

**THE PROMONTORY AT RIDGEMARK ANNEXATION
SAN BENITO COUNTY, CALIFORNIA**

ENGINEER'S REPORT

SUBMITTED TO
San Benito Geologic Hazard Abatement District

PREPARED BY
ENGEO Incorporated

September 1, 2021

PROJECT NO.
13072.000.000

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DRAFT

ENGINEER'S REPORT

SAN BENITO
GEOLOGIC HAZARD ABATEMENT DISTRICT
THE PROMONTORY AT RIDGEMARK ANNEXATION
(Pursuant to the Public Resources Code of the State of California, Section 26500 et seq.)

CERTIFICATION OF FILING

The Geologic Hazard Abatement District (GHAD) provides monitoring and maintenance of improvements related to geologic hazard management and other responsibilities as a landowner, within The Promontory at Ridgemark (The Promontory) residential development portion of the San Benito GHAD. The GHAD also levies and collects assessments in order to perform its activities.

The improvements, which are the subject of this report, are defined as any activity necessary or incidental to the prevention, mitigation, abatement, or control of a geologic hazard, construction, maintenance, repair, or operation of improvement; or the issuance and servicing of bonds issued to finance any of the foregoing (Pub. Resources Code § 26505).

This report consists of eight parts, as follows.

- I. INTRODUCTION
- II. BACKGROUND
- III. GEOLOGIC HAZARD ABATEMENT DISTRICT BOUNDARIES
- IV. SERVICE LEVELS
- V. DESCRIPTION OF GHAD-MAINTAINED IMPROVEMENTS
- VI. ASSESSMENT METHOD
- VII. ASSESSMENT - BUDGET
- VIII. OWNER RESPONSIBILITIES

The undersigned respectfully submits the enclosed Engineer's Report.

Date: _____, 2021

By: ENGEO Incorporated

Jeffrey A. Adams, PE

I HEREBY CERTIFY that the enclosed Engineer's Report was filed on the ___th day of _____ 2021.

Clerk of the Board
San Benito Geologic Hazard Abatement District
San Benito County, California

I HEREBY CERTIFY that the enclosed Engineer's Report was approved and confirmed by the GHAD Board on the ___th day of _____ 2021.

Chair of the Board
San Benito Geologic Hazard Abatement District
San Benito County, California

ENGINEER'S REPORT

SAN BENITO
GEOLOGIC HAZARD ABATEMENT DISTRICT
THE PROMONTORY AT RIDGEMARK ANNEXATION
SAN BENITO COUNTY, CALIFORNIA
for the
ESTABLISHMENT OF AN ASSESSMENT LIMIT

I. INTRODUCTION

The San Benito County Board of Supervisors formed the San Benito Geologic Hazard Abatement District (GHAD or District) on May 10, 2016 (Resolution No. 2016-31), under the authority of the California Public Resources Code, Division 17, Section 26500 et seq. The GHAD Board of Directors approved the annexation of The Promontory development into the GHAD on _____, 2021 with the approval of Resolution No. 2021-___ (GHAD Annexation Area). The members of the San Benito County Board of Supervisors act as the Board of Directors of the GHAD.

II. BACKGROUND

The San Benito GHAD Board of Directors approved the Plan of Control for The Promontory at Ridgemark (Plan of Control) with the approval of Resolution No. 2021-___ on _____, 2021. The Plan of Control describes the GHAD's responsibilities to permanently monitor and maintain GHAD improvements within the GHAD Annexation Area. The establishment of a real property related assessment to fund the GHAD's responsibilities is described in this Engineer's Report.

III. GEOLOGIC HAZARD ABATEMENT DISTRICT BOUNDARIES

The boundaries for the GHAD Annexation Area are shown in the legal description and plat attached hereto as Exhibits A and B.

IV. SERVICE LEVELS

The GHAD's activities are set forth in the Plan of Control and include certain activities necessary or incidental to the prevention, mitigation, abatement, or control of geologic hazards, including construction, retention, repair, or operation of any improvement, and the issuance and servicing of debt or bonds issued to finance any of the foregoing.

The GHAD provides for the administration and review of facilities within the budgeted limits, including the following services.

1. Oversight of GHAD operations.
2. In conjunction with the San Benito County Assessor's Office, setting the annual levying of assessments on the property tax roll.

3. Engagement of technical professionals to perform the monitoring duties as described in the Plan of Control.
4. Performance of GHAD maintenance activities in accordance with the Plan of Control. These maintenance activities include, but are not limited to the following.
 - Maintenance and repair of slopes
 - Maintenance, repair, and replacement of the concrete-lined drainage ditches and associated improvements within GHAD-owned Parcels A , C, and I
 - Monitoring, maintenance, and repair of the subdrain outlets and risers
 - Monitoring and maintenance of measurement devices, such as piezometers, inclinometers, and tiltmeters
 - Maintenance, repair, and replacement of retaining walls on Parcels A, C and I, if any
 - Monitoring, maintenance, repair, and replacement of retention basins on Parcels C and I
 - Maintenance, repair, and replacement of storm drain improvements within Parcels A, C, and I and the public street right of way with the exception of Southside Road
 - Vegetation control for fire suppression on GHAD-owned Parcels A, C, and I
5. Preparation of annual GHAD budgets.

V. DESCRIPTION OF GHAD-MAINTAINED IMPROVEMENTS

The GHAD-maintained improvements are described in the Plan of Control. In general, these improvements include drainage systems, including concrete-lined ditches in developed areas and open space; storm drain pipelines, inlets and outlets; subdrains and outlets; and selected retaining walls.

VI. ASSESSMENT METHOD

The improvements and GHAD responsibilities described in Section V are distributed within the GHAD Annexation Area. The improvements described in this document will confer the following special benefits to the assessed parcels.

1. Protection from slope instability
2. Protection from erosion due to uncontrolled surface water
3. Protection of water quality
4. Protection from wild land fires due to unmanaged vegetation

The GHAD assessment is distributed among all residential property owners within the GHAD Annexation Area. The improvements and responsibilities listed in Section V provide specific benefits to the properties within the GHAD Annexation Area and the improvements are constructed for the benefit of those assessed and not the general public.

The GHAD Annexation Area consists of 90 single-family residences. Single-family residential lots are assessed as one unit and are assessed equally. The total number of residential units

within the GHAD Annexation Area was considered during the development of the annual GHAD Annexation Area budget and the annual assessment amount.

The Engineer hereby finds that the residential properties within the GHAD Annexation Area receive approximately equal special benefit from the work and improvements within the GHAD. As a result, the GHAD assessment for the GHAD Annexation Area is distributed among all owners of parcels.

A financial analysis was performed to provide a framework for an operating budget for the ongoing abatement, mitigation, prevention, and control of geologic hazards within the GHAD Annexation Area. In preparation of the budget, several factors were considered, including the following.

1. Site geology
2. Remedial grading
3. Proximity of geologic hazards to proposed residences
4. Improvements and structures
5. Site access considerations
6. Elements requiring routine maintenance, including the following.
 - Surface drainage facilities
 - Storm drain facilities
 - Graded slopes
 - Retaining walls
 - Fire breaks

VII. ASSESSMENT - BUDGET

The purpose of this Engineer's Report is to establish the assessment level and the apportionment of the assessment within the GHAD Annexation Area as required under Proposition 218. The annual budget in each subsequent fiscal year will apprise the GHAD Board of Directors of the estimated budget for the upcoming year.

Based on the estimated expenses for ongoing operations, allowing for larger (approximately \$400,000) geologic events at 25-year intervals, and accumulation of a reserve of (\$1,062,000 by 2061 in FY 2021/2022 dollars), a budget was prepared for the purpose of estimating initial assessment levels (Exhibit C).

The Engineer recommends an annual assessment limit for the GHAD Annexation Area of \$1,332.00 per single-residential unit (Fiscal Year 2021/2022 dollars). The proposed initial assessment level will be automatically adjusted annually on April 30 to reflect the percentage change in the San Francisco-Oakland-Hayward Consumers Price Index for All Urban Consumers.

While the assumptions and estimated expenses listed in Exhibit C were used to determine the assessment levels for the GHAD Annexation Area, they do not represent the actual budget for any one year of the GHAD's operation, since assessment of the individual parcels will be based on the issuance of building permits, which will occur over a number of years. In addition, the Engineer anticipates that the projected expense amounts will be reached over time and that these amounts will be inflation-adjusted in the year that the expenses occur.

Pursuant to the schedule set forth in Appendix D of the Plan of Control for The Promontory at Ridgemark, the GHAD reserve at the time of transfer will be a minimum \$210,000. In addition, all 90 residential units shall be subject to the levy of the GHAD assessment. The minimum reserve amount represents the estimated total assessments that will be collected from within The Promontory at Ridgemark during the period the Owner is responsible for all GHAD activities. The reserve amount requirement may be satisfied by including remaining cash and receivables from the San Benito County Tax Collector during the period that the Owner of The Promontory at Ridgemark is responsible for performing the GHAD activities. Additional funds contributed directly by the Owner to satisfy the minimum reserve requirement, if any, shall be provided to the San Benito GHAD prior to its acceptance of the monitoring and maintenance responsibilities within The Promontory at Ridgemark.

VIII. OWNER RESPONSIBILITIES

Century Communities (Owner) is responsible for managing and maintaining the GHAD Annexation Area until the GHAD accepts responsibility for the GHAD Improvements as set forth in the Plan of Control. In addition, the Owner is responsible for funding any necessary GHAD functions or business undertaken for the GHAD Annexation Area that the GHAD Officers or Board of Directors determine are necessary before the GHAD accepts the GHAD Improvements. If the Owner fails to fund all or a portion of these costs, the costs shall be covered by the funds generated by and for the GHAD Annexation Area (i.e., through the assessment), and the Owner shall be required to reimburse the GHAD for such costs before the GHAD can accept monitoring and maintenance responsibilities for the GHAD improvements.

The GHAD may utilize funds generated by or for the GHAD Annexation Area to conduct any necessary GHAD functions or business for the GHAD Annexation Area required before the GHAD accepts the GHAD improvements. Such functions and business can include periodic reporting to the GHAD Board of Directors and work performed by GHAD Officers to verify the GHAD is implemented in accordance with the Plan of Control and GHAD Law.



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EXHIBIT A

LEGAL DESCRIPTION

AUGUST 24, 2021
JOB NO. 2486-000

**EXHIBIT A
LEGAL DESCRIPTION
GHAD ASSESSMENT AREA
APN 025-420-005,
025-420-019 & PORTION OF 025-420-006
SAN BENITO COUNTY, CALIFORNIA**

REAL PROPERTY, SITUATE IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF SAN BENITO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEING ALL OF PARCEL ONE AND A PORTION OF PARCEL TWO, AS SAID PARCELS ONE AND TWO ARE SHOWN AND SO DESIGNATED ON THAT CERTAIN RECORD OF SURVEY, FILED FOR RECORD ON MAY 28, 2008 IN BOOK 14 OF MAPS, AT PAGE 62, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BENITO COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEASTERN CORNER OF SAID PARCEL TWO;

THENCE, FROM SAID POINT OF BEGINNING, ALONG THE EASTERN LINE OF SAID PARCEL TWO, SOUTH 00°49'12" WEST 187.98 FEET;

THENCE, LEAVING SAID EASTERN LINE NORTH 78°44'15" WEST 132.62 FEET;

THENCE, NORTH 55°34'27" WEST 175.54 FEET;

THENCE, NORTH 88°57'35" WEST 139.34 FEET;

THENCE, SOUTH 58°03'27" WEST 444.49 FEET;

THENCE, SOUTH 10°29'14" WEST 184.46 FEET;

THENCE, SOUTH 23°01'08" EAST 160.34 FEET;

THENCE, SOUTH 66°58'52" WEST 97.50 FEET;

THENCE, NORTH 23°01'08" WEST 316.95 FEET;

THENCE, NORTH 12°35'53" WEST 419.71 FEET TO A POINT ON THE EXTERIOR BOUNDARY OF SAID PARCEL ONE;

THENCE, ALONG SAID EXTERIOR BOUNDARY, THE FOLLOWING TWELVE (12) COURSES:

- 1) THENCE, NORTH 87°55'27" WEST 80.41 FEET,
- 2) NORTH 15°27'24" WEST 317.38 FEET,

- 3) NORTH 33°15'20" WEST 196.67 FEET,
- 4) NORTH 45°53'20" WEST 433.60 FEET,
- 5) NORTH 52°25'20" WEST 89.76 FEET,
- 6) NORTH 59°52'20" WEST 172.25 FEET,
- 7) NORTH 79°35'00" WEST 152.37 FEET,
- 8) NORTH 87°49'55" WEST 95.04 FEET,
- 9) NORTH 87°46'04" WEST 5.51 FEET,
- 10) NORTH 03°00'22" EAST 383.37 FEET,
- 11) SOUTH 88°57'35" EAST 2,124.01 FEET,
- 12) SOUTH 00°49'12" WEST 1,330.85 FEET TO THE POINT OF BEGINNING.

CONTAINING 55.01 ACRES OF LAND, MORE OR LESS.

ATTACHED HERETO IS A PLAT TO ACCOMPANY LEGAL DESCRIPTION, AND BY THIS REFERENCE MADE A PART HEREOF.

END OF DESCRIPTION



 8/26/2021
MARK H. WEHBER, P.L.S.
L.S. NO. 7960



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EXHIBIT B

PLAT TO ACCOMPANY LEGAL DESCRIPTION

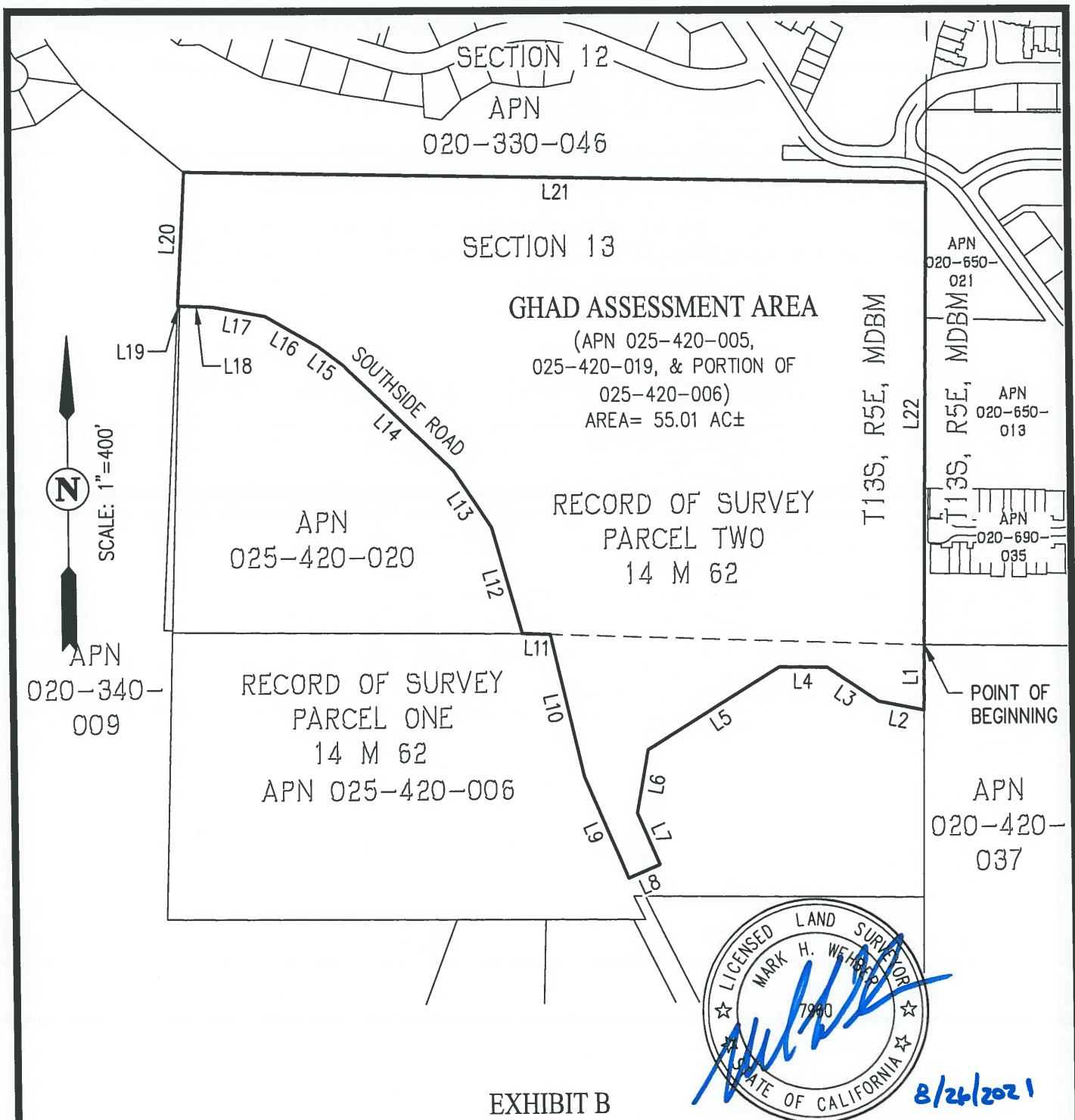


EXHIBIT B
PLAT TO ACCOMPANY LEGAL DESCRIPTION

GHAD ASSESSMENT AREA
 APN 025-420-005, 025-420-190, & PORTION OF 025-420-006
 SAN BENITO COUNTY, CALIFORNIA
 AUGUST 24, 2021

SHEET 1 OF 2

Carlson, Barbee & Gibson, Inc.

CIVIL ENGINEERS • SURVEYORS • PLANNERS
 SAN RAMON • (925) 866 - 0322
 WEST SACRAMENTO • (916) 375 - 1877

LINE TABLE		
NO	BEARING	LENGTH
L1	S00°49'12"W	187.98'
L2	N78°44'15"W	132.62'
L3	N55°34'27"W	175.54'
L4	N88°57'35"W	139.34'
L5	S58°03'27"W	444.49'
L6	S10°29'14"W	184.46'
L7	S23°01'08"E	160.34'
L8	S66°58'52"W	97.50'
L9	N23°01'08"W	316.95'
L10	N12°35'53"W	419.71'
L11	N87°55'27"W	80.41'

LINE TABLE		
NO	BEARING	LENGTH
L12	N15°27'24"W	317.38'
L13	N33°15'20"W	196.67'
L14	N45°53'20"W	433.60'
L15	N52°25'20"W	89.76'
L16	N59°52'20"W	172.25'
L17	N79°35'00"W	152.37'
L18	N87°49'55"W	95.04'
L19	N87°46'04"W	5.51'
L20	N03°00'22"E	383.37'
L21	S88°57'35"E	2124.01'
L22	S00°49'12"W	1330.85'

EXHIBIT B
PLAT TO ACCOMPANY LEGAL DESCRIPTION

GHAD ASSESSMENT AREA
 APN 025-420-005, 025-420-190, & PORTION OF 025-420-006
 SAN BENITO COUNTY, CALIFORNIA

SHEET 2 OF 2

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EXHIBIT C

BUDGET – September 1, 2021

**San Benito Geologic Hazard Abatement District
The Promontory at Ridgeview Annexation**

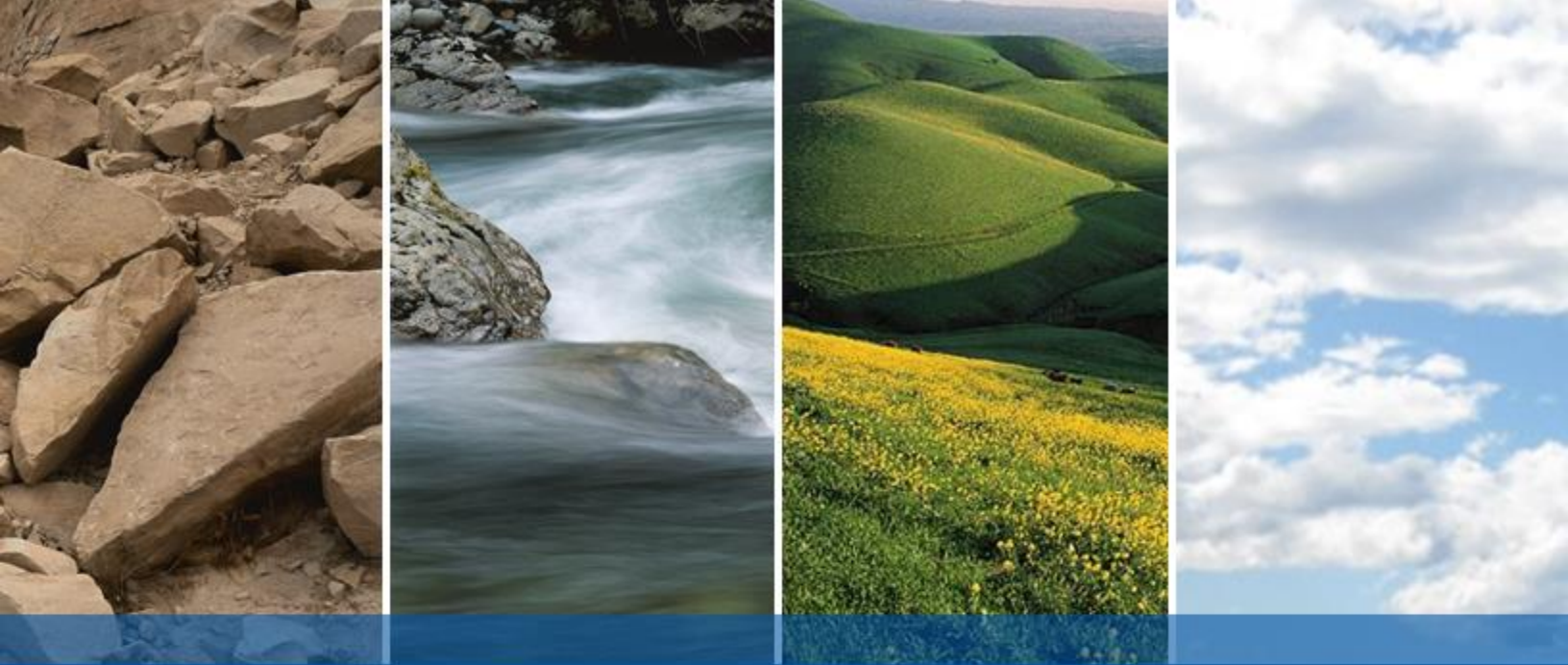
Budget – September 1, 2021

ASSUMPTIONS

Total No. of Single-Family Residential Units	90
Annual Assessment per Unit (FY 2021/2022)	\$1,332
Annual Adjustment in Assessment (estimated)	2.0%
Inflation (estimated)	2.0%
Investment Earnings (estimated)	4.0%
Frequency of Large-Scale Repair (years)	25
Cost of Large-Scale Repair (current \$)	\$400,000

ESTIMATED ANNUAL EXPENSES IN 2021/2022 DOLLARS

Administration (Manager, Treasurer, Clerk, and Legal Counsel)	\$ 25,500
Outside Administration Services, Membership, and Insurance	\$ 4,123
Monitoring Activities	\$ 8,500
Maintenance and Operation	\$ 27,675
Capital Improvements (Storm Drain, Ditch, and Fence)	\$ 12,756
Major Repair (Annualized)	\$ 16,000
Miscellaneous & Contingency (10%)	\$ 7,855
Reserve	<u>\$ 17,471</u>
TOTAL	<u>\$119,880</u>



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