment election.

- a. Board report
- b. Public comment
- c. Board discussion
- d. Board action

5. ITEM – Consider a resolution approving the balloting procedures for the 2018 assessment election.

- a. Board report
- b. Public comment
- c. Board discussion
- d. Board action

6. ITEM – Consider a resolution approving the ballots for the 2018 assessment election.

- a. Board report
- b. Public comment
- c. Board discussion
- d. Board action

7. ITEM – Review and consider approving webpage design for the 2018 assessment election.

- a. Board report
- b. Public comment
- c. Board discussion
- d. Board action

8. ITEM – Provide direction for preparation of materials for April 14<sup>th</sup> meeting.

- a. Board report
- b. Public comment
- c. Board discussion
- d. Board action

## **E. DIRECTORS COMMENTS AND CONCERNS**

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Members of the Board of Directors may address items of concern at this time, and may request that items be placed on future agendas in accordance with the By-laws of the Board.

## **F. ADJOURNMENT**

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The next Regular Meeting of the Board of Directors is scheduled for April 14, 2018, at 9:00 a.m. at the offices of the Pajaro Dunes Geologic Hazard Abatement District, Meadow Room, Pajaro Dunes, 2661 Beach Road, Watsonville, CA 95076. Individuals who require special accommodations are requested to contact the District Clerk by calling (831) 761-7744, no less than 72 hours prior to the meeting or in the case of a Special Meeting, as soon as possible after the Agenda is posted. Copies of the agenda will be available 72 hours prior to the meeting and may be obtained by contacting the District at (831) 761-7744. All meetings are noticed and conducted in accordance with the Ralph M. Brown Act.

# Item 1

## Staff Report-

### Proposed Assessment Election for Increased Zone 1 and Zone 2 Annual Administrative and Operating Budget

After more than a year of discussion, the Board is now at a point where it will consider taking action to impose an assessment to cover new Administrative and Operating Budgets for Zones 1 and 2 of the Pajaro Dunes Geologic Hazard Abatement District. The new budgets cover the cost of legal, accounting and engineering services, increased insurance coverage, state mandated compliance expenses, website maintenance, Board training, mailings, and annual seawall and river wall inspections (for Zone 1 and Zone 2, respectively). The Zone 1 budget also establishes a Capital Repair Cost/Expenses and Reserve Fund for future emergency seawall maintenance and repair. This reserve is meant to serve solely as a source of funding for emergency unanticipated seawall repairs necessitated by events that may occur prior to the time comprehensive repairs and maintenance to the wall are planned, approved (both by the Board and other entities with jurisdiction over such matters) and financed. The Reserve Fund is capped at \$600,000 and since it involves only the seawall improvement, will be derived exclusively from assessments levied in Zone 1. The Board's plan is to collect the balance of the Fund over a period of years; the maximum amount that can be assessed for the Fund in any given year and the first amount to be assessed in Fiscal Year 2018/19 is \$175,000. Once the Fund has been fully funded at \$600,000, no further assessments related to the Reserve Fund will be imposed until the reserve funds are used and the need to collect additional funds to reach the established cap arises. The Reserve Fund will be kept in a separate bank account from all other District funds.

As is evidenced by the Agenda, the assessment process, as set forth in Division 17 of the California Public Resources Code and Section 4 of Article XIID of the California Constitution, is fairly complex. The process requires all proposed assessment increases and new assessments to be put to a vote of the impacted property owners. Basically, at this meeting, the Board will be considering the adoption of the Engineer's Report prepared by Arup North America Ltd, and the President's Report, which establish the basis for the proposed new assessment, the means of calculating the new assessment, the budget for the new assessment, the Fiscal Year 2018-2019 per parcel assessment, and then stating its intent to levy an assessment based on the Report in the coming 2018-2019 Fiscal Year. Other related resolutions subject to the Board's consideration include approval and acceptance of the President's Report (which contains a condensed version of relevant information in the Engineer's Report), the balloting procedures to be used for voting on the proposed assessment, the actual form of the ballots to be sent to property owners, and the notice of assessment balloting and related public hearing that will be provided to all property owners.

If the involved resolutions are approved, the Clerk will distribute the Notice of Assessment Balloting and Public Hearing and the Ballots to all property owners. For those properties in Zone 2 (currently those in the Pelican Point Condominiums) there will be a second separate ballot pertaining to that portion of the new Budget that is attributable solely to Zone 2 needs and uses. Owners will have up to the time of a public hearing, scheduled for May 12th, 2018, to vote on the proposed assessment. There will also be an information session to answer questions pertaining to these ballot measures during the regularly scheduled PDGHAD board meeting on April 12<sup>th</sup> at 9am in the Meadow Room at Pajaro Dunes, 2661 W. Beach St. Watsonville, CA 95076. Information will also be available on our website at [pdghad.org](http://pdghad.org)

If the assessment passes, the assessment information will be passed to the County Assessor's Office for collection in Fiscal Year 2018-2019. If the assessment is subject to a majority protest, basically meaning that more owners object than support the assessment, the Board may not take action to levy the new proposed assessment. In that case, the usual assessment for the District budget will be approved by separate action and will be collected from District property owners in accordance with previously approved procedures.

**BOARD OF DIRECTORS  
PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT**

**Resolution Appointing the Engineer of Record, Accepting Engineer’s Report for the Fiscal Year 2018-2019 Assessment Election and Declaring Intention to Authorize and Levy an Assessment for the Zone 1 and 2 Annual Administrative and Operating Budget Pursuant to Division 17 of the California Public Resource Code**

**RESOLUTION No. 2018-01**

**WHEREAS**, in 1999, the Board of the Pajaro Dunes Geologic Hazard Abatement District (“Pajaro Dunes GHAD”) approved a benefit assessment district and attendant assessments to establish and maintain a stable source of funding to pay for the costs and incidental expenses associated with the maintenance and operation of improvements located within the District’s boundaries; and

**WHEREAS**, the District Board has discussed and received input from the public on the need to increase the assessment that pertains to the District’s administrative and operations budget, at noticed meetings of the Board on the following dates: February 18<sup>th</sup>, March 11<sup>th</sup>, June 3<sup>rd</sup>, September 16<sup>th</sup>, November 11<sup>th</sup>, and December 9 of 2017 and February 12<sup>th</sup>, 2018; and

**WHEREAS**, after due consideration of budgetary matters and Board member and public input, the Board provided direction to Staff to prepare documents necessary to initiate the process for consideration of an increase to the current assessment for the District’s administrative and operations budget; and

**WHEREAS**, Section 4 of Article XIID of the California Constitution (Proposition 218) requires that the assessments for a special district like the Pajaro Dunes GHAD be supported by a report prepared by a registered professional engineer; and

**WHEREAS**, an Engineer’s Report has been prepared for a new assessment pursuant to Section 4 of Article XIID of the California Constitution for the Pajaro Dunes GHAD Administrative and Operations Budget by registered civil engineer Martin Walker of Arup North America Ltd; and

**WHEREAS**, the Pajaro Dunes GHAD Board of Directors has received the written Engineer’s Report; and

**WHEREAS**, the Engineer’s Report contains the following information and/or findings:

1. Table 2 of the Engineer’s Report identifies and describes all parcels which have a special benefit conferred upon them by and on which the proposed assessment will be imposed, and identifies the new assessment by parcel. The list of parcels used in the report was obtained from the District’s staff and is based on information received from the County Assessor’s Office.

The Pajaro Dunes GHAD Board is seeking approval of a new assessment, with an annual cost-of living adjustment (COLA) to fund the Administrative and Operating Budget for both Zone 1 and Zone 2 of the District. Assessed funds will be used to support District operations, including costs associated with legal, accounting and engineering services, increased insurance coverage, state mandated compliance expenses, website maintenance, Board training, mailings, seawall and river wall annual inspections. Funds assessed to Zone 1 members only will be used to establish a maintenance and repair contingency fund for future emergency and/or unanticipated events associated with the seawall. The proposed COLA is based on a ten-year average for the Bay Area, All Urban Consumers, Consumer Price Index, or 2.6% annually. Table 1 of the Engineer's Report indicates that the assessment for the new proposed budget for Zones 1 and 2 combined for Fiscal Year 2018-2019 is \$310,115, with \$306,065 allocated to Zone 1, and \$4,050 to Zone 2. The contingency maintenance and repair fund will be capped at \$600,000. Table 1 displays the yearly Maximum Assessment that may be collected during the life of this assessment (subject to COLA), and the proposed assessment for Fiscal Year 2018-2019.

2. The assessment table correctly states the proportionate special benefit derived by each identified parcel in relation to the total cost of the services and expenses.
3. No assessment is imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.
4. The only benefits assessed are special, and any general benefits have been excluded.
5. No parcel owned by any local government agency of the State of California or the United States receives any special benefit from the proposed assessment.
6. There is a valid basis for the stated assessment.
7. The table of the assessments is attached to the Engineer's Report; and

**WHEREAS**, in addition to the aforesaid Engineer's Report, the Board of Directors has received a President's Report which reiterates the need for the new assessment and presents the method used in formulating the estimated assessments; and

**WHEREAS**, after considering the Engineer's Report, the President's Report and any additional information and evidence provided to the Board by Staff or public comment, the Board finds it is in the best interest of the Pajaro Dunes GHAD and its owners and inhabitants to declare its intention to levy the proposed assessments in accordance with such information.

**NOW THEREFORE, IT IS HEREBY RESOLVED** by the Board of the Directors of the Pajaro Dunes Geologic Hazard Abatement District as follows:

Section 1. All of the recitals set forth above are true and correct to the best of the Board's knowledge, and by this reference, are incorporated herein as findings.

Section 2. The Board hereby appoints and designates Arup North America Ltd, as the Engineer of Record/Work for the District Annual Administrative and Operating Budget and has directed Arup to provide and file and Engineer's Report for the proposed assessment.

Section 3. The Board of Directors hereby accepts and adopts the Engineer's Report, attached hereto as Exhibit "A," and instructs the District Clerk to file the report in the official records of the District. By way of separate action, the Board has accepted the aforementioned President's Report, a copy of which is attached hereto as Exhibit "B."

Section 4. The Board declares its intention under the authority of the Geologic Hazard Abatement District Law, Public Resources Code Sections 26650 et seq. and Article XIID, Section 4 of the California Constitution, to seek the approval of both Zone 1 and Zone 2 members to levy a new annual benefit assessment upon real property within the Pajaro Dunes GHAD to cover the District's Administrative and Operation expenses, as detailed in the Engineer's Report, the President's Report, and described in the recital set forth above. The assessment to be levied in Fiscal Year 2018-2019 and following is proposed as follows:

- A. The assessments in Zones 1 and Zone 2 shall be as shown in Table 3 of the Engineer's Report.
- B. The lien date shall be that prescribed by law.
- C. The proposed assessments are based on estimated budgets and/or estimated repair and maintenance costs prepared and provided by Staff and consulting engineers Arup North America Ltd. The assessment is proportional to the special benefit derived by each parcel in relationship to the total cost of the property-related service or expense. No assessment exceeds the reasonable cost of the proportional special benefit conferred on each assessment parcel. The special benefit conferred on each parcel in Zone 1 and Zone 2 is administration and operation of services, and includes in Zone 1 the collection of reserves necessary for emergency maintenance and repair of improvements that protect said properties from potential damage from coastal erosion and flooding.
- D. The assessments have been calculated on the basis of standard cost allocation formulas previously adopted by the Pajaro Dunes GHAD Board and established when the District was created by the county Board of Supervisors on October 27, 1998.

The District Clerk is directed to provide all property owners with a "Notice of Assessment Balloting and Public Hearing" and Ballot, in the approved form, for use in voting on the proposed assessment.

Section 5. Public Hearing. On May 12, 2018, at 9:00 a.m., the Board will hold a public hearing at the Pajaro Dunes Meadow Room, 2661 Beach Road, Watsonville, California, 95076 to hear protests on the proposed Pajaro Dunes Geologic Hazard Abatement District benefit assessments. By way of separate action, the Board has approved the form of the notice of the public hearing,



which was prepared in accordance with Subsections (c) and (d) of Section 4 of Article XIID of the California Constitution and Public Resources Code Section 26652.

Section 6. Assessment Ballot Procedures. As required by Section 4 of Article XIID of the California Constitution, an Assessment Ballot will be enclosed with the notice of the assessment balloting. The assessment ballot may be used by the owner(s) who are responsible for the payment of the assessment to support or oppose the proposed assessment. The assessment ballot instructions will tell the property owner how to cast the assessment ballot.

At the conclusion of the public hearing of protests on May 12<sup>th</sup>, 2018, the assessment ballots will be tabulated, with ballots being weighted in accordance with the amount of the proposed assessment, and the results will be announced; provided that if the Board needs more time to count assessment ballots, it may delay the announcement to a later meeting at a specified date. If the weighted assessment ballots in opposition to the proposed assessment exceed weighted assessment ballots in support, there will be a “majority protest,” and the Board may not impose the proposed assessment. The Board President shall have the authority to designate an independent party to tabulate the ballots.

Section 7. Protests. At the public hearing, the Board will consider all objections or protests, if any, to the proposed assessment. At the public hearing any person shall be permitted to present written or oral testimony. The public hearing may be continued from time to time.

Section 8. Answering Inquiries. The Board designates Board President Robert Moore as the person to answer inquiries regarding the proposed assessment and the ballot proceedings. Inquiries may also be made to Board Clerk Sarah Mansergh.

Section 9. In the event the new proposed Administrative and Operating Budget assessment is approved, it shall supercede the existing Budget Assessment used for Zones 1 and 2, which shall no longer be of force and effect. In the event the proposed Budget assessment does not receive majority approval, the existing Budget assessment process shall remain in full force and effect and assessments based on a Fiscal Year 2018-2019 Budget adopted by the Board by separate action shall be transmitted to the County Assessor’s office for collection in Fiscal Year 2018-2019.

**PASSED AND ADOPTED** by the Board of Directors of the Pajaro Dunes Geologic Hazard Abatement District of the County of Santa Cruz, State of California, this 10<sup>th</sup> day of March, 2018 by the following vote:

AYES: Directors \_\_\_\_\_

NOES: Directors \_\_\_\_\_

ABSENT: Directors \_\_\_\_\_

ABSTAIN: Directors \_\_\_\_\_

Robert Moore, President, Board of Directors

ATTEST: Sarah Mansergh, Clerk of the Board

## Attachment A

# Pajaro Dunes Geologic Hazard Abatement District

## **Pajaro Dunes** Engineer's Report

Issue 02 | March 8, 2018

This report takes into account the particular instructions and requirements of our client.

It is not intended for and should not be relied upon by any third party and no responsibility is undertaken to any third party.

Job number 217563-00

**Arup North America Ltd**  
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**ARUP**

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Table 2	Proposed Assessment and Fiscal Year 2018/2019 GHAD Budget by Benefit Categories
Table 3	Summary of Annual Assessments – Fiscal Year 2018/2019

### Figures

Figure 1	Project Properties – North Side
Figure 2	Project Properties – South Side

**ENGINEER'S REPORT  
PAJARO DUNES GEOLOGIC HAZARD ABATMENT DISTRICT  
FISCAL YEAR 2018/2019**

The undersigned submits this Engineer's Report as directed by the Board of the Pajaro Dunes Geologic Hazard Abatement District (PDGHAD) pursuant to Section 54703 et seq. of the California Government Code. This report provides updated assessment amounts that will be the subject of a 2018/2019 assessment election. The assessment comprises two components: 1) An assessment to cover the annual administrative and operating expenses of the District, including but not limited to office expenses, insurance, costs for professional services, legal fees, and fees and costs for permits, and, 2) A "Capital Repair and Expense Reserve" to establish and maintain a stable source of funding to pay for the cost of unanticipated and/or emergency maintenance and repair of the rock revetment seawall (Zone 1).

The improvement and administrative/operating costs which are the subject of this report are briefly described in Section 1. This Report includes five parts, as follows:

1. Description of the improvement to be maintained and annual District administrative and operating costs.
2. An estimate of the cost for unanticipated/emergency maintenance and repair of the improvement and District administrative and operating costs.
3. An assessment of the estimated cost to maintain or repair the improvement and District administrative and operating costs for each benefited parcel of land within the assessment district.
4. A statement of the method by which the amount is proposed to be assessed against each parcel.
5. A diagram showing all of the parcels of real property within this assessment district.

This detailed Engineer's Report was prepared under Article XIII D of the California Constitution by Martin Walker, Associate at Arup, a registered professional engineer licensed by the State of California.



\_\_\_\_\_  
Martin Walker PE, GE  
Associate

\_\_\_\_\_  
March 8, 2018  
Date

# 1 Description of Improvement and District Administrative and Operating Expenses

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The content of this Section of the Engineer's Report, and all following sections is being submitted pursuant to Article XIII D, Section 4 of the California Constitution.

A description of the improvement to be maintained or repaired with monies to be deposited in a "Capital Repair Cost/Expenses and Reserve Fund" and the administrative and operating expenses related to improvements in both District Zone 1 and Zone 2 are described in this section. The cost estimation presented in this report addresses unanticipated costs necessary to maintain and repair the rock revetment seawall (Zone 1) located at the Pajaro Dunes community in Watsonville, California, due to conditions that may arise prior to the time that the District is able to plan, obtain approval, finance, and implement a comprehensive repair plan for this structure. Cost estimates also include the District's anticipated administrative and operating expenses for regular and routine operations of the District (Zone 1 and Zone 2).

The improvement addressed in this report is an approximately 6,000-foot-long seawall on the ocean side of the development, comprised of approximately 110,000 tons of riprap, that was installed between 1986 and 1988. The rock revetment has been partially damaged on a number of storm events by coastal erosion, during relatively severe winter storms such as occurred in 2003 and in 2004. Following each damaging storm event, emergency repairs were implemented in the form of placing riprap in selected areas along the revetment.

Funds in the aforesaid Capital Repair Cost/Expenses and Reserve Fund will not be used for maintenance or repair of the other major improvement in the District, a steel sheet pile river wall approximately 715 feet long constructed along the Pajaro River adjacent to the Pelican Point condominiums (Zone 2).

District administrative and operating expenses include costs for office operations, (such as printing and mailings, office supplies, insurance, and website maintenance), professional services (such as those necessary for the District accountant, clerk, and legal counsel), assessment calculations, District elections, board and clerk training, and annual inspections of the improvements referenced above.

## 2 Cost Estimate

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An estimate of the costs to maintain and repair the improvement is described in this section. An assessment election is being conducted in part to establish a “Capital Repair Cost/Expenses and Reserve Fund for unanticipated, non-routine maintenance and repair of the seawall (Zone 1)” at the Pajaro Dunes development. The current costs that are being contemplated for future assessments for repairs of existing damage to the seawall are not part of this process. Elements of the costs include, but are not necessarily limited to: emergency inspections in the event of damage or threat of damage, such as due to coastal erosion; emergency response measures, such as temporary placement of riprap at the toe of the seawall; and maintenance and repairs of the seawall. The amount of the Reserve Fund is based on estimates of inspection and repair costs provided by Arup, the District’s consulting engineer and the engineer of record for this project.

Additionally, the proposed assessment seeks funding to cover the annual administrative and operating expenses of the District necessary for day-to-day operations of the District as a whole (Zone 1 and Zone 2). Cost estimates were based on District administration and operating costs in preceding years. Table 1 presents the maximum assessment for Zones 1 and 2, based on a budget derived from the estimated cost of maintenance or repairs for the improvement and District administrative and operating costs, and the proposed Fiscal Year 2018/2019 assessment.

It is worth noting that The Capital Repair Cost/Expenses and Reserve Fund is capped at \$600,000. Once the fund reaches \$600,000, no new assessment will be collected in subsequent years for said fund unless and until the funds are used for their stated purpose. The Fund will also be kept in a separate account from other District funds.

**Table 1 Maximum Assessment for Seawall Capital Repair Cost/Expenses, Reserve Fund, and District Administrative and Operating Cost Budget, and Proposed Fiscal Year 2018/2019 Assessment Levy**

Expenditures	Maximum Assessment	Maximum Assessment	Fiscal Year 2018/2019 Assessment	Fiscal Year 2018/2019 Assessment
	Zone 1	Zone 2	Zone 1	Zone 2
<b>Category 1: General and Administrative Expenses</b>				
<b>Total Category 1:</b>	\$27,225	–	\$27,225	–
<b>Category 2: Professional Services</b>				
<b>Total Category 2:</b>	\$74,715	\$3,500	\$74,715	\$3,500
<b>Category 3: Special District Compliance Costs</b>				
<b>Total Category 3:</b>	\$4,675	–	\$4,675	–
<b>Category 4: Annual Inspections</b>				
Seawall and River Wall Annual Inspection	\$24,450	\$550	\$24,450	\$550
<b>Total Category 4:</b>	\$24,450	\$550	\$24,450	\$550
<b>Category 5: Capital Repair Expenses and Reserve</b>				
Capital Repair Costs/Expenses and Reserve	\$175,000	–	\$175,000	–
<b>Total Category 5:</b>	\$175,000	–	\$175,000	–
<b>Total Assessment:</b>	<b>Max \$306,065</b>	<b>\$4,050</b>	<b>FY18/19 \$306,065</b>	<b>\$4,050</b>
<p>*Maximum assessments will be subject to a 2.6% annual increase and all assessments are subject to a 1% County collection fee. 2.6% is based on a ten-year average for the Consumer Price Index, All Bay Area Urban Consumers</p> <p>**Beginning in Fiscal Year 2018/2019, A Capital Repair Reserve Fund will be established for emergency seawall repair expenses. Although the estimated cost of such repairs has been established at \$600,000, the PDGHAD Board has opted to phase the collection of said funds over several years until the desired balance of \$600,000 is achieved. The goal is to maintain a maximum of \$600,000 for such events and expenses until permanent repairs are made to the seawall.</p>				

### 3 Cost Allocation Method

The District comprises two zones. Zone 1 is responsible for maintenance of the rock revetment seawall, and all costs and expenses associated therewith, and includes all members of the District. Its boundaries are coincident with the boundaries of the entire Pajaro Dunes development. Zone 2 is responsible for maintenance of the sheet pile river wall, and all costs and expenses associated therewith, and includes all members of the Pelican Homeowners Association, a subdivision of the Pajaro Dunes development. The boundaries of Zone 2 are coincident with the boundaries of the Pelican Point Condominium Project.



The improvements to be maintained and operated as a result of the formation of the Pajaro Dunes Geologic Hazards Abatement District, the seawall and river wall, are in existence. Said improvements have been installed within or in areas in close proximity to the developed residential lots and condominiums.

All costs associated with the routine administrative and operational expenses associated with the Zone 1 and Zone 2 improvements, including general and administrative expenses, professional services, special district compliance costs, and annual inspections, shall be spread to all parcels in Zones 1 and 2 on a prorated development unit basis.

Additionally, all costs associated with the newly proposed Capital Repair Expenses and Reserve Fund shall be spread, in the manner referenced below, between all units in Zone 1. There will be no additional assessment for the establishment of this Fund levied upon the Zone 2 units; property owners located in both Zones 1 and 2 will pay their proportionate share of the cost of the Fund via the Zone 1 assessment.

As a result of the foregoing, the developed residential lots in Zones 1 and 2 will receive 100% of the special benefits of the administration and operation of the District improvements, and the developed residential lots in Zone 1 will receive 100% of the special benefits associated with the establishment of a fund to make emergency repairs to the seawall. These special benefits include enhanced neighborhood health, safety, and beautification, and improved quality of life, generated when the improvements provide protection against erosion from ocean and wave action and flood and erosion protection against flows within the Pajaro River. These benefits only occur when the improvements are in place, operable, safe, and are maintained. The establishment of a fund to make emergency repairs to the seawall will provide protection of improved property, enhanced comfort, and increase the desirability of the immediate surroundings of the residential units in the District.

A statement of the method by which we determined the amount proposed to be assessed against each parcel is described in this section. The cost allocation among various members of the PDGHAD was established when the District was created by the County Board of Supervisors on October 27, 1998. In the cost-allocation scheme the major groups, Houses, Pelican Point Condominiums, and Cypress Grove Townhouses, share the costs based on the length of the seawall in the front of their respective areas. Per this cost-allocation scheme, in Zone 1 the cost shares for the Houses are 75.45%, Cypress Grove Townhouses are 11.84%, Pelican Point Condominiums are 10.18%, and the Pajaro Dunes Homeowners Association (Association) for the stairways is 2.53%. In Zone 2, the cost shares for Pelican Point and the Association for the stairways are 99.47% and 0.53%, respectively. Both the Association and Pelican Point have assessments that include costs from both Zone 1 and Zone 2.

Since the Pelican Point and Cypress Grove groups are condominium associations, they each share their portions of the costs equally among their members. In Zone 1, of the portion allocated to the houses, the front-row houses pay 85%, the second-row houses pay 10%, and the back-row houses pay 5%. In addition, the shares for the front-row houses vary by a factor of two-to-one, depending on the width of the lot. The estimated GHAD budget for Fiscal Year 2018/2019 by benefit categories are presented in Table 2.

In summary, based on the foregoing, this Engineer's Report makes the following findings:

- i. The tables for Zone 1 and Zone 2 correctly state the proportionate special benefit derived by each identified parcel in relationship to the total cost of services.
- ii. No assessment is imposed on any parcel which exceeds the reasonable cost of the proportional benefit conferred on that parcel.
- iii. The only benefits assessed are special and any general benefits have been excluded.
- iv. No parcel owned by any governmental agency, the state of California, or the United States receives any special benefit from the proposed assessment.

**Table 2 Proposed Assessment and Fiscal Year 2018/2019 GHAD Budget by Benefit Categories**

Category	Proportional Benefit	Assessment Amount	No. of Units	Annual Payment	Monthly Payment
<b>Zone 1</b>					
Row 1 Houses	64.133%	\$196,288.67	67	\$5,240.40 to \$2,601.85	\$436.70 to \$216.82
Row 2 Houses	7.545%	\$23,092.60	44	\$524.72	\$43.73
Row 3,4 & 5 Houses	3.772%	\$11,544.77	40	\$288.63	\$24.05
Cypress Grove Townhomes	11.840%	\$36,238.10	23	\$1,575.32	\$131.28
Pelican Point Condominiums	10.180%	\$31,157.42	86	\$362.38	\$30.20
PDA Stairs	2.530%	\$7,743.44	1	\$7,743.44	\$645.29
	<b>Zone 1 Total:</b>	<b>\$306,065.00</b>	<b>261</b>	<b>Zone 1 Annual Budget:</b>	<b>\$306,065.00</b>
<b>Zone 2</b>					
Pelican Point Condominiums	99.470%	\$4,028.54	86	\$46.84	\$3.90
PDA Stairs	0.530%	\$21.46	1	\$21.46	\$1.79
	<b>Zone 2 Total:</b>	<b>\$4,050.00</b>	<b>87</b>	<b>Zone 2 Annual Budget:</b>	<b>\$4,050.00</b>

## 4 Cost Allocation

This section presents the assessments for costs to each benefited parcel of land within assessment district Zones 1 and 2 for Fiscal Year 2018/2019. A list of the Assessor's Parcel Numbers for the individual lots and condominiums at the development is shown in Table 3. If approved, the lien date for the described assessments will be that prescribed by the law. This table apportions the proposed assessment for Fiscal Year 2018/2019.

**Table 3 Summary of Annual Assessments – Fiscal Year 2018/2019**

Assessment Roll (Fiscal Year 2018/19)					
Unit	Assessor's Parcel Number	Zone 1 Allocation Factor	Zone 1 Annual Payment	Zone 2 Annual Payment	Total Annual Payment <sup>(1)</sup>
<b>Houses</b>					
H 1	052-281-05	0.00968	\$2,962.63	N/A	\$2,962.63
H 2	052-281-06	0.00991	\$3,032.95	N/A	\$3,032.95
H 3	052-281-07	0.00991	\$3,032.95	N/A	\$3,032.95
H 4	052-281-08	0.01198	\$3,665.83	N/A	\$3,665.83
H 5	052-281-09	0.00998	\$3,054.35	N/A	\$3,054.35
H 6	052-281-10	0.00991	\$3,032.95	N/A	\$3,032.95
H 7	052-281-11	0.01062	\$3,250.02	N/A	\$3,250.02
H 8	052-281-12	0.00921	\$2,818.93	N/A	\$2,818.93
H 9	052-281-13	0.00921	\$2,818.93	N/A	\$2,818.93
H 10	052-281-14	0.00991	\$3,032.95	N/A	\$3,032.95
H 11	052-281-15	0.01062	\$3,250.02	N/A	\$3,250.02
H 12	052-281-16	0.01133	\$3,467.10	N/A	\$3,467.10
H 13	052-281-17	0.01091	\$3,338.69	N/A	\$3,338.69
H 14	052-281-18	0.01247	\$3,815.65	N/A	\$3,815.65
H 15	052-281-19	0.01416	\$4,335.40	N/A	\$4,335.40
H 16	052-281-20	0.00172	\$525.87	N/A	\$525.87
H 17	052-281-21	0.00094	\$287.40	N/A	\$287.40
H 18	052-281-22	0.00172	\$525.87	N/A	\$525.87
H 19	052-281-24	0.00172	\$525.87	N/A	\$525.87
H 20	052-281-25	0.00172	\$525.87	N/A	\$525.87
H 21	052-281-26	0.00094	\$287.40	N/A	\$287.40
H 22	052-281-27	0.00094	\$287.40	N/A	\$287.40
H 23	052-281-28	0.00094	\$287.40	N/A	\$287.40
H 24	052-281-29	0.00094	\$287.40	N/A	\$287.40
H 25	052-281-30	0.00094	\$287.40	N/A	\$287.40
H 26	052-281-32	0.00094	\$287.40	N/A	\$287.40
H 27	052-281-33	0.00094	\$287.40	N/A	\$287.40
H 28	052-281-34	0.00172	\$525.87	N/A	\$525.87
H 29	052-281-39	0.00094	\$287.40	N/A	\$287.40
H 30	052-281-38	0.00094	\$287.40	N/A	\$287.40
H 31	052-281-37	0.00094	\$287.40	N/A	\$287.40

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Assessment Roll (Fiscal Year 2018/19)					
Unit	Assessor's Parcel Number	Zone 1 Allocation Factor	Zone 1 Annual Payment	Zone 2 Annual Payment	Total Annual Payment <sup>(1)</sup>
H 32	052-281-36	0.00172	\$525.87	N/A	\$525.87
H 33	052-281-35	0.00172	\$525.87	N/A	\$525.87
H 34	052-281-02	0.00094	\$287.40	N/A	\$287.40
H 35	052-281-03	0.00094	\$287.40	N/A	\$287.40
H 36	052-281-04	0.00172	\$525.87	N/A	\$525.87
H 37	052-291-17	0.00172	\$525.87	N/A	\$525.87
H 38	052-291-01	0.00172	\$525.87	N/A	\$525.87
H 39	052-291-02	0.00172	\$525.87	N/A	\$525.87
H 40	052-291-03	0.00850	\$2,601.85	N/A	\$2,601.85
H 41	052-291-04	0.00850	\$2,601.85	N/A	\$2,601.85
H 42	052-291-05	0.00850	\$2,601.85	N/A	\$2,601.85
H 43	052-291-06	0.00850	\$2,601.85	N/A	\$2,601.85
H 44	052-291-07	0.00850	\$2,601.85	N/A	\$2,601.85
H 45	052-291-08	0.00850	\$2,601.85	N/A	\$2,601.85
H 46	052-291-09	0.00850	\$2,601.85	N/A	\$2,601.85
H 47	052-291-10	0.00850	\$2,601.85	N/A	\$2,601.85
H 48	052-291-11	0.00850	\$2,601.85	N/A	\$2,601.85
H 49	052-291-12	0.00172	\$525.87	N/A	\$525.87
H 50	052-291-13	0.00172	\$525.87	N/A	\$525.87
H 51	052-291-14	0.00172	\$525.87	N/A	\$525.87
H 52	052-291-16	0.00172	\$525.87	N/A	\$525.87
H 53	052-291-15	0.00094	\$287.40	N/A	\$287.40
H 54	052-601-11	0.00949	\$2,904.54	N/A	\$2,904.54
H 55	052-601-10	0.00850	\$2,601.85	N/A	\$2,601.85
H 56	052-601-09	0.00921	\$2,818.93	N/A	\$2,818.93
H 57	052-601-08	0.01006	\$3,078.81	N/A	\$3,078.81
H 58	052-601-07	0.00989	\$3,026.83	N/A	\$3,026.83
H 59	052-301-15	0.00992	\$3,036.01	N/A	\$3,036.01
H 60	052-301-16	0.00992	\$3,036.01	N/A	\$3,036.01
H 61	052-301-02	0.00172	\$525.87	N/A	\$525.87
H 62	052-301-03	0.00172	\$525.87	N/A	\$525.87
H 63	052-601-02	0.00172	\$525.87	N/A	\$525.87
H 64	052-601-03	0.00172	\$525.87	N/A	\$525.87
H 65	052-601-04	0.00094	\$287.40	N/A	\$287.40
H 66	052-601-05	0.00094	\$287.40	N/A	\$287.40
H 67	052-601-06	0.00172	\$525.87	N/A	\$525.87
H 68	052-291-20	0.00850	\$2,601.85	N/A	\$2,601.85
H 69	052-291-21	0.00850	\$2,601.85	N/A	\$2,601.85
H 70	052-291-22	0.00850	\$2,601.85	N/A	\$2,601.85
H71	052-291-24	0.00850	\$2,601.85	N/A	\$2,601.85
H 72	052-291-25	0.00850	\$2,601.85	N/A	\$2,601.85
H 73	052-291-26	0.00850	\$2,601.85	N/A	\$2,601.85
H 74	052-291-27	0.00850	\$2,601.85	N/A	\$2,601.85

Assessment Roll (Fiscal Year 2018/19)					
Unit	Assessor's Parcel Number	Zone 1 Allocation Factor	Zone 1 Annual Payment	Zone 2 Annual Payment	Total Annual Payment <sup>(1)</sup>
H 75	052-291-29	0.00850	\$2,601.85	N/A	\$2,601.85
H 76	052-291-30	0.00850	\$2,601.85	N/A	\$2,601.85
H 77	052-291-31	0.00850	\$2,601.85	N/A	\$2,601.85
H 78	052-291-32	0.00850	\$2,601.85	N/A	\$2,601.85
H 79	052-291-34	0.00850	\$2,601.85	N/A	\$2,601.85
H 80	052-291-35	0.00850	\$2,601.85	N/A	\$2,601.85
H 81	052-292-01	0.00172	\$525.87	N/A	\$525.87
H 82	052-292-02	0.00172	\$525.87	N/A	\$525.87
H 83	052-292-03	0.00172	\$525.87	N/A	\$525.87
H 84	052-292-04	0.00172	\$525.87	N/A	\$525.87
H 85	052-292-05	0.00172	\$525.87	N/A	\$525.87
H 86	052-292-06	0.00172	\$525.87	N/A	\$525.87
H 87	052-292-07	0.00172	\$525.87	N/A	\$525.87
H 88	052-292-08	0.00172	\$525.87	N/A	\$525.87
H 89	052-292-09	0.00172	\$525.87	N/A	\$525.87
H 90	052-321-01	0.01034	\$3,164.42	N/A	\$3,164.42
H 91	052-321-02	0.00906	\$2,773.07	N/A	\$2,773.07
H 92	052-321-03	0.01048	\$3,207.22	N/A	\$3,207.22
H 93	052-321-04	0.00878	\$2,687.46	N/A	\$2,687.46
H 94	052-321-05	0.01034	\$3,164.42	N/A	\$3,164.42
H 95	052-321-06	0.00977	\$2,990.15	N/A	\$2,990.15
H 96	052-321-07	0.00991	\$3,032.95	N/A	\$3,032.95
H 97	052-321-08	0.00991	\$3,032.95	N/A	\$3,032.95
H 98	052-321-09	0.00887	\$2,714.98	N/A	\$2,714.98
H 99	052-321-10	0.00906	\$2,773.07	N/A	\$2,773.07
H 100	052-321-11	0.00991	\$3,032.95	N/A	\$3,032.95
H 101	052-321-12	0.00999	\$3,057.41	N/A	\$3,057.41
H 102	052-321-13	0.00917	\$2,806.70	N/A	\$2,806.70
H 103	052-321-14	0.00935	\$2,861.73	N/A	\$2,861.73
H 104	052-321-15	0.00991	\$3,032.95	N/A	\$3,032.95
H 105	052-321-16	0.01020	\$3,121.61	N/A	\$3,121.61
H 106	052-321-17	0.00935	\$2,861.73	N/A	\$2,861.73
H 107	052-321-18	0.00878	\$2,687.46	N/A	\$2,687.46
H 108	052-321-19	0.00172	\$525.87	N/A	\$525.87
H 109	052-321-20	0.00172	\$525.87	N/A	\$525.87
H 110	052-321-21	0.00172	\$525.87	N/A	\$525.87
H 111	052-321-22	0.00172	\$525.87	N/A	\$525.87
H 112	052-321-23	0.00172	\$525.87	N/A	\$525.87
H 113	052-321-24	0.00094	\$287.40	N/A	\$287.40
H 114	052-321-25	0.00172	\$525.87	N/A	\$525.87
H 115	052-321-26	0.00172	\$525.87	N/A	\$525.87
H 116	052-321-27	0.00172	\$525.87	N/A	\$525.87
H 117	052-321-28	0.00172	\$525.87	N/A	\$525.87

Assessment Roll (Fiscal Year 2018/19)					
Unit	Assessor's Parcel Number	Zone 1 Allocation Factor	Zone 1 Annual Payment	Zone 2 Annual Payment	Total Annual Payment <sup>(1)</sup>
H 118	052-321-29	0.00172	\$525.87	N/A	\$525.87
H 119	052-321-30	0.00172	\$525.87	N/A	\$525.87
H 120	052-321-31	0.00172	\$525.87	N/A	\$525.87
H 121	052-321-32	0.00172	\$525.87	N/A	\$525.87
H 122	052-321-33	0.00094	\$287.40	N/A	\$287.40
H 123	052-321-34	0.00094	\$287.40	N/A	\$287.40
H 124	052-321-35	0.00094	\$287.40	N/A	\$287.40
H 125	052-321-36	0.00094	\$287.40	N/A	\$287.40
H 126	052-321-37	0.00094	\$287.40	N/A	\$287.40
H 127	052-321-38	0.00094	\$287.40	N/A	\$287.40
H 128	052-321-39	0.00094	\$287.40	N/A	\$287.40
H 129	052-321-40	0.00094	\$287.40	N/A	\$287.40
H 33	052-321-41	0.00094	\$287.40	N/A	\$287.40
H 131	052-321-42	0.00094	\$287.40	N/A	\$287.40
H 132	052-321-43	0.00094	\$287.40	N/A	\$287.40
H 133	052-321-50	0.00094	\$287.40	N/A	\$287.40
H 134	052-321-49	0.00094	\$287.40	N/A	\$287.40
H 135	052-321-48	0.00094	\$287.40	N/A	\$287.40
H 136	052-321-47	0.00094	\$287.40	N/A	\$287.40
H 137	052-321-46	0.00094	\$287.40	N/A	\$287.40
H 138	052-321-45	0.00094	\$287.40	N/A	\$287.40
H 139	052-321-44	0.00094	\$287.40	N/A	\$287.40
H 140	052-591-07	0.00850	\$2,601.85	N/A	\$2,601.85
H 141	052-591-08	0.00903	\$2,763.90	N/A	\$2,763.90
H 142	052-591-06	0.00172	\$525.87	N/A	\$525.87
H 143	052-591-05	0.00172	\$525.87	N/A	\$525.87
H 144	052-301-70	0.01712	\$5,240.40	N/A	\$5,240.40
H 145	052-301-69	0.00993	\$3,039.06	N/A	\$3,039.06
H 146	052-301-68	0.00977	\$2,990.15	N/A	\$2,990.15
H 147	Common area taxable	0.00094	\$287.40	N/A	\$287.40
H 148	Common area pay direct to PDGHAD	0.00094	\$287.40	N/A	\$287.40
H 149	Common area pay direct to PDGHAD	0.00094	\$287.40	N/A	\$287.40
H 150	Common area pay direct to PDGHAD	0.00094	\$287.40	N/A	\$287.40
H 151	Common area pay direct to PDGHAD	0.00094	\$287.40	N/A	\$287.40
H	Stairs	0.02530	\$7,743.44	N/A	\$7,743.44

Assessment Roll (Fiscal Year 2018/19)					
Unit	Assessor's Parcel Number	Zone 1 Allocation Factor	Zone 1 Annual Payment	Zone 2 Annual Payment	Total Annual Payment <sup>(1)</sup>
<b>Cypress Grove Townhomes</b>					
CY 1	052-301-49	0.005147	\$1,575.32	N/A	\$1,575.57
CY 2	052-301-48	0.005147	\$1,575.32	N/A	\$1,575.57
CY 3	052-301-47	0.005147	\$1,575.32	N/A	\$1,575.57
CY 4	052-301-46	0.005147	\$1,575.32	N/A	\$1,575.57
CY 5	052-301-45	0.005147	\$1,575.32	N/A	\$1,575.57
CY 6	052-301-44	0.005147	\$1,575.32	N/A	\$1,575.57
CY 7	052-301-43	0.005147	\$1,575.32	N/A	\$1,575.57
CY 8	052-301-42	0.005147	\$1,575.32	N/A	\$1,575.57
CY 9	052-301-41	0.005147	\$1,575.32	N/A	\$1,575.57
CY 10	052-301-40	0.005147	\$1,575.32	N/A	\$1,575.57
CY 11	052-301-38	0.005147	\$1,575.32	N/A	\$1,575.57
CY 12	052-301-37	0.005147	\$1,575.32	N/A	\$1,575.57
CY 13	052-301-36	0.005147	\$1,575.32	N/A	\$1,575.57
CY 14	052-301-31	0.005147	\$1,575.32	N/A	\$1,575.57
CY 15	052-301-30	0.005147	\$1,575.32	N/A	\$1,575.57
CY 16	052-301-29	0.005147	\$1,575.32	N/A	\$1,575.57
CY 17	052-301-28	0.005147	\$1,575.32	N/A	\$1,575.57
CY 18	052-301-34	0.005147	\$1,575.32	N/A	\$1,575.57
CY 19	052-301-33	0.005147	\$1,575.32	N/A	\$1,575.57
CY 20	052-301-26	0.005147	\$1,575.32	N/A	\$1,575.57
CY 21	052-301-25	0.005147	\$1,575.32	N/A	\$1,575.57
CY 22	052-301-24	0.005147	\$1,575.32	N/A	\$1,575.57
CY 23	052-301-23	0.005147	\$1,575.32	N/A	\$1,575.57
<b>Pelican Point Condominiums</b>					
P 1	052-341-10	0.001184	\$362.38	\$46.84	\$409.22
P 2	052-341-02	0.001184	\$362.38	\$46.84	\$409.22
P 3	052-341-03	0.001184	\$362.38	\$46.84	\$409.22
P 4	052-341-04	0.001184	\$362.38	\$46.84	\$409.22
P 5	052-341-05	0.001184	\$362.38	\$46.84	\$409.22
P 6	052-341-06	0.001184	\$362.38	\$46.84	\$409.22
P 7	052-341-07	0.001184	\$362.38	\$46.84	\$409.22
P 8	052-341-08	0.001184	\$362.38	\$46.84	\$409.22
P 9	052-341-09	0.001184	\$362.38	\$46.84	\$409.22
P 10	052-352-01	0.001184	\$362.38	\$46.84	\$409.22
P 11	052-352-02	0.001184	\$362.38	\$46.84	\$409.22
P 12	052-352-03	0.001184	\$362.38	\$46.84	\$409.22
P 13	052-352-04	0.001184	\$362.38	\$46.84	\$409.22
P 14	052-362-01	0.001184	\$362.38	\$46.84	\$409.22
P 15	052-362-02	0.001184	\$362.38	\$46.84	\$409.22
P 16	052-362-03	0.001184	\$362.38	\$46.84	\$409.22
P 17	052-362-04	0.001184	\$362.38	\$46.84	\$409.22
P 18	052-362-05	0.001184	\$362.38	\$46.84	\$409.22

Assessment Roll (Fiscal Year 2018/19)					
Unit	Assessor's Parcel Number	Zone 1 Allocation Factor	Zone 1 Annual Payment	Zone 2 Annual Payment	Total Annual Payment <sup>(1)</sup>
P 19	052-362-06	0.001184	\$362.38	\$46.84	\$409.22
P 20	052-362-07	0.001184	\$362.38	\$46.84	\$409.22
P 21	052-342-01	0.001184	\$362.38	\$46.84	\$409.22
P 22	052-342-02	0.001184	\$362.38	\$46.84	\$409.22
P 23	052-342-03	0.001184	\$362.38	\$46.84	\$409.22
P 24	052-342-04	0.001184	\$362.38	\$46.84	\$409.22
P 25	052-343-01	0.001184	\$362.38	\$46.84	\$409.22
P 26	052-343-02	0.001184	\$362.38	\$46.84	\$409.22
P 27	052-343-03	0.001184	\$362.38	\$46.84	\$409.22
P 28	052-343-05	0.001184	\$362.38	\$46.84	\$409.22
P 29	052-343-06	0.001184	\$362.38	\$46.84	\$409.22
P 30	052-343-07	0.001184	\$362.38	\$46.84	\$409.22
P 31	052-343-08	0.001184	\$362.38	\$46.84	\$409.22
P 32	052-343-09	0.001184	\$362.38	\$46.84	\$409.22
P 33	052-351-26	0.001184	\$362.38	\$46.84	\$409.22
P 34	052-351-11	0.001184	\$362.38	\$46.84	\$409.22
P 35	052-343-04	0.001184	\$362.38	\$46.84	\$409.22
P 36	052-351-22	0.001184	\$362.38	\$46.84	\$409.22
P 37	052-351-25	0.001184	\$362.38	\$46.84	\$409.22
P 38	052-351-24	0.001184	\$362.38	\$46.84	\$409.22
P 39	052-351-12	0.001184	\$362.38	\$46.84	\$409.22
P 40	052-351-13	0.001184	\$362.38	\$46.84	\$409.22
P 41	052-363-01	0.001184	\$362.38	\$46.84	\$409.22
P 42	052-363-02	0.001184	\$362.38	\$46.84	\$409.22
P 43	052-363-03	0.001184	\$362.38	\$46.84	\$409.22
P 44	052-363-04	0.001184	\$362.38	\$46.84	\$409.22
P 45	052-363-05	0.001184	\$362.38	\$46.84	\$409.22
P 46	052-363-06	0.001184	\$362.38	\$46.84	\$409.22
P 47	052-363-07	0.001184	\$362.38	\$46.84	\$409.22
P 48	052-363-08	0.001184	\$362.38	\$46.84	\$409.22
P 49	052-344-01	0.001184	\$362.38	\$46.84	\$409.22
P 50	052-344-02	0.001184	\$362.38	\$46.84	\$409.22
P 51	052-344-03	0.001184	\$362.38	\$46.84	\$409.22
P 52	052-344-05	0.001184	\$362.38	\$46.84	\$409.22
P 53	052-344-06	0.001184	\$362.38	\$46.84	\$409.22
P 54	052-344-07	0.001184	\$362.38	\$46.84	\$409.22
P 55	052-344-08	0.001184	\$362.38	\$46.84	\$409.22
P 56	052-344-09	0.001184	\$362.38	\$46.84	\$409.22
P 57	052-353-01	0.001184	\$362.38	\$46.84	\$409.22
P 58	052-353-02	0.001184	\$362.38	\$46.84	\$409.22
P 59	052-344-04	0.001184	\$362.38	\$46.84	\$409.22
P 60	052-353-03	0.001184	\$362.38	\$46.84	\$409.22
P 61	052-353-04	0.001184	\$362.38	\$46.84	\$409.22



Assessment Roll (Fiscal Year 2018/19)					
Unit	Assessor's Parcel Number	Zone 1 Allocation Factor	Zone 1 Annual Payment	Zone 2 Annual Payment	Total Annual Payment <sup>(1)</sup>
P 62	052-353-05	0.001184	\$362.38	\$46.84	\$409.22
P 63	052-535-06	0.001184	\$362.38	\$46.84	\$409.22
P 64	052-353-07	0.001184	\$362.38	\$46.84	\$409.22
P 65	052-361-27	0.001184	\$362.38	\$46.84	\$409.22
P 66	052-361-28	0.001184	\$362.38	\$46.84	\$409.22
P 67	052-361-15	0.001184	\$362.38	\$46.84	\$409.22
P 68	052-361-16	0.001184	\$362.38	\$46.84	\$409.22
P 69	052-361-17	0.001184	\$362.38	\$46.84	\$409.22
P 70	052-361-18	0.001184	\$362.38	\$46.84	\$409.22
P 71	052-361-19	0.001184	\$362.38	\$46.84	\$409.22
P 72	052-361-20	0.001184	\$362.38	\$46.84	\$409.22
P 73	052-345-01	0.001184	\$362.38	\$46.84	\$409.22
P 74	052-345-02	0.001184	\$362.38	\$46.84	\$409.22
P 75	052-345-03	0.001184	\$362.38	\$46.84	\$409.22
P 76	052-345-04	0.001184	\$362.38	\$46.84	\$409.22
P 77	052-354-01	0.001184	\$362.38	\$46.84	\$409.22
P 78	052-354-02	0.001184	\$362.38	\$46.84	\$409.22
P 79	052-354-03	0.001184	\$362.38	\$46.84	\$409.22
P 80	052-354-04	0.001184	\$362.38	\$46.84	\$409.22
P 81	052-364-01	0.001184	\$362.38	\$46.84	\$409.22
P 82	052-364-02	0.001184	\$362.38	\$46.84	\$409.22
P 83	052-364-03	0.001184	\$362.38	\$46.84	\$409.22
P 84	052-364-04	0.001184	\$362.38	\$46.84	\$409.22
P 85	052-332-01	0.001184	\$362.38	\$46.84	\$409.22
P 86	052-332-02	0.001184	\$362.38	\$46.84	\$409.22
P	Stairs (counted above)	0	0	\$46.84	\$409.22
<b>Totals</b>			<b>\$306,066.53</b>	<b>\$4,050.00</b>	<b>\$310,116.53</b>
<sup>(1)</sup> Assessments subject to 1% County Collection Fee in addition to listed amounts					

## 5 Parcels Map

All of the parcels of real property within this assessment district, including the major groups, Houses, Pelican Point Condominiums, and Cypress Grove Townhouses are presented in Figure 1 and Figure 2.

## Figures

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SOURCE: HARO, KASUNICH AND ASSOCIATES, INC., 2008

**PROJECT PROPERTIES - NORTH SIDE**

Pajaro Dunes Rock Revetment  
 Engineer's Report  
 Pajaro Dunes GHAD  
 Watsonville, California

March 2018



FIGURE 1





SOURCE: HARO, KASUNICH AND ASSOCIATES, INC., 2008

**PROJECT PROPERTIES - SOUTH SIDE**

Pajaro Dunes Rock Revetment  
 Engineer's Report  
 Pajaro Dunes GHAD  
 Watsonville, California

March 2018





**For Item 2 Attachment B:**

**Please refer to the President's Report pages:  
Item 3 pg. 3-13**

**of this Board packet for March 10<sup>th</sup>, 2018**

**BOARD OF DIRECTORS  
PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT**

**Resolution Regarding Acceptance of the President's Report  
for the Fiscal Year 2018-2019 Assessment Election**

**RESOLUTION No. 2018-02**

**WHEREAS**, the Board of the Pajaro Dunes Geologic Hazard Abatement District ("Pajaro Dunes GHAD") has provided direction to Staff to prepare documents necessary to initiate the process for consideration of an increase to the current assessment for the District's Administrative and Operating Budget for Zones 1 and 2; and

**WHEREAS**, Section 26651 of Division 17 of the California Public Resources Code states that before an assessment can be levied, an officer of the District shall prepare a report setting forth: (1) the yearly estimated budget, (2) the proposed estimated assessments to be levied against each parcel of property, and (3) a description of the method used in formulating the estimated assessments, and

**WHEREAS**, the President of the District has prepared such a report, which is attached hereto; and

**WHEREAS**, the proposed budget for both Zone 1 and Zone 2 for Fiscal Year 2018-2019, the proposed estimated assessments to be levied against each parcel of property, and the description of the method used in formulating the estimated assessments are attached to the President's Report; and

**WHEREAS**, the hearing for protests on the proposed assessment increase has been set for 9:00 a.m. on May 12, 2018 at the Meadow Room, Pajaro Dunes, 2661 Beach Road, Watsonville, California 95076.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Pajaro Dunes GHAD hereby adopts the President's Report as the required officer's report for the proposed Fiscal Year 2018-2019 Administration and Operating Budget election and instructs the District Clerk to file it in the official records of the district.

**PASSED AND ADOPTED** by the Board of Directors of the Pajaro Dunes Geologic Hazard Abatement District of the County of Santa Cruz, State of California, this 10<sup>th</sup> day of March, 2018 by the following vote:

AYES: Directors \_\_\_\_\_

NOES: Directors \_\_\_\_\_

ABSENT: Directors \_\_\_\_\_

ABSTAIN: Directors \_\_\_\_\_

\_\_\_\_\_  
Robert Moore, President, Board of Directors

ATTEST: \_\_\_\_\_  
Sarah Mansergh, Clerk of the Board

**PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT  
PRESIDENT’S REPORT**

The Pajaro Dunes Geologic Hazard Abatement District (“GHAD”) is seeking approval of an increased assessment, with an annual cost-of-living adjustment (“COLA”), to fund the administrative and operation budget for both Zones 1 and 2. Assessed funds will be used to support District operations, including costs associated with legal, accounting and engineering services, increased insurance coverage, state mandated compliance expenses, website maintenance, Board training, mailings, and annual seawall and river wall inspections. The assessment also includes a levy exclusive to Zone 1 to provide necessary funds to establish a Capital Repair Cost/Expense and Reserve Fund for future emergency seawall maintenance and repair. The proposed COLA is based on a ten-year average for the Bay Area, All Urban Consumers, Consumer Price Index, or 2.6% annually. If the assessment is approved, the new annual budget will replace the annual budget approved for District Operations by property owners in Zone 1 and Zone 2 almost twenty years ago in 1999.

Pursuant to California Public Resources Code Section 26651, upon declaring its intention to order an assessment to cover the costs of maintaining operating expenses of improvements within a Geologic Hazard Abatement District, a report is to be prepared by an officer of the Board setting forth the yearly estimated budget, the proposed estimated assessments to be levied each year against each parcel of property, and a description of the method used in formulating the estimated assessments. For all intents and purposes, this requirement has been superseded by the provisions of Section 4 of Article XIID of the California Constitution, which require that assessments for special districts be supported by a report prepared by a registered professional engineer. An Engineer’s Report in support of the proposed Administrative and Operating Budget Assessment, prepared by Arup North America Ltd, has been prepared, filed with the District, and accepted by the Board.

Notwithstanding, in order to comply with Section 26651, this report has been prepared incorporating and setting forth sections of the aforesaid Engineer’s Report.

1. Maximum and Fiscal Year 2018/2019 Assessment. See Table 1 from the Arup Engineer’s Report, attached hereto as Attachment A for both the Maximum Annual Assessment and the proposed Fiscal Year 2018/19 assessment based on estimated budget needs.
2. Proposed estimated assessment to be levied against each parcel of property. See Attachment B Table 2 from the Arup Engineer’s Report for the proportion of the total budget to be levied for each property type and Table 3 from the Arup Engineer’s Report, for the proposed Annual Assessment for each property. The assessments for Fiscal Year 2018-2019 are the maximum assessments that may be imposed, subject to increase in subsequent years on an annual basis by a COLA established at 2.6%. The Board anticipates that the assessments will be decreased once the Capital Repair Costs/Expense and Reserve has been fully funded at \$600,000.
3. Description of the method used to formulate the assessments. See Section 3 of the Arup Engineer’s report, attached hereto as Attachment C.

Robert Moore  
President of the Board of the Pajaro Dunes Geologic Hazard Abatement District



Attachment A

**Table 1 Maximum Assessment for Seawall Capital Repair Cost/Expenses, Reserve Fund, and District Administrative and Operating Cost Budget, and Proposed Fiscal Year 2018/2019 Assessment Levy**

Expenditures	Maximum Assessment	Maximum Assessment	Fiscal Year 2018/2019 Assessment	Fiscal Year 2018/2019 Assessment
	Zone 1	Zone 2	Zone 1	Zone 2
<b>Category 1: General and Administrative Expenses</b>				
<b>Total Category 1:</b>	\$27,225	–	\$27,225	–
<b>Category 2: Professional Services</b>				
<b>Total Category 2:</b>	\$74,715	\$3,500	\$74,715	\$3,500
<b>Category 3: Special District Compliance Costs</b>				
<b>Total Category 3:</b>	\$4,675	–	\$4,675	–
<b>Category 4: Annual Inspections</b>				
Seawall and River Wall Annual Inspection	\$24,450	\$550	\$24,450	\$550
<b>Total Category 4:</b>	\$24,450	\$550	\$24,450	\$550
<b>Category 5: Capital Repair Expenses and Reserve</b>				
Capital Repair Costs/Expenses and Reserve	\$175,000	–	\$175,000	–
<b>Total Category 5:</b>	\$175,000	–	\$175,000	–
<b>Total Assessment:</b>	<b>Max \$306,065</b>	<b>\$4,050</b>	<b>FY18/19 \$306,065</b>	<b>\$4,050</b>
<p>*Maximum assessments will be subject to a 2.6% annual increase and all assessments are subject to a 1% County collection fee. 2.6% is based on a ten-year average for the Consumer Price Index, All Bay Area Urban Consumers</p> <p>**Beginning in Fiscal Year 2018/2019, A Capital Repair Reserve Fund will be established for emergency seawall repair expenses. Although the estimated cost of such repairs has been established at \$600,000, the PDGHAD Board has opted to phase the collection of said funds over several years until the desired balance of \$600,000 is achieved. The goal is to maintain a maximum of \$600,000 for such events and expenses until permanent repairs are made to the seawall.</p>				

Attachment B

**Table 2 Proposed Assessment and Fiscal Year 2018/2019 GHAD Budget by Benefit Categories**

Category	Proportional Benefit	Assessment Amount	No. of Units	Annual Payment	Monthly Payment
<b>Zone 1</b>					
Row 1 Houses	64.133%	\$196,288.67	67	\$5,240.40 to \$2,601.85	\$436.70 to \$216.82
Row 2 Houses	7.545%	\$23,092.60	44	\$524.72	\$43.73
Row 3,4 & 5 Houses	3.772%	\$11,544.77	40	\$288.63	\$24.05
Cypress Grove Townhomes	11.840%	\$36,238.10	23	\$1,575.32	\$131.28
Pelican Point Condominiums	10.180%	\$31,157.42	86	\$362.38	\$30.20
PDA Stairs	2.530%	\$7,743.44	1	\$7,743.44	\$645.29
<b>Zone 1 Total:</b>		<b>\$306,065.00</b>	<b>261</b>	<b>Zone 1 Annual Budget:</b>	<b>\$306,065.00</b>
<b>Zone 2</b>					
Pelican Point Condominiums	99.470%	\$4,028.54	86	\$46.84	\$3.90
PDA Stairs	0.530%	\$21.46	1	\$21.46	\$1.79
<b>Zone 2 Total:</b>		<b>\$4,050.00</b>	<b>87</b>	<b>Zone 2 Annual Budget:</b>	<b>\$4,050.00</b>

This Table 3 on pgs “Item 3 pg 6-12” is referenced as an attachment by several items in this packet:  
 Item 3 Attachment B, Item 4 Exhibit A Attachment A, and Item 4 Exhibit B Attachment A

**Table 3 Summary of Annual Assessments – Fiscal Year 2018/2019**

Assessment Roll (Fiscal Year 2018/19)					
Unit	Assessor’s Parcel Number	Zone 1 Allocation Factor	Zone 1 Annual Payment	Zone 2 Annual Payment	Total Annual Payment <sup>(1)</sup>
<b>Houses</b>					
H 1	052-281-05	0.00968	\$2,962.63	N/A	\$2,962.63
H 2	052-281-06	0.00991	\$3,032.95	N/A	\$3,032.95
H 3	052-281-07	0.00991	\$3,032.95	N/A	\$3,032.95
H 4	052-281-08	0.01198	\$3,665.83	N/A	\$3,665.83
H 5	052-281-09	0.00998	\$3,054.35	N/A	\$3,054.35
H 6	052-281-10	0.00991	\$3,032.95	N/A	\$3,032.95
H 7	052-281-11	0.01062	\$3,250.02	N/A	\$3,250.02
H 8	052-281-12	0.00921	\$2,818.93	N/A	\$2,818.93
H 9	052-281-13	0.00921	\$2,818.93	N/A	\$2,818.93
H 10	052-281-14	0.00991	\$3,032.95	N/A	\$3,032.95
H 11	052-281-15	0.01062	\$3,250.02	N/A	\$3,250.02
H 12	052-281-16	0.01133	\$3,467.10	N/A	\$3,467.10
H 13	052-281-17	0.01091	\$3,338.69	N/A	\$3,338.69
H 14	052-281-18	0.01247	\$3,815.65	N/A	\$3,815.65
H 15	052-281-19	0.01416	\$4,335.40	N/A	\$4,335.40
H 16	052-281-20	0.00172	\$525.87	N/A	\$525.87
H 17	052-281-21	0.00094	\$287.40	N/A	\$287.40
H 18	052-281-22	0.00172	\$525.87	N/A	\$525.87
H 19	052-281-24	0.00172	\$525.87	N/A	\$525.87
H 20	052-281-25	0.00172	\$525.87	N/A	\$525.87
H 21	052-281-26	0.00094	\$287.40	N/A	\$287.40
H 22	052-281-27	0.00094	\$287.40	N/A	\$287.40
H 23	052-281-28	0.00094	\$287.40	N/A	\$287.40
H 24	052-281-29	0.00094	\$287.40	N/A	\$287.40
H 25	052-281-30	0.00094	\$287.40	N/A	\$287.40
H 26	052-281-32	0.00094	\$287.40	N/A	\$287.40
H 27	052-281-33	0.00094	\$287.40	N/A	\$287.40
H 28	052-281-34	0.00172	\$525.87	N/A	\$525.87
H 29	052-281-39	0.00094	\$287.40	N/A	\$287.40
H 30	052-281-38	0.00094	\$287.40	N/A	\$287.40
H 31	052-281-37	0.00094	\$287.40	N/A	\$287.40

Assessment Roll (Fiscal Year 2018/19)					
Unit	Assessor's Parcel Number	Zone 1 Allocation Factor	Zone 1 Annual Payment	Zone 2 Annual Payment	Total Annual Payment <sup>(1)</sup>
H 32	052-281-36	0.00172	\$525.87	N/A	\$525.87
H 33	052-281-35	0.00172	\$525.87	N/A	\$525.87
H 34	052-281-02	0.00094	\$287.40	N/A	\$287.40
H 35	052-281-03	0.00094	\$287.40	N/A	\$287.40
H 36	052-281-04	0.00172	\$525.87	N/A	\$525.87
H 37	052-291-17	0.00172	\$525.87	N/A	\$525.87
H 38	052-291-01	0.00172	\$525.87	N/A	\$525.87
H 39	052-291-02	0.00172	\$525.87	N/A	\$525.87
H 40	052-291-03	0.00850	\$2,601.85	N/A	\$2,601.85
H 41	052-291-04	0.00850	\$2,601.85	N/A	\$2,601.85
H 42	052-291-05	0.00850	\$2,601.85	N/A	\$2,601.85
H 43	052-291-06	0.00850	\$2,601.85	N/A	\$2,601.85
H 44	052-291-07	0.00850	\$2,601.85	N/A	\$2,601.85
H 45	052-291-08	0.00850	\$2,601.85	N/A	\$2,601.85
H 46	052-291-09	0.00850	\$2,601.85	N/A	\$2,601.85
H 47	052-291-10	0.00850	\$2,601.85	N/A	\$2,601.85
H 48	052-291-11	0.00850	\$2,601.85	N/A	\$2,601.85
H 49	052-291-12	0.00172	\$525.87	N/A	\$525.87
H 50	052-291-13	0.00172	\$525.87	N/A	\$525.87
H 51	052-291-14	0.00172	\$525.87	N/A	\$525.87
H 52	052-291-16	0.00172	\$525.87	N/A	\$525.87
H 53	052-291-15	0.00094	\$287.40	N/A	\$287.40
H 54	052-601-11	0.00949	\$2,904.54	N/A	\$2,904.54
H 55	052-601-10	0.00850	\$2,601.85	N/A	\$2,601.85
H 56	052-601-09	0.00921	\$2,818.93	N/A	\$2,818.93
H 57	052-601-08	0.01006	\$3,078.81	N/A	\$3,078.81
H 58	052-601-07	0.00989	\$3,026.83	N/A	\$3,026.83
H 59	052-301-15	0.00992	\$3,036.01	N/A	\$3,036.01
H 60	052-301-16	0.00992	\$3,036.01	N/A	\$3,036.01
H 61	052-301-02	0.00172	\$525.87	N/A	\$525.87
H 62	052-301-03	0.00172	\$525.87	N/A	\$525.87
H 63	052-601-02	0.00172	\$525.87	N/A	\$525.87
H 64	052-601-03	0.00172	\$525.87	N/A	\$525.87
H 65	052-601-04	0.00094	\$287.40	N/A	\$287.40
H 66	052-601-05	0.00094	\$287.40	N/A	\$287.40
H 67	052-601-06	0.00172	\$525.87	N/A	\$525.87
H 68	052-291-20	0.00850	\$2,601.85	N/A	\$2,601.85
H 69	052-291-21	0.00850	\$2,601.85	N/A	\$2,601.85
H 70	052-291-22	0.00850	\$2,601.85	N/A	\$2,601.85
H71	052-291-24	0.00850	\$2,601.85	N/A	\$2,601.85
H 72	052-291-25	0.00850	\$2,601.85	N/A	\$2,601.85
H 73	052-291-26	0.00850	\$2,601.85	N/A	\$2,601.85
H 74	052-291-27	0.00850	\$2,601.85	N/A	\$2,601.85

Assessment Roll (Fiscal Year 2018/19)					
Unit	Assessor's Parcel Number	Zone 1 Allocation Factor	Zone 1 Annual Payment	Zone 2 Annual Payment	Total Annual Payment <sup>(1)</sup>
H 75	052-291-29	0.00850	\$2,601.85	N/A	\$2,601.85
H 76	052-291-30	0.00850	\$2,601.85	N/A	\$2,601.85
H 77	052-291-31	0.00850	\$2,601.85	N/A	\$2,601.85
H 78	052-291-32	0.00850	\$2,601.85	N/A	\$2,601.85
H 79	052-291-34	0.00850	\$2,601.85	N/A	\$2,601.85
H 80	052-291-35	0.00850	\$2,601.85	N/A	\$2,601.85
H 81	052-292-01	0.00172	\$525.87	N/A	\$525.87
H 82	052-292-02	0.00172	\$525.87	N/A	\$525.87
H 83	052-292-03	0.00172	\$525.87	N/A	\$525.87
H 84	052-292-04	0.00172	\$525.87	N/A	\$525.87
H 85	052-292-05	0.00172	\$525.87	N/A	\$525.87
H 86	052-292-06	0.00172	\$525.87	N/A	\$525.87
H 87	052-292-07	0.00172	\$525.87	N/A	\$525.87
H 88	052-292-08	0.00172	\$525.87	N/A	\$525.87
H 89	052-292-09	0.00172	\$525.87	N/A	\$525.87
H 90	052-321-01	0.01034	\$3,164.42	N/A	\$3,164.42
H 91	052-321-02	0.00906	\$2,773.07	N/A	\$2,773.07
H 92	052-321-03	0.01048	\$3,207.22	N/A	\$3,207.22
H 93	052-321-04	0.00878	\$2,687.46	N/A	\$2,687.46
H 94	052-321-05	0.01034	\$3,164.42	N/A	\$3,164.42
H 95	052-321-06	0.00977	\$2,990.15	N/A	\$2,990.15
H 96	052-321-07	0.00991	\$3,032.95	N/A	\$3,032.95
H 97	052-321-08	0.00991	\$3,032.95	N/A	\$3,032.95
H 98	052-321-09	0.00887	\$2,714.98	N/A	\$2,714.98
H 99	052-321-10	0.00906	\$2,773.07	N/A	\$2,773.07
H 100	052-321-11	0.00991	\$3,032.95	N/A	\$3,032.95
H 101	052-321-12	0.00999	\$3,057.41	N/A	\$3,057.41
H 102	052-321-13	0.00917	\$2,806.70	N/A	\$2,806.70
H 103	052-321-14	0.00935	\$2,861.73	N/A	\$2,861.73
H 104	052-321-15	0.00991	\$3,032.95	N/A	\$3,032.95
H 105	052-321-16	0.01020	\$3,121.61	N/A	\$3,121.61
H 106	052-321-17	0.00935	\$2,861.73	N/A	\$2,861.73
H 107	052-321-18	0.00878	\$2,687.46	N/A	\$2,687.46
H 108	052-321-19	0.00172	\$525.87	N/A	\$525.87
H 109	052-321-20	0.00172	\$525.87	N/A	\$525.87
H 110	052-321-21	0.00172	\$525.87	N/A	\$525.87
H 111	052-321-22	0.00172	\$525.87	N/A	\$525.87
H 112	052-321-23	0.00172	\$525.87	N/A	\$525.87
H 113	052-321-24	0.00094	\$287.40	N/A	\$287.40
H 114	052-321-25	0.00172	\$525.87	N/A	\$525.87
H 115	052-321-26	0.00172	\$525.87	N/A	\$525.87
H 116	052-321-27	0.00172	\$525.87	N/A	\$525.87
H 117	052-321-28	0.00172	\$525.87	N/A	\$525.87

Assessment Roll (Fiscal Year 2018/19)					
Unit	Assessor's Parcel Number	Zone 1 Allocation Factor	Zone 1 Annual Payment	Zone 2 Annual Payment	Total Annual Payment <sup>(1)</sup>
H 118	052-321-29	0.00172	\$525.87	N/A	\$525.87
H 119	052-321-30	0.00172	\$525.87	N/A	\$525.87
H 120	052-321-31	0.00172	\$525.87	N/A	\$525.87
H 121	052-321-32	0.00172	\$525.87	N/A	\$525.87
H 122	052-321-33	0.00094	\$287.40	N/A	\$287.40
H 123	052-321-34	0.00094	\$287.40	N/A	\$287.40
H 124	052-321-35	0.00094	\$287.40	N/A	\$287.40
H 125	052-321-36	0.00094	\$287.40	N/A	\$287.40
H 126	052-321-37	0.00094	\$287.40	N/A	\$287.40
H 127	052-321-38	0.00094	\$287.40	N/A	\$287.40
H 128	052-321-39	0.00094	\$287.40	N/A	\$287.40
H 129	052-321-40	0.00094	\$287.40	N/A	\$287.40
H 33	052-321-41	0.00094	\$287.40	N/A	\$287.40
H 131	052-321-42	0.00094	\$287.40	N/A	\$287.40
H 132	052-321-43	0.00094	\$287.40	N/A	\$287.40
H 133	052-321-50	0.00094	\$287.40	N/A	\$287.40
H 134	052-321-49	0.00094	\$287.40	N/A	\$287.40
H 135	052-321-48	0.00094	\$287.40	N/A	\$287.40
H 136	052-321-47	0.00094	\$287.40	N/A	\$287.40
H 137	052-321-46	0.00094	\$287.40	N/A	\$287.40
H 138	052-321-45	0.00094	\$287.40	N/A	\$287.40
H 139	052-321-44	0.00094	\$287.40	N/A	\$287.40
H 140	052-591-07	0.00850	\$2,601.85	N/A	\$2,601.85
H 141	052-591-08	0.00903	\$2,763.90	N/A	\$2,763.90
H 142	052-591-06	0.00172	\$525.87	N/A	\$525.87
H 143	052-591-05	0.00172	\$525.87	N/A	\$525.87
H 144	052-301-70	0.01712	\$5,240.40	N/A	\$5,240.40
H 145	052-301-69	0.00993	\$3,039.06	N/A	\$3,039.06
H 146	052-301-68	0.00977	\$2,990.15	N/A	\$2,990.15
H 147	Common area taxable	0.00094	\$287.40	N/A	\$287.40
H 148	Common area pay direct to PDGHAD	0.00094	\$287.40	N/A	\$287.40
H 149	Common area pay direct to PDGHAD	0.00094	\$287.40	N/A	\$287.40
H 150	Common area pay direct to PDGHAD	0.00094	\$287.40	N/A	\$287.40
H 151	Common area pay direct to PDGHAD	0.00094	\$287.40	N/A	\$287.40
H	Stairs	0.02530	\$7,743.44	N/A	\$7,743.44

Assessment Roll (Fiscal Year 2018/19)					
Unit	Assessor's Parcel Number	Zone 1 Allocation Factor	Zone 1 Annual Payment	Zone 2 Annual Payment	Total Annual Payment <sup>(1)</sup>
<b>Cypress Grove Townhomes</b>					
CY 1	052-301-49	0.005147	\$1,575.32	N/A	\$1,575.57
CY 2	052-301-48	0.005147	\$1,575.32	N/A	\$1,575.57
CY 3	052-301-47	0.005147	\$1,575.32	N/A	\$1,575.57
CY 4	052-301-46	0.005147	\$1,575.32	N/A	\$1,575.57
CY 5	052-301-45	0.005147	\$1,575.32	N/A	\$1,575.57
CY 6	052-301-44	0.005147	\$1,575.32	N/A	\$1,575.57
CY 7	052-301-43	0.005147	\$1,575.32	N/A	\$1,575.57
CY 8	052-301-42	0.005147	\$1,575.32	N/A	\$1,575.57
CY 9	052-301-41	0.005147	\$1,575.32	N/A	\$1,575.57
CY 10	052-301-40	0.005147	\$1,575.32	N/A	\$1,575.57
CY 11	052-301-38	0.005147	\$1,575.32	N/A	\$1,575.57
CY 12	052-301-37	0.005147	\$1,575.32	N/A	\$1,575.57
CY 13	052-301-36	0.005147	\$1,575.32	N/A	\$1,575.57
CY 14	052-301-31	0.005147	\$1,575.32	N/A	\$1,575.57
CY 15	052-301-30	0.005147	\$1,575.32	N/A	\$1,575.57
CY 16	052-301-29	0.005147	\$1,575.32	N/A	\$1,575.57
CY 17	052-301-28	0.005147	\$1,575.32	N/A	\$1,575.57
CY 18	052-301-34	0.005147	\$1,575.32	N/A	\$1,575.57
CY 19	052-301-33	0.005147	\$1,575.32	N/A	\$1,575.57
CY 20	052-301-26	0.005147	\$1,575.32	N/A	\$1,575.57
CY 21	052-301-25	0.005147	\$1,575.32	N/A	\$1,575.57
CY 22	052-301-24	0.005147	\$1,575.32	N/A	\$1,575.57
CY 23	052-301-23	0.005147	\$1,575.32	N/A	\$1,575.57
<b>Pelican Point Condominiums</b>					
P 1	052-341-10	0.001184	\$362.38	\$46.84	\$409.22
P 2	052-341-02	0.001184	\$362.38	\$46.84	\$409.22
P 3	052-341-03	0.001184	\$362.38	\$46.84	\$409.22
P 4	052-341-04	0.001184	\$362.38	\$46.84	\$409.22
P 5	052-341-05	0.001184	\$362.38	\$46.84	\$409.22
P 6	052-341-06	0.001184	\$362.38	\$46.84	\$409.22
P 7	052-341-07	0.001184	\$362.38	\$46.84	\$409.22
P 8	052-341-08	0.001184	\$362.38	\$46.84	\$409.22
P 9	052-341-09	0.001184	\$362.38	\$46.84	\$409.22
P 10	052-352-01	0.001184	\$362.38	\$46.84	\$409.22
P 11	052-352-02	0.001184	\$362.38	\$46.84	\$409.22
P 12	052-352-03	0.001184	\$362.38	\$46.84	\$409.22
P 13	052-352-04	0.001184	\$362.38	\$46.84	\$409.22
P 14	052-362-01	0.001184	\$362.38	\$46.84	\$409.22
P 15	052-362-02	0.001184	\$362.38	\$46.84	\$409.22
P 16	052-362-03	0.001184	\$362.38	\$46.84	\$409.22
P 17	052-362-04	0.001184	\$362.38	\$46.84	\$409.22
P 18	052-362-05	0.001184	\$362.38	\$46.84	\$409.22

Assessment Roll (Fiscal Year 2018/19)					
Unit	Assessor's Parcel Number	Zone 1 Allocation Factor	Zone 1 Annual Payment	Zone 2 Annual Payment	Total Annual Payment <sup>(1)</sup>
P 19	052-362-06	0.001184	\$362.38	\$46.84	\$409.22
P 20	052-362-07	0.001184	\$362.38	\$46.84	\$409.22
P 21	052-342-01	0.001184	\$362.38	\$46.84	\$409.22
P 22	052-342-02	0.001184	\$362.38	\$46.84	\$409.22
P 23	052-342-03	0.001184	\$362.38	\$46.84	\$409.22
P 24	052-342-04	0.001184	\$362.38	\$46.84	\$409.22
P 25	052-343-01	0.001184	\$362.38	\$46.84	\$409.22
P 26	052-343-02	0.001184	\$362.38	\$46.84	\$409.22
P 27	052-343-03	0.001184	\$362.38	\$46.84	\$409.22
P 28	052-343-05	0.001184	\$362.38	\$46.84	\$409.22
P 29	052-343-06	0.001184	\$362.38	\$46.84	\$409.22
P 30	052-343-07	0.001184	\$362.38	\$46.84	\$409.22
P 31	052-343-08	0.001184	\$362.38	\$46.84	\$409.22
P 32	052-343-09	0.001184	\$362.38	\$46.84	\$409.22
P 33	052-351-26	0.001184	\$362.38	\$46.84	\$409.22
P 34	052-351-11	0.001184	\$362.38	\$46.84	\$409.22
P 35	052-343-04	0.001184	\$362.38	\$46.84	\$409.22
P 36	052-351-22	0.001184	\$362.38	\$46.84	\$409.22
P 37	052-351-25	0.001184	\$362.38	\$46.84	\$409.22
P 38	052-351-24	0.001184	\$362.38	\$46.84	\$409.22
P 39	052-351-12	0.001184	\$362.38	\$46.84	\$409.22
P 40	052-351-13	0.001184	\$362.38	\$46.84	\$409.22
P 41	052-363-01	0.001184	\$362.38	\$46.84	\$409.22
P 42	052-363-02	0.001184	\$362.38	\$46.84	\$409.22
P 43	052-363-03	0.001184	\$362.38	\$46.84	\$409.22
P 44	052-363-04	0.001184	\$362.38	\$46.84	\$409.22
P 45	052-363-05	0.001184	\$362.38	\$46.84	\$409.22
P 46	052-363-06	0.001184	\$362.38	\$46.84	\$409.22
P 47	052-363-07	0.001184	\$362.38	\$46.84	\$409.22
P 48	052-363-08	0.001184	\$362.38	\$46.84	\$409.22
P 49	052-344-01	0.001184	\$362.38	\$46.84	\$409.22
P 50	052-344-02	0.001184	\$362.38	\$46.84	\$409.22
P 51	052-344-03	0.001184	\$362.38	\$46.84	\$409.22
P 52	052-344-05	0.001184	\$362.38	\$46.84	\$409.22
P 53	052-344-06	0.001184	\$362.38	\$46.84	\$409.22
P 54	052-344-07	0.001184	\$362.38	\$46.84	\$409.22
P 55	052-344-08	0.001184	\$362.38	\$46.84	\$409.22
P 56	052-344-09	0.001184	\$362.38	\$46.84	\$409.22
P 57	052-353-01	0.001184	\$362.38	\$46.84	\$409.22
P 58	052-353-02	0.001184	\$362.38	\$46.84	\$409.22
P 59	052-344-04	0.001184	\$362.38	\$46.84	\$409.22
P 60	052-353-03	0.001184	\$362.38	\$46.84	\$409.22
P 61	052-353-04	0.001184	\$362.38	\$46.84	\$409.22



<b>Assessment Roll (Fiscal Year 2018/19)</b>					
<b>Unit</b>	<b>Assessor's Parcel Number</b>	<b>Zone 1 Allocation Factor</b>	<b>Zone 1 Annual Payment</b>	<b>Zone 2 Annual Payment</b>	<b>Total Annual Payment<sup>(1)</sup></b>
P 62	052-353-05	0.001184	\$362.38	\$46.84	\$409.22
P 63	052-353-06	0.001184	\$362.38	\$46.84	\$409.22
P 64	052-353-07	0.001184	\$362.38	\$46.84	\$409.22
P 65	052-361-27	0.001184	\$362.38	\$46.84	\$409.22
P 66	052-361-28	0.001184	\$362.38	\$46.84	\$409.22
P 67	052-361-15	0.001184	\$362.38	\$46.84	\$409.22
P 68	052-361-16	0.001184	\$362.38	\$46.84	\$409.22
P 69	052-361-17	0.001184	\$362.38	\$46.84	\$409.22
P 70	052-361-18	0.001184	\$362.38	\$46.84	\$409.22
P 71	052-361-19	0.001184	\$362.38	\$46.84	\$409.22
P 72	052-361-20	0.001184	\$362.38	\$46.84	\$409.22
P 73	052-345-01	0.001184	\$362.38	\$46.84	\$409.22
P 74	052-345-02	0.001184	\$362.38	\$46.84	\$409.22
P 75	052-345-03	0.001184	\$362.38	\$46.84	\$409.22
P 76	052-345-04	0.001184	\$362.38	\$46.84	\$409.22
P 77	052-354-01	0.001184	\$362.38	\$46.84	\$409.22
P 78	052-354-02	0.001184	\$362.38	\$46.84	\$409.22
P 79	052-354-03	0.001184	\$362.38	\$46.84	\$409.22
P 80	052-354-04	0.001184	\$362.38	\$46.84	\$409.22
P 81	052-364-01	0.001184	\$362.38	\$46.84	\$409.22
P 82	052-364-02	0.001184	\$362.38	\$46.84	\$409.22
P 83	052-364-03	0.001184	\$362.38	\$46.84	\$409.22
P 84	052-364-04	0.001184	\$362.38	\$46.84	\$409.22
P 85	052-332-01	0.001184	\$362.38	\$46.84	\$409.22
P 86	052-332-02	0.001184	\$362.38	\$46.84	\$409.22
P	Stairs (counted above)	0	0	\$46.84	\$409.22
<b>Totals</b>			<b>\$306,066.53</b>	<b>\$4,050.00</b>	<b>\$310,116.53</b>

<sup>(1)</sup> Assessments subject to 1% County Collection Fee in addition to listed amounts

### 3 Cost Allocation Method

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The District comprises two zones. Zone 1 is responsible for maintenance of the rock revetment seawall, and all costs and expenses associated therewith, and includes all members of the District. Its boundaries are coincident with the boundaries of the entire Pajaro Dunes development. Zone 2 is responsible for maintenance of the sheet pile river wall, and all costs and expenses associated therewith, and includes all members of the Pelican Homeowners Association, a subdivision of the Pajaro Dunes development. The boundaries of Zone 2 are coincident with the boundaries of the Pelican Point Condominium Project.

The improvements to be maintained and operated as a result of the formation of the Pajaro Dunes Geologic Hazards Abatement District, the seawall and river wall, are in existence. Said improvements have been installed within or in areas in close proximity to the developed residential lots and condominiums.

All costs associated with the routine administrative and operational expenses associated with the Zone 1 and Zone 2 improvements, including general and administrative expenses, professional services, special district compliance costs, and annual inspections, shall be spread to all parcels in Zones 1 and 2 on a prorated development unit basis.

Additionally, all costs associated with the newly proposed Capital Repair Expenses and Reserve Fund shall be spread, in the manner referenced below, between all units in Zone 1. There will be no additional assessment for the establishment of this Fund levied upon the Zone 2 units; property owners located in both Zones 1 and 2 will pay their proportionate share of the cost of the Fund via the Zone 1 assessment.

As a result of the foregoing, the developed residential lots in Zones 1 and 2 will receive 100% of the special benefits of the administration and operation of the District improvements, and the developed residential lots in Zone 1 will receive 100% of the special benefits associated with the establishment of a fund to make emergency repairs to the seawall. These special benefits include enhanced neighborhood health, safety, and beautification, and improved quality of life, generated when the improvements provide protection against erosion from ocean and wave action and flood and erosion protection against flows within the Pajaro River. These benefits only occur when the improvements are in place, operable, safe, and are maintained. The establishment of a fund to make emergency repairs to the seawall will provide protection of improved property, enhanced comfort, and increase the desirability of the immediate surroundings of the residential units in the District.

A statement of the method by which we determined the amount proposed to be assessed against each parcel is described in this section. The cost allocation among various members of the PDGHAD was established when the District was created by the County Board of Supervisors on October 27, 1998. In the cost-allocation scheme the major groups, Houses, Pelican Point Condominiums, and Cypress Grove Townhouses, share the costs based on the length of the seawall in the front of their respective areas. Per this cost-allocation scheme, in Zone 1 the cost shares for the Houses are 75.45%, Cypress Grove Townhouses are 11.84%, Pelican Point Condominiums are 10.18%, and the Pajaro Dunes Homeowners Association (Association) for the stairways is 2.53%. In Zone 2, the cost shares for Pelican Point and the Association for the stairways are 99.47% and 0.53%, respectively. Both the Association and Pelican Point have assessments that include costs from both Zone 1 and Zone 2.

Since the Pelican Point and Cypress Grove groups are condominium associations, they each share their portions of the costs equally among their members. In Zone 1, of the portion allocated to the houses, the front-row houses pay 85%, the second-row houses pay 10%, and the back-row houses pay 5%. In addition, the shares for the front-row houses vary by a factor of two-to-one, depending on the width of the lot. The estimated GHAD budget for Fiscal Year 2018/2019 by benefit categories are presented in Table 2.

In summary, based on the foregoing, this Engineer's Report makes the following findings:

- i. The tables for Zone 1 and Zone 2 correctly state the proportionate special benefit derived by each identified parcel in relationship to the total cost of services.
- ii. No assessment is imposed on any parcel which exceeds the reasonable cost of the proportional benefit conferred on that parcel.
- iii. The only benefits assessed are special and any general benefits have been excluded.
- iv. No parcel owned by any governmental agency, the state of California, or the United States receives any special benefit from the proposed assessment.

**Table 2 Proposed Assessment and Fiscal Year 2018/2019 GHAD Budget by Benefit Categories**

Category	Proportional Benefit	Assessment Amount	No. of Units	Annual Payment	Monthly Payment
<b>Zone 1</b>					
Row 1 Houses	64.133%	\$196,288.67	67	\$5,240.40 to \$2,601.85	\$436.70 to \$216.82
Row 2 Houses	7.545%	\$23,092.60	44	\$524.72	\$43.73
Row 3,4 & 5 Houses	3.772%	\$11,544.77	40	\$288.63	\$24.05
Cypress Grove Townhomes	11.840%	\$36,238.10	23	\$1,575.32	\$131.28
Pelican Point Condominiums	10.180%	\$31,157.42	86	\$362.38	\$30.20
PDA Stairs	2.530%	\$7,743.44	1	\$7,743.44	\$645.29
	<b>Zone 1 Total:</b>	<b>\$306,065.00</b>	<b>261</b>	<b>Zone 1 Annual Budget:</b>	<b>\$306,065.00</b>
<b>Zone 2</b>					
Pelican Point Condominiums	99.470%	\$4,028.54	86	\$46.84	\$3.90
PDA Stairs	0.530%	\$21.46	1	\$21.46	\$1.79
	<b>Zone 2 Total:</b>	<b>\$4,050.00</b>	<b>87</b>	<b>Zone 2 Annual Budget:</b>	<b>\$4,050.00</b>

**BOARD OF DIRECTORS  
PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT**

**Resolution to Approve Notice of Assessment Balloting  
and Public Hearing for 2018 for Zone 1 and Zone 2 Assessment Ballot Proceedings**

**RESOLUTION No. 2018-03**

**WHEREAS**, the Board of the Pajaro Dunes Geologic Hazard Assessment District (“Pajaro Dunes GHAD” or “District”) is proposing to conduct proceedings for the levy and assessment of a new annual assessment for Zone 1 and 2 for District Administrative and Operating Budget costs; and

**WHEREAS**, Article XIII, Section 4 of the California Constitution (Proposition 218) requires that proposed assessments for the Pajaro Dunes GHAD be put to a vote of property owners within the District; and

**WHEREAS**, State law requires that the property owners within the District be sent a notice of the proposed assessments and the date of a public hearing to hear protests and count ballots.

**NOW, THEREFORE BE IT RESOLVED**, that the Board of Directors of the Pajaro Dunes GHAD hereby approves the “Notice of Assessment Balloting and Public Hearing for the 2018 Assessment Election For Zone 1 of the Pajaro Dunes Geologic Hazard Abatement District,” attached hereto as Exhibit “A,” and directs the District Clerk to mail the document to each property owner in Zone 1 along with the official ballot, and instructs the District Clerk to file a copy of the document in the official records of the District.

**BE IT FURTHER RESOLVED**, that the Board of Directors of the Pajaro Dunes GHAD hereby approves the “Notice of Assessment Balloting and Public Hearing for the 2018 Assessment Election for Zone 2 of the Pajaro Dunes Geologic Hazard Abatement District, ” attached hereto as Exhibit “B,” and directs the District Clerk to mail the document to each property owner in Zone 2 along with the official ballot, and instructs the District Clerk to file a copy of the document in the official records of the District.

**BE IT FURTHER RESOLVED** that if the proposed assessment is approved by a majority of the weighted ballots submitted, at or before the Public Hearing on May 12<sup>th</sup>, 2018, the District Clerk is hereby directed to submit a list of member names, parcel numbers and assessments to the County Auditor/Controller in a timely manner so the assessment can be collected as part of the Santa Cruz County property tax bills for Fiscal Year 2018-2019.

**PASSED AND ADOPTED** by the Board of Directors of the Pajaro Dunes Geologic Hazard Abatement District of the County of Santa Cruz, State of California, this 10<sup>th</sup> day of March, 2018, by the following vote:

**AYES:** Directors \_\_\_\_\_

**NOES:** Directors \_\_\_\_\_

**ABSENT:** Directors \_\_\_\_\_

**ABSTAIN:** Directors \_\_\_\_\_

\_\_\_\_\_  
Robert Moore, President, Board of Directors

ATTEST: \_\_\_\_\_  
Sarah Mansergh, Clerk of the Board



EXHIBIT A

NOTICE OF ASSESSMENT BALLOTING AND PUBLIC HEARING  
FOR THE 2018 ASSESSMENT ELECTION  
For Zone 1 of the  
Pajaro Dunes Geologic Hazard Abatement District

**Introduction**

Zone 1\* of the Pajaro Dunes Geologic Hazard Abatement District (“GHAD”) was formed in October 1998 to maintain the rock revetment seawall. The seawall was designed to reduce damage due to coastal erosion and coastal flooding from a 30-year storm event. While the initial construction costs for the seawall were paid by the front-row lot owners, the Pelican Condominium owners and Cypress Townhouse owners, Zone 1 of the GHAD has assumed responsibility for maintaining and repairing the seawall, to the extent that District property owners approve funding for such maintenance and repair activities. The affairs of the GHAD are managed by a five-person Board of Directors, which currently includes Robert Moore, Robert Allen, John Cullen, David Ferrari, and Jim Griffin.

On March 10, 2018, the GHAD Board adopted a Resolution of Intention to approve and levy a new assessment for the District’s Administrative and Operating Budget for Zone 1, subject to an annual Cost of Living Increase. The proposed Zone 1 budget for 2018-2019, which covers annual District administrative and operating expenses, including but not limited to office expenses, insurance, cost for professional services, legal fees and annual seawall and river wall inspections, as well as the establishment of a “Capital Repair Expense and Reserve Fund” for the purpose of maintaining a stable source of funding to pay for the cost of unanticipated and/or emergency maintenance and repair of the seawall, is \$306,065. The Reserve Fund will be capped at \$600,000, so once said amount is collected, annual assessments in Zone 1 should be reduced until such funds are depleted for unanticipated/emergency use and there is a need to replenish Reserve Funds. The maximum amount that can be assessed in any given year for the Reserve Fund is \$175,000, subject to an annual COLA adjustment of 2.6%. The Reserve Funds will be held in a separate bank account.

This notice has been developed as a result of Public Resources Code requirements and as a consequence of the passage of Proposition 218, a statewide Constitutional initiative, which was approved by the voters at the November 5, 1996 general election. Proposition 218 added Article XIII D to the California Constitution, and that Article requires that all new or increased assessments in any special district must be approved by a weighted majority vote of the property owners within the district. The votes are weighted in proportion to the size of the assessment.

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\* The GHAD consists of two zones, Zone 1, which is responsible for maintenance of the seawall and consists of all members of the District, and Zone 2, which consists of all Pelican Condominium owners and is responsible for maintenance and repair of the river wall.

## **Assessment Ballot**

Enclosed with this public notice is an assessment ballot for Zone 1, which you, as the property owner, can complete and return to the District Clerk at the address provided in this notice. The balloting procedures are discussed below.

## **Background Information**

The current assessments to cover the administrative and operating costs of Zone 1 were approved in the Fiscal Year 2000 assessment election and have been periodically increased by an annual Cost-of-Living Adjustment (COLA), based on the Bay Area, All Urban Consumers, Consumer Price Index, as approved in that earlier election. The maximum assessment for the budget for administrative and operating costs, subject to the COLA, was set at \$56,000. The new maximum assessment for the budget for administrative and operating costs for Zone 1, including the previously referenced Reserve Fund, which is also the proposed Fiscal Year 2018-2019 Administrative and Operating Assessment for Zone 1, is \$306,065. The maximum assessment would be subject to an annual 2.6% COLA.

## **Purpose of Fiscal Year 2018-2019 Assessment Election**

The District is seeking approval of a new assessment in Zone 1 to cover the District's annual administrative and operating expenses, including but not limited to office expenses, insurance, costs for professional services (accounting, clerk, engineering and legal) and annual seawall inspection fees. The Administrative and Operations Budget also covers, for the first time, a "Capital Repair and Expense Reserve" that will be used to pay for the unanticipated and/or emergency maintenance and repair of the rock revetment seawall. Such work may need to be performed prior to the time the comprehensive repair work the District is proposing for the seawall is processed, approved and undertaken. As was noted above, the Reserve Fund will be capped at \$600,000, and once this cap is reached, future Reserve Fund related assessment will be deferred until the Fund reserves are used for emergency or unanticipated maintenance or repairs. The Reserve Fund will be kept in a separate bank account from other District funds.

## **Amount and Duration of the Increased Assessments**

The increase in assessments to cover the District's Administrative and Operating Cost Budget would be initiated by submitting an amended assessment roll to the County prior to August 2018 and would show up on your property tax bill in the following December. The increased tax revenues would be available to the District the following March.

The new assessments, as calculated by the District's consulting engineer Martin Walker (as detailed below) are set forth in the Table attached hereto as Exhibit A. Assessments would be subject to collection on an annual basis. The assessment will continue until the Board takes action to either cease collecting assessments or until the assessment is replaced with a modified assessment. As noted above, it is anticipated that the amount of the assessment will be reduced once the District has collected funds necessary to reach the \$600,000 cap on the Capital Repair and Expense Reserve portion of the Administrative and Operations Budget.

The Zone 1 Fiscal Year 2018-2019 Administrative and Operating Budget for Zone 1 has been preliminarily approved at \$306,065.

### **How the Assessments are Calculated**

The District has obtained an Engineer's Report from Martin Walker of Arup North America, Ltd., a civil engineer certified by the State of California, which allocates the increased costs to all properties in the District in proportion to the benefit received. Similar information concerning the proposed assessment contained in the "President's Report" was adopted by the Board on March 10, 2018. A copy of the Engineer's Report and/or the President's Report may be obtained on our website: [pdghad.org](http://pdghad.org) or from the District's Clerk, Sarah Mansergh, at 831-818-9253 or [semansergh@hotmail.com](mailto:semansergh@hotmail.com). The schedule for allocating costs was adopted by the Board for the initial assessment election in 1999 and is described below.

For Zone 1, all costs for the seawall are allocated between the house owners, the Cypress Townhouse owners and the Pelican Condominium owners in proportion to the length of the seawall in front of those respective properties. All members of the Cypress Project and the Pelican Project share equally the costs of the seawall in front of their respective project areas. For the house owners, the basis for the allocation is property proximity to the ocean hazard (85% to front-row houses, 10% to second-row houses and 5% to back-row houses) and, for front-row lots, the width of the oceanfront parcels.

### **Summary of Majority Protest/Assessment Balloting Procedures**

Under the terms of Article XIII D of the California Constitution, every owner of a parcel of real property proposed to be assessed is entitled to cast an assessment ballot either in favor of or protesting the assessment. Enclosed with this notice is a Zone 1 assessment ballot, which contains information obtained from the Santa Cruz County Assessor's Office regarding the parcel of property you own.

As noted above, the District is seeking your approval of a new assessment with an annual cost of living adjustment to fund the Administrative and Operation Budget for Zone 1. Assessed funds will be used to support District Operations, including costs associated with legal, accounting and engineering services, increased insurance coverage, state mandated compliance expenses, website maintenance, Board training, mailings, annual seawall and river wall inspections, and a contingency reserve fund for future emergency seawall maintenance and repairs. If checked "yes," the enclosed Zone 1 ballot will authorize the Board to levy a new assessment to cover the costs of these administrative and operational matters.

Completed assessment ballots should be mailed or delivered to Sarah Mansergh, District Clerk, at 2661 Beach Road, Watsonville, California 95076 or dropped off in the ballot box at the gatehouse. Ballots may also be delivered at the meeting on May 12, 2018, in the Meadow Room but must be received prior to the close of the public hearing. At a public hearing of protests scheduled for 9:00 a.m. on May 12, 2018, the assessment ballots will be tabulated, with ballots being weighted in proportion to the amount of the proposed assessment relative to the total of all assessments, and the results will be announced; provided that, if the Board needs more time to

count assessment ballots, it may delay the announcement to a later meeting at a specified date. If the weighted assessment ballots in opposition to the proposed assessment exceed weighted assessment ballots in support, there will be a “majority protest,” and the Board may not impose the proposed assessment.

### **Public Meetings**

The District Board held a public hearing on March 10, 2018 to take action on the proposed assessment election. The District will hold an information session to answer questions on April 14<sup>th</sup>, 2018 at 9am in the Meadow Room. The District will also hold the final noticed public hearing at a GHAD Board meeting on May 12, 2018 at 9:00 a.m. in the Meadow Room at Pajaro Dunes, 2661 Beach Road, Watsonville, California. The Board will hear assessment protests and accept assessment ballots at that hearing. All interested persons are encouraged to attend the hearing and to speak or submit written comments about the proposed assessments.

### **Questions or Further Information**

If you have any questions about the assessment election, please visit our website [pdghad.org](http://pdghad.org) or contact Robert Moore, the District Board President, at Pajaro Dunes, 2661 Beach Road, Watsonville, CA, 95076, or contact the District Clerk, Sarah Mansergh, at 831-818-9253 or [semmansergh@hotmail.com](mailto:semmansergh@hotmail.com).

**Item 4 Exhibit A Attachment A:**

**Please refer to the President's Report pages:  
Item 3 pg. 6-12 Table 3**

**of this Board packet for March 10<sup>th</sup>, 2018**

EXHIBIT B

NOTICE OF ASSESSMENT BALLOTING AND PUBLIC HEARING  
FOR THE 2018 ASSESSMENT ELECTION  
For Zone 2 of the  
Pajaro Dunes Geologic Hazard Abatement District

**Introduction**

Zone 2\* of the Pajaro Dunes Geologic Hazard Abatement District (GHAD) was formed in October 1998 to maintain the river wall. The river wall was designed to reduce damage to the Pelican Condominiums due to a 30-year storm event. The affairs of the GHAD are managed by a five-person Board of Directors, which currently includes Robert Moore, Robert Allen, John Cullen, David Ferrari and Jim Griffin.

On March 10, 2018, the GHAD Board adopted a Resolution of Intention to approve and levy a new assessment for the District's Administrative and Operating Budget for Zone 2, subject to an annual Cost of Living Increase. The proposed Zone 2 budget for 2018-2019, which represents the Pelican Owners' share of the annual District administrative and operating expenses, including but not limited to cost for professional services, legal fees and annual river wall inspections is \$ 4,050. (The total Administrative and Operating Budget for Zones 1 and 2 is \$310,115.)

As a Pelican Owner with membership in Zone 1 (seawall) and Zone 2 (river wall) of the GHAD, in addition to voting on the proposed assessment for the District's Administrative and Operating Cost Budget for Zone 1, you are entitled to vote on the portion of the District's Administrative and Operating Cost budget attributable to Zone 2.

This notice has been developed as a result of Public Resources Code requirements and as a consequence of the passage of Proposition 218, a statewide Constitutional initiative, which was approved by the voters at the November 5, 1996 general election. Proposition 218 added Article XIII D to the California Constitution, and that Article requires that all new or increased assessments in any special district must be approved by a weighted majority vote of the property owners within the district. The votes are weighted in proportion to the size of the assessment.

**Assessment Ballot**

Enclosed with this public notice is an assessment ballot for Zone 2, which you, as the property owner, can complete and return to the District Clerk at the address provided in this notice. The balloting procedures are discussed below.

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\* The GHAD consists of two zones, Zone 1, which is responsible for maintenance of the seawall and consists of all members of the District, and Zone 2, which consists of all Pelican Condominium owners and is responsible for maintenance and repair of the river wall.



## **Background Information**

The current assessments to cover the administrative and operating costs of Zone 2 were approved in the Fiscal Year 2000 assessment election and have been increased by an annual Cost-of-Living Adjustment (COLA), based on the Bay Area, All Urban Consumers, Consumer Price Index, as approved in that earlier election. The maximum assessment for the budget for administrative and operating costs, subject to the COLA, was set at \$56,000 for both Zone 1 and Zone 2. The new maximum assessment for the budget for administrative and operating costs for Zone 2, which is also the proposed Fiscal Year 2018-2019 Administrative and Operating Assessment for Zone 2, is \$4,050. The maximum assessment would be subject to an annual 2.6% COLA.

## **Purpose of Fiscal Year 2018-2019 Assessment Election**

The District is seeking approval of a new assessment in Zone 2 to cover Zone 2's share of the District's annual administrative and operating expenses, including costs for professional services (accounting, clerk, engineering and legal) and annual river wall inspections fees. The Administrative and Operating Budget attributed to Zone 2 does not include any assessment for the proposed "Capital Repair Expense and Reserve Fund" that will be used to pay for the unanticipated and/or emergency maintenance and repair of the rock revetment seawall.

## **Amount and Duration of the Increased Assessments**

The increase in assessments to cover the District's Administrative and Operating Cost Budget would be initiated by submitting an amended assessment roll to the County prior to August 2018 and would show up on your property tax bill in the following December. The increased tax revenues would be available to the District the following March.

The new assessments, as calculated by the District's consulting engineer Martin Walker (as detailed below) are set forth in the Table attached hereto as Exhibit A. Assessments would be subject to collection on an annual basis. The assessment will continue until the Board takes action to either cease collecting assessments or until the assessment is replaced with a modified assessment.

Zone 2's proportionate share of the Fiscal Year 2018-2019 Administrative and Operating Budget has been preliminarily approved at \$4050.

## **How the Assessments are Calculated**

The District has obtained an Engineer's Report from Martin Walker of Arup North America, Ltd., a civil engineer certified by the State of California, which allocates the increased costs to all properties in the District in proportion to the benefit received. Similar information concerning the proposed assessment contained in the "President's Report" was adopted by the Board on February 10, 2018. A copy of the Engineer's Report and/or the President's Report may be obtained from our website at [pdghad.org](http://pdghad.org) or from the District's Clerk, Sarah Mansergh, at 831-

818-9253 or [semmansergh@hotmail.com](mailto:semmansergh@hotmail.com). The schedule for allocating costs was adopted by the Board for the initial assessment election in 1999 and is described below.

For Zone 2, all costs associated with river wall expenses are allocated equally between the owners, at \$46.84 in Fiscal Year 2018-2019.

### **Summary of Majority Protest/Assessment Balloting Procedures**

Under the terms of Article XIII D of the California Constitution, every owner of a parcel of real property proposed to be assessed is entitled to cast an assessment ballot either in favor of or protesting the assessment. Enclosed with this notice is a Zone 2 assessment ballot, which contains information obtained from the Santa Cruz County Assessor's Office regarding the parcel of property you own.

As noted above, the District is seeking your approval of a new assessment with an annual cost of living adjustment to fund the Administrative and Operation Budget for Zone 2. Assessed funds will be used to support District Operations, including costs associated with legal, accounting and engineering services, the District Clerk's salary, increased insurance coverage, state mandated compliance expenses, website maintenance, Board training, mailings, and annual seawall and river wall inspections. If checked "yes," the enclosed Zone 2 ballot will authorize the Board to levy a new assessment to cover the costs of Zone 2's share of these administrative and operational matters.

Completed assessment ballots should be mailed or delivered to Sarah Mansergh, District Clerk at 2661 Beach Road, Watsonville, California 95076. At a public hearing of protests scheduled for 9:00 a.m. on May 12, 2018, the assessment ballots will be tabulated, with ballots being weighted in proportion to the amount of the proposed assessment relative to the total of all assessments, and the results will be announced; provided that, if the Board needs more time to count assessment ballots, it may delay the announcement to a later meeting at a specified date. Ballots may also be delivered at the meeting on May 12, 2018, but must be received prior to the close of the public hearing. If the weighted assessment ballots in opposition to the proposed assessment exceed weighted assessment ballots in support, there will be a "majority protest," and the Board may not impose the proposed assessment.

### **Public Meetings**

The District Board held a public hearing on February 10, 2018 to take action on the proposed assessment election. The District will hold an information session to answer questions on April 14<sup>th</sup>, 2018 at 9am in the Meadow Room. The District will also hold a noticed public hearing at a GHAD Board meeting on May 12, 2018 at 9:00 a.m. at the Meadow Room, Pajaro Dunes, 2661 Beach Road, Watsonville, California 95076. The Board will hear assessment protests and accept assessment ballots at that hearing. All interested persons are encouraged to attend the hearing and to speak or submit written comments about the proposed assessments.

## **Questions or Further Information**

If you have any questions about the assessment election, please go to our website [pdghad.org](http://pdghad.org) or contact Robert Moore, the District Board President, at Pajaro Dunes, 2661 Beach Road, Watsonville, CA 95076, or contact the District Clerk, Sarah Mansergh, at 831-818-9253 or [semmansergh@hotmail.com](mailto:semmansergh@hotmail.com)

**Item 4 Exhibit B Attachment A:**

**Please refer to the President's Report pages:  
Item 3 pg. 6-12 Table 3**

**of this Board packet for March 10<sup>th</sup>, 2018**

**BOARD OF DIRECTORS  
PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT**

**Resolution Regarding Approval of the Balloting Procedures  
for Voting on the Proposed Assessment for the Zone 1 and Zone 2 Annual Administrative  
and Operating Budget**

**RESOLUTION No. 2018-04**

**WHEREAS**, both Article XIII, Section 4 of the California Constitution (Proposition 218) and Division 17 of the Public Resources Code of the State of California contain certain requirements regarding the process of levying an assessment and conducting balloting to approve an assessment for a Geologic Hazard Abatement District (“GHAD”), and

**WHEREAS**, all the requirements for levying assessments and related ballot elections are summarized in the document “Procedures for Assessment Balloting and Majority Protest Hearing for Fiscal Year 2018-2019 Annual Administrative and Operating Budget for Zone 1 and Zone 2,” attached hereto as Exhibit “A.”

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Pajaro Dunes GHAD hereby approves the process and balloting procedures contained within Exhibit A to this Resolution and instructs the District Clerk to file a copy of the document in the official records of the District.

**PASSED AND ADOPTED** by the Board of Directors of the Pajaro Dunes Geologic Hazard Abatement District of the County of Santa Cruz, State of California, this 10<sup>th</sup> day of March, 2018 by the following vote:

**AYES:** Directors \_\_\_\_\_

**NOES:** Directors \_\_\_\_\_

**ABSENT:** Directors \_\_\_\_\_

**ABSTAIN:** Directors \_\_\_\_\_

\_\_\_\_\_  
Robert Moore, President, Board of Directors

ATTEST: \_\_\_\_\_  
Sarah Mansergh, Clerk of the Board

# **EXHIBIT A**

## **PROCEDURES FOR ASSESSMENT BALLOTING AND MAJORITY PROTEST HEARING FOR ZONE 1 AND 2 ANNUAL ADMINISTRATIVE AND OPERATING BUDGET**

### **Pajaro Dunes Geologic Hazard Abatement District**

#### **Background**

The Pajaro Dunes Geologic Hazard Abatement District (“GHAD”) was established in October 1998 pursuant to the provisions of the Geologic Hazard Abatement District Law in Division 17 of the California Public Resources Code. On June 5, 1999, the Board of Directors of the Pajaro Dunes Geologic Hazard Abatement District approved a benefit assessment (for Fiscal Year 2000) to establish and maintain a stable source of funding to pay for the cost and expenses of the maintenance and operation of improvements within the District as described in The Plan of Control approved by the Legislative Body pursuant to Division 17 of the California Public Resources Code. These improvements consist of a rock revetment seawall (Zone 1), designed to reduce damage from a 30-year coastal storm, and a steel sheet piling river wall (Zone 2) designed to reduce damage from a 30-year storm event. While the construction costs for the seawall were paid by the front-row lot owners, the Pelican Point homeowners, and the Cypress Townhouse owners, and the cost of the river wall was paid by the Pelican homeowners, the Pajaro Dunes Geologic Hazard Abatement District has assumed maintenance responsibility for both walls to the extent that District members approve adequate assessments to do so.

#### **Zone 1 and 2 Assessment Election for Fiscal Year 2018-2019 and COLA**

The Pajaro Dunes GHAD Board is seeking approval of a new assessment, with an annual cost-of-living adjustment (“COLA”), to fund the administrative and operational budget for both Zone 1 and Zone 2. Assessed funds in Zones 1 and 2 will be used to support District Operations, including costs associated with legal, accounting and engineering services, increased insurance coverage, state mandated compliance expenses, website maintenance, Board training, mailings, and seawall and river wall annual inspections. There is an additional assessment component to be levied in Zone 1 that is meant to provide necessary funds to establish maintenance and contingency reserves for future emergency seawall events. The proposed COLA is based on a ten-year average for the Bay Area, All Urban Consumers, Consumer Price Index, or 2.6% annually. If the assessment is approved, the new annual budget will replace the annual budget approved for District operations by property owners in Zone 1 and Zone 2 in 1999 (which has only been subject to an annual cost of living increase since its adoption). The new proposed combined Administrative and Operating Budget for Zones 1 and 2 commencing in Fiscal Year 2018-2019 is \$310,115, with administrative expenses being allocated between major groups, Housing, Pelican Point Condominiums, and Cypress Grove Townhouses, and then within groupings by proximity and relationship to the District’s improvements (front-row, second-row and back-row homes), all in accordance with standard cost allocation formulas previously adopted by the Pajaro Dunes GHAD Board and established when the District was created by the

of Supervisors on October 27, 1998.

To obtain the necessary authority for imposition of the new assessment, the Zone 1 members (every member of the District) will receive one ballot to vote on an assessment for the proposed new Fiscal Year 2018-2019 Zone 1 annual budget of \$306,065, while the Zone 2 members (the 87 homes in the Pelican grouping) will receive an additional ballot to vote on the assessment of the proposed new Zone 2 Fiscal Year annual budget of \$4,050.

Since the new proposed annual District Budget will increase the assessments for all members of the District, the ballots on this issue will be weighed in proportion to the amount of proportionate benefit, as previously calculated by the District's Engineer, as follows:

Three major groups, Houses, Pelican Condominiums, and Cypress Townhouses, share the costs based on the length of the seawall in front of their respective areas (Cypress 11.84%, Houses 75.45%, Pelican 10.18% and the Association 2.53% for the stairways). Since the Pelican and Cypress groups are condominium associations, they each share their portions of the costs equally among their members. In Zone 1, of the portion of costs allocated to the houses, the front-row houses pay 85%, the second-row houses pay 10%, and the back-row houses pay 5%.

## **Procedures**

The GHAD law requires a mailed notice of adoption of the resolution initiating assessment proceedings and a scheduled protest hearing. Proposition 218, passed by the voters on November 5, 1996, added Article XIID to the California Constitution. Article XIID, Section 4, requires the District to conduct a majority protest/mailed assessment balloting hearing before imposing the assessment.

The following procedures have been adopted by the District Board of Directors to conduct this assessment balloting and majority protest hearing. Where no specific procedures are imposed by Article XIID or Division 17 of California Public Resources Code, these procedures comply with the requirements of other relevant statutory requirements or basic principles of due process to ensure the integrity of the process.

1. The notice and ballot required by Section 26652 of Public Resources Code and by Article XIID, Sections 4 (c) and (d), along with a prepaid, self-addressed return envelope, shall be mailed to all property owners of record within both Zones 1 and 2 of the District at least 45 days prior to the date of the public hearing on the proposed increased assessment. The District Clerk will prepare the list of property owners of record by using the most current listing available from the County Assessor's Office.

2. Prior to the noticed public hearing, assessment ballots must be returned by mail, hand delivered to the Pajaro Dunes gatehouse ballot box or delivered to the Meadow Room, 2661 Beach Road, Watsonville, California 95076, Attn: District Clerk by the end of the public hearing at 9am May 12<sup>th</sup>, 2018. The ballots may be returned by persons other than the property owner.

3. Ballots must be signed by the property owner of record or authorized representative,



under penalty of perjury. Under Article XIID of the California Constitution, the term “property owner” includes a tenant who is directly liable for payment of the proposed assessment. For properties with more than one owner of record, ballots will be accepted as valid if signed by at least one of the listed owners. The ballots for each property must be returned with either an “in support of” or an “in opposition to” vote. Only ballots with original signatures, not photocopies, will be accepted. Multiple ballots returned for a single parcel of property will be disallowed unless the President is able to determine with certainty which ballot accurately reflects the intended vote of the property owner.

4. The District may issue duplicate or replacement ballots to property owners (for instance where the original is lost or not delivered to the current owner). Such ballots shall be clearly marked as duplicate or replacement ballots and shall be accompanied by sufficient information for the President to verify the location and ownership of the property in question and the identity of the individual casting the ballot to verify its authenticity.

5. Assessment Ballots may be returned until the close of the public hearing to be held at a Pajaro Dunes GHAD Board meeting at the Meadow Room, Pajaro Dunes, 2661 Beach Road, Watsonville, California, on May 12, 2018 at 9:00 a.m. [Any person having previously returned an assessment ballot may withdraw their ballot or change their vote prior to the close of the public hearing upon providing sufficient proof that they are the property owner of record or authorized agent who cast the ballot.

6. At the public hearing on May 12, 2018, the District Board will hear any public testimony regarding the proposed assessment, and accept ballots until the close of the public hearing. At the close of public hearing, the assessment ballots (including those received at the hearing) will be tabulated, with ballots being weighted in accordance with the proportional benefit for each property, and the results will be announced; provided that, if the Board needs more time to accurately count assessment ballots, it may delay the announcement to a later meeting at a specified date. At the conclusion of the tabulation process, the President shall finalize the tabulation of the ballots, the Board Clerk shall certify the accuracy of the final count and the ballots shall become public records and will be available for inspection by any member of the public.

7. The Board President shall determine the validity of all ballots submitted and shall exclude any invalid ballots from the final tabulation. The President shall accept as valid all ballots except those in the following categories:

- the ballot returned is a photocopy and not an original of the authorized signature;
- the ballot has not been signed under penalty of perjury by the owner of record or authorized agent;
- the ballot does not have an identifiable yes or no vote;
- multiple ballots returned for a single parcel of property if it is not possible to determine with certainty which ballot accurately reflects the intended vote of the property owner; or
- other circumstances exist which reasonably demonstrate that the ballot has been tampered with or is otherwise invalid.

The President's decisions regarding this matter shall be final and binding. The Clerk of the District will retain all invalid ballots.

8. Article XIII D of the California Constitution requires that "In tabulating the ballots, the ballots shall be weighted according to the proportional financial obligation of the affected property." If the final tabulation of weighted ballots shows that a majority protest exists, the District Board will not impose the assessment (Article XIII D, Section 4 (e)). If no majority protest exists, the District Board may adopt a resolution confirming the assessment. (Public Resources Code Section 26653). The District Clerk will furnish the Santa Cruz County Auditor-Controller with a list of parcel numbers and assessments for each parcel required to pay an assessment, so the assessments can be collected as part of the Santa Cruz County property tax bill. The District Clerk shall record a notice of assessment as provided for in Section 3114 of the Streets and Highways Code, and the assessment shall attach as a lien upon the property, as provided in Section 3115 of the Streets and Highways Code. (Public Resources Code Section 26654).

**BOARD OF DIRECTORS  
PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT**

**Resolution to Approve Ballots for the Zone 1 and Zone 2 Administrative and Operating  
Budget Election for Fiscal Year 2018-2019**

**RESOLUTION No. 2018-05**

**WHEREAS**, Article XIII, Section 4 of the California Constitution (Proposition 218) requires that proposed assessments for the Pajaro Dunes Geologic Hazard Abatement District (“Pajaro Dunes GHAD”) be put to a vote of property owners in the District.

**NOW, THEREFORE BE IT RESOLVED**, that the Board of Directors of the Pajaro Dunes GHAD hereby approves the assessment ballot for Zone 1, attached hereto as Exhibit “A,” and instructs the District Clerk to file a copy of the ballot in the official records of the District.

**BE IT FURTHER RESOLVED** that the Board of Directors of the Pajaro Dunes GHAD hereby approves the assessment ballot for Zone 2, attached hereto as Exhibit “B,” and instructs the District Clerk to file a copy of the ballot in the official records of the District.

**PASSED AND ADOPTED** by the Board of Directors of the Pajaro Dunes Geologic Hazard Abatement District of the County of Santa Cruz, State of California, this 10<sup>th</sup> day of March, 2018 by the following vote:

**AYES:** Directors \_\_\_\_\_

**NOES:** Directors \_\_\_\_\_

**ABSENT:** Directors \_\_\_\_\_

**ABSTAIN:** Directors \_\_\_\_\_

\_\_\_\_\_  
Robert Moore, President, Board of Directors

ATTEST: \_\_\_\_\_  
Sarah Mansergh, Clerk of the Board

## Exhibit A

**IMPORTANT - OFFICIAL ASSESSMENT BALLOT FOR ZONE 1**

**PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT**

The Pajaro Dunes Geologic Hazard Abatement District (“GHAD”) is seeking approval of an increased assessment, with an annual cost-of-living adjustment (“COLA”), to fund a new proposed administrative and operation budget for both Zones 1 and 2. Assessed funds will be used to support District Operations, including Zone 1’s pro rata share of costs associated with legal, accounting and engineering services, increased insurance coverage, state mandated compliance expenses, website maintenance, Board training, mailings, and annual seawall and river wall inspections. The Zone 1 assessment will also provide necessary funds to establish a contingency reserve for future emergency seawall maintenance and repair. The proposed COLA is based on a ten-year average for the Bay Area, All Urban Consumers, Consumer Price Index, or 2.6% annually. If approved, the assessment will fund the new annual budget which will replace the annual budget approved for District Operations by property owners in Zone 1 and Zone 2 in 1999. The maximum assessment in Zone 1, subject to the afore-referenced COLA, will be \$306,065 per year, which has been calculated as Zone’s 1’s proportionate share of the new administrative and operations budget. The Fiscal Year 2018-2019 assessment has been preliminarily established for Zone 1 at \$306,065. Assessments will be allocated between major groups based on the length of the seawall in front of their respective areas, Housing (75.45%), Pelican Point Condominiums (10.18%), Cypress Grove Townhouses (11.84%) and Association-Stairways (2.53%). In accordance with standard cost allocation formulas, previously adopted by the GHAD Board and established when the District was created by the Santa Cruz Board of Supervisors on October 27, 1998, the Pelican and Cypress Groups share their portion of the cost equally among their members, while the portion allocated to houses pays its portion as follows: front-row houses- 85%, second-row houses-10%, and back-row houses-5%.

This ballot is for the use of the owner or authorized representative of the parcel identified below, which parcel is located within Zone 1 of the Pajaro Dunes Geologic Hazard Abatement District. Property ownership includes tenancies of real property where tenants are directly liable to pay future assessment. Please advise the District Clerk, Sarah Mansergh, at 2661 Beach Road, Watsonville, California, 95076, or email at [semmansergh@hotmail.com](mailto:semmansergh@hotmail.com) if the name below is incorrect or if you are no longer the owner of this parcel.

This ballot may be used to express either support for or opposition to an assessment for the new proposed Administrative and Operating Budget, which includes an annual COLA to the assessment on an annual basis. To be counted, this ballot must be signed below by an owner or, if the owner is not an individual, by the authorized representative of the owner. The ballot must then be delivered to the District office at 2661 Beach Road, Watsonville, California, 95076, either by mail or in person, as follows:

Mail Delivery: If by mail, place the ballot in the prepaid, self-addressed return envelope and place in it the mail not later than May 9th, 2018. Mailing later than this deadline creates the risk that the ballot will not be received in time to be counted.

Personal Delivery: If in person, to the Pajaro Dunes Gatehouse ballot box, 2661 Beach Road, Watsonville, California, 95076 or at the public hearing on May 12th, 2018 at 9:00 a.m in the Meadow Room.

**However delivered, the ballot must be received by the District Board President prior to the close of the public hearing on May 12th, 2018 to be counted.**

**OFFICIAL ASSESSMENT BALLOT**

I declare, under penalty of perjury, that I am the legal owner or authorized representative and am entitled to execute this ballot for the parcel shown below, and I hereby cast my vote

**IN SUPPORT OF**

**OR**

**IN OPPOSITION TO**

a new annual assessment for the Zone 1 proportionate share of the GHAD's Administrative and Operating Budget, which includes an annual COLA based on a ten year average for the Bay Area, All Urban Consumers, Consumer Price Index, and which has been preliminarily established by the GHAD Board at a maximum of \$306,065.

Date \_\_\_\_\_

\_\_\_\_\_  
Name (Please Print)

Unit No. \_\_\_\_\_

\_\_\_\_\_  
Signature of Property Owner or Authorized Representative

Exhibit B

**IMPORTANT - OFFICIAL ASSESSMENT BALLOT FOR ZONE 2**

**PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT**

The Pajaro Dunes Geologic Hazard Abatement District (“GHAD”) is seeking approval of an increased assessment, with an annual cost-of-living adjustment (“COLA”) to fund a new proposed administrative and operation budget for both Zones 1 and 2. Assessed funds will be used to support District Operations, including Zone 2’s pro rata share of costs associated with legal, accounting and engineering services and annual river wall inspections. The proposed COLA is based on a ten-year average for the Bay Area, All Urban Consumers, Consumer Price Index, or 2.6% annually. If approved, the assessment will fund the new annual budget which will replace the annual budget approved for District Operations by property owners in Zone 1 and Zone 2 in 1999. The maximum assessment in Zone 2, subject to the afore-referenced COLA, will be \$4050 per year, which has been calculated as Zone 2’s proportionate share of the new administrative and operations budget. The Fiscal Year 2018-2019 assessment has been preliminary established for Zone 2 at \$4,050, with expenses being allocated equally between owners of the Pelican Point Condominiums.

This ballot is for the use of the owner or authorized representative of the parcel identified below, which parcel is located within Zone 2 of the Pajaro Dunes Geologic Hazard Abatement District. Property ownership includes tenancies of real property where tenants are directly liable to pay future assessment. Please advise the District Clerk, Sarah Mansergh, at 2661 Beach Road, Watsonville, California, 95076, or email at [semmansergh@hotmail.com](mailto:semmansergh@hotmail.com) if the name below is incorrect or if you are no longer the owner of this parcel.

This ballot may be used to express either support for or opposition to an assessment for the new proposed District Administrative and Operating Budget, which includes an annual COLA to the assessment on an annual basis. To be counted, this ballot must be signed below by an owner or, if the owner is not an individual, by the authorized representative of the owner. The ballot must then be delivered to the District office at 2661 Beach Road, Watsonville, California, 95076, either by mail or in person, as follows:

Mail Delivery: If by mail, place the ballot in the prepaid, self-addressed return envelope and place it in the mail not later than May 9th, 2018. Mailing later than this deadline creates the risk that the ballot will not be received in time to be counted.

Personal Delivery: If in person, to the Pajaro Dunes Gatehouse, 2661 Beach Road, Watsonville, California, 95076 or at the public hearing on May 12th, 2018 at 9:00 a.m in the Meadow Room.

**However delivered, the ballot must be received by the District Board President prior to the close of the public hearing on May 12<sup>th</sup>, 2018 at 9am to be counted.**

**OFFICIAL ASSESSMENT BALLOT**

I declare, under penalty of perjury, that I am the legal owner or authorized representative and am entitled to execute this ballot for the parcel shown below, and I hereby cast my vote

**IN SUPPORT OF**

**OR**

**IN OPPOSITION TO**

a new annual assessment for the Zone 2's proportionate share of the GHAD's Administrative and Operating Budget, which includes an annual COLA based on a ten year average for the Bay Area, All Urban Consumers, Consumer Price Index, and which has been preliminarily established by the GHAD Board at a maximum of \$4,050.

Date \_\_\_\_\_

\_\_\_\_\_  
Name (Please Print)

Unit No. \_\_\_\_\_

\_\_\_\_\_  
Signature of Property Owner or Authorized Representative