



**REGULAR MEETING AGENDA  
PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT  
VIRTUAL MEETING via ZOOM**

**Governor Newsom through CA Executive Order N-33-20 (issued on March 19<sup>th</sup>, 2020) issued a shelter-in-place order for the State of California. The order was further strengthened by the County of Santa Cruz Health Officer Order issued on March 31<sup>st</sup>, 2020 which discourages residents from traveling (even between their own properties) for non-essential reasons. CA Executive Order N-25-20 allows for modifications to the Brown Act ensuring that public meetings can continue under this order through telephone or video conferencing. As such, the Pajaro Dunes Geologic Hazard Abatement District will be hosting their regularly scheduled April 11<sup>th</sup>, 2020 meeting online via the Zoom platform and encourages residents to participate from their current location via video conference or telephone.**

**Saturday, April 11<sup>th</sup>, 2020 9:00 a.m.**

**Zoom Meeting ID: 291-012-071  
Zoom Meeting PW: 553907**

**See below the agenda for how to download Zoom for a computer or smartphone (both audio and video available) or to participate via dial-in telephone (audio only). Also, please review the etiquette guidelines and reminders.**

**Participation information and the meeting packet will be available at [www.pajarodunesbeach.com](http://www.pajarodunesbeach.com) GHAD tab. If you have any questions please contact the District Clerk at [pdghad@gmail.com](mailto:pdghad@gmail.com)**

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

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**Roll Call**

John Cullen, Secretary  
David Ferrari, Community Liaison  
Jim Griffin, Director

Jack Feinstein, Director  
Raphael Kraw, 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.

#### **A. Overview of online meeting layout and how to actively participate**

#### **B. 2020 Regular Meeting Dates**

May 16<sup>th</sup>  
August 8<sup>th</sup>  
November 14<sup>th</sup>  
December 12<sup>th</sup>

#### **C. Directors -submit yearly Form 700 to the County Clerk's office-online preferred.**

### **D. CONSENT CALENDAR**

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All matters listed on the Consent Calendar are considered to be routine by the Board of Directors and will be enacted by one motion at the appropriate time. There will be no separate discussion on these items. If discussion is desired, that item will be removed from the Consent Calendar and will be considered separately.

1. Approval of meeting minutes of November 9<sup>th</sup>, 2019; December 14<sup>th</sup>, 2019 and February 8<sup>th</sup>, 2020.

### **E. TREASURER'S REPORT**

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2. Financial Reports
  - Financial Report through March 31<sup>st</sup>, 2020
  - Warrant listing

### **F. MEETING reports**

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3. Meetings attended by Directors at District expense since the last meeting of the Board (per AB1234 requirements). Such reports may be made orally or in writing.

### **G. NEW BUSINESS**

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4. ITEM-Update from Cal Engineering and Geology on document preparation for permit submission.

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

5. ITEM – Provide input for the PDGHAD Investment Policy Statement including a review of the Santa Cruz County General Fund as a possible investment option.

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

6. ITEM – Review draft budget for FY 2020/21

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

7. ITEM – Designate officers for the Board

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

7. ITEM – Decide on website hosting option

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

## **H. 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.

## **I. ADJOURNMENT**

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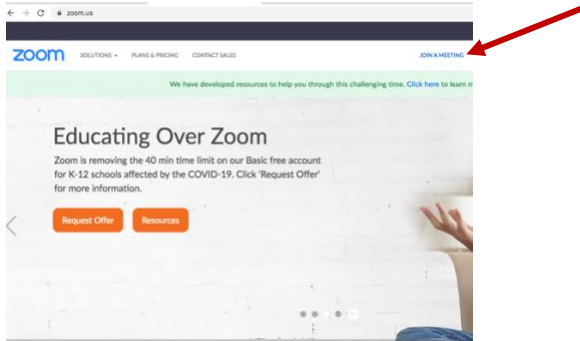
The next Meeting of the Board of Directors is scheduled for May 16th, 2020, at 9:00 a.m. at the offices of the Pajaro Dunes Geologic Hazard Abatement District, Board Room, Pajaro Dunes, 2661 Beach Road, Watsonville, CA 95076. Individuals who require special accommodations are requested to contact the District Clerk by calling (831) 818-9253, 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

## Zoom Meeting Set-up for PDGHAD meeting

You can join Zoom with your computer or with your smartphone. Please download the program (as described below) for your preferred instrument and call Sarah to verify usability.

### Computer:

- 1) Go to [zoom.us](https://zoom.us)



- 2) Click Join a Meeting (red arrow)
- 3) It will prompt you to download and run Zoom (The program should open automatically. If it doesn't then go to your programs and start it manually)
- 4) Click Join a Meeting
- 5) Meeting ID: see agenda
- 6) Choose a Name and Click Join
- 7) Test Password: see agenda
- 8) You will be admitted to the meeting and can use the designated public participation times to ask a question verbally or the chat feature (bubble icon on lower menu) at any time to ask questions that can be read out during the public comment period.

### Smartphone:

- 1) Go to your application download center
- 2) Download "Zoom Cloud Meetings" by Meet Happy



- 3) Click “Join a Meeting”
- 4) Enter Meeting ID: see agenda
- 5) Enter Password: see agenda
- 6) You will be admitted to the meeting and can use the designated public participation times to ask a question verbally or the chat feature (click on the 3 dots More button on the bottom right and select chat) at any time to ask questions that can be read out during the public comment period.

### **Telephone (audio only):**

- 1) Call: Dial by your location
  - 669 900 9128 US (San Jose)
  - 888 788 0099 US Toll-free
  - 877 853 5247 US Toll-free
- 2) Enter the Meeting ID: See agenda
- 3) Enter the Meeting PW: See agenda
- 4) Follow the instructions
- 5) You can send questions (or ask for assistance) outside of the public comment period to [pdghad@gmail.org](mailto:pdghad@gmail.org) to be read during the discussion public comment time.

### **Some etiquette-**

- 1) We can see you:
  - a. Warn your household members they may be on video
  - b. Leave the phone/computer where it is when taking a break
- 2) Turn down ambient music/noises
- 3) Mute yourself when you are not speaking to us (you will be muted upon entering the meeting and during presentations). You can use the chat feature to ask questions when muted.
- 4) Unmute when you are speaking to us

Some common solutions:

### **Want to see everyone in gallery view (everyone at once)?**

**Computer:** Click Gallery View on the top right menu

**Smart phone:** Swipe left

### **Camera not showing the correct view?**

**Computer:** Go to the Video icon on the bottom left of your computer screen and click on the ^ to open the menu to switch your camera.

**Smartphone:** Click the camera reverse button on the top menu

# PDGHAD

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

Please note the change of venue to the Meadow Room  
**Saturday, November 9th, 2019 9:00 a.m.**

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

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### **Roll Call**

John Cullen, Secretary-**present**  
David Ferrari, Community Liaison-**present**  
Jim Griffin, Director –**not present**

Jack Feinstein, Director-**not present**  
Raphael Kraw, Director-**present**  
Sarah Mansergh, Clerk-**present**

**Mike Rodriguez (attorney), Wendy Cumming (accountant) were also present.**

## **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**

---

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.

- **Meeting Calendar 2019**

December 14<sup>th</sup>

**2020 Regular Meeting Dates**

February 8<sup>th</sup>

April 11<sup>th</sup>

**May 9<sup>th</sup> Change to May 16<sup>th</sup>**

August 8<sup>th</sup>

November 14<sup>th</sup>

December 12<sup>th</sup>

## D. CONSENT CALENDAR

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All matters listed on the Consent Calendar are considered to be routine by the Board of Directors and will be enacted by one motion at the appropriate time. There will be no separate discussion on these items. If discussion is desired, that item will be removed from the Consent Calendar and will be considered separately.

1. Approval of minutes September 21<sup>st</sup>, 2019-**Defer to next meeting to achieve a quorum**

## E. TREASURER'S REPORT

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2. Financial Reports
  - Financial Report through October 31<sup>st</sup>, 2019
  - Warrant listing
  - Asset Investments and Options

**Wendy Cumming gave an update on the Financial Report and a brief discussion on some investment options that may be reviewed in the future. Suggested that the Board review a draft investment policy statement before making any decisions (add to February meeting).**

**Raphael moves to approve the financial statements, David seconds. All approve**

## F. MEETING reports

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2. Meetings attended by Directors at District expense since the last meeting of the Board (per AB1234 requirements). Such reports may be made orally or in writing.

**John, David and Mike met with the County and Engineer of Record on October 22<sup>nd</sup> and Nov 7<sup>th</sup> with the Engineer of Record.**

## G. NEW BUSINESS

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4. ITEM – Designate officers for the Board-**Defer to next meeting. Provide job descriptions.**
  - a. Board report
  - b. Public comment
  - c. Board discussion
  - d. Board action /direction
5. ITEM-Review Emergency Procedures and Contact Information Sheet
  - a. Board report
  - b. Public comment
  - c. Board discussion
  - d. Board action /direction

**Reviewed the Emergency Procedures and Contact Information. Sarah was directed to review with Engineer of Record and bring back for finalization at the next meeting.**

6. ITEM-Designate a signee(s) for the emergency line of credit with Santa Cruz County Bank and discuss adequacy of current bank signatures lists
- a. Board report
  - b. Public comment
  - c. Board discussion
  - d. Board action /direction

**Raphael moves to designate John Cullen and David Ferrari as signatories on the emergency line of credit as both are already signatories on our other SCCB accounts. John is authorized to sign the documents and both John and David are authorized to advance funds from the loan. David F. seconds. All approve.**

7. ITEM – Review FY 2018/19 audit report.
- a. Board report
  - b. Public comment
  - c. Board discussion
  - d. Board action /direction

**Wendy presented the clean opinion from the auditors.**

**David F moves to approve the draft audit report and directs Wendy to send it for finalization. Raphael seconds. All approve.**

**John will present the audit findings at the homeowners meeting in December.**

8. ITEM – Review results of the County planning meeting and discuss next steps to be taken for submission of a maintenance plan for the seawall.
- a. Board report
  - b. Public comment
  - c. Board discussion
  - d. Board action /direction

**John provided an update on the County planning meeting on October 22<sup>nd</sup>, where they and introduced our new Engineer of Record (EofR) to County personnel and discussed the plan moving forward. EofR will develop a detailed construction methodology and documentation we have and advise on what is needed to move the plan forward for SC County to issue us a grading permit. SC County and GHAD will then approach the Coastal Commission with the plan for review.**

**November 7<sup>th</sup> follow up meeting: CE&G suggested a survey of the seawall to update information. Can do a drone survey of current conditions based on the ARUP information. \$6,000 for the critical areas and \$10,000 for the entire seawall. Will secure data from ARUP, put together report and at the December meeting provide updates. Set up with Dan for a call in to the December meeting.**



**David F. moves to hire CE&G for the survey of the entire wall and authorizes expenditure of \$10,000. Raphael seconds. All approve.**

**Raphael will research grant possibilities-including the Coastal Conservancy.**

## **H. 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.

## **I. ADJOURNMENT**

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Adjourned at 10:36am.

Attest:

Sarah Mansergh  
Clerk of the Board  
Pajaro Dunes Geologic Hazard Abatement District

The next Meeting of the Board of Directors is scheduled for December 14th, 2019, at 9:00 a.m. at the offices of the Pajaro Dunes Geologic Hazard Abatement District, Board Room, Pajaro Dunes, 2661 Beach Road, Watsonville, CA 95076. Individuals who require special accommodations are requested to contact the District Clerk by calling (831) 818-9253, 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. For copies of the agenda will be available 72 hours prior to the meeting and may be obtained by contacting the District agenda and board packet e-mail [pdghad@gmail.org](mailto:pdghad@gmail.org) or (831) 761-7744. All meetings are noticed and conducted in accordance with the Ralph M. Brown Act.

# PDGHAD

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

Please note the change of venue to the Meadow Room  
**Saturday, December 14th, 2019 9:00 a.m.**

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

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### **Roll Call**

John Cullen, Secretary present  
David Ferrari, Community Liaison-not present  
Jim Griffin, Director –not present

Jack Feinstein, Director-present  
Raphael Shannon, Director-present  
Sarah Mansergh, Clerk-present

**Michael Rodriguez-attorney also present**

## **B. MEMBER COMMENTS**

---

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## **C. PRESIDENT’S REMARKS**

---

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.

### **2020 Regular Meeting Dates**

February 8<sup>th</sup>  
April 11<sup>th</sup>  
May 16<sup>th</sup>  
August 8<sup>th</sup>  
November 14<sup>th</sup>  
December 12<sup>th</sup>

## **D. CONSENT CALENDAR**

---

All matters listed on the Consent Calendar are considered to be routine by the Board of Directors and will be enacted by one motion at the appropriate time. There will be no separate discussion on these

items. If discussion is desired, that item will be removed from the Consent Calendar and will be considered separately.

1. Approval of minutes September 21<sup>st</sup>, 2019 and November 9<sup>th</sup>, Deferred for quoroms

#### **E. TREASURER'S REPORT**

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##### 2. Financial Reports

- Financial Report through November 30<sup>th</sup>, 2019

**The financial report through Nov. 30<sup>th</sup>, 2019 was reviewed by the Board-no major changes.**

#### **F. MEETING reports**

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3. Meetings attended by Directors at District expense since the last meeting of the Board (per AB1234 requirements). Such reports may be made orally or in writing.

No meetings attended

#### **G. NEW BUSINESS**

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##### 4. ITEM-Review Updated Emergency Procedures and Contact Information Sheet

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

**Updates to document: Larger disaster have a return arrow and make sure Dan shows up in the bubble of EOR. Add Mike as legal representation and Sarah as Clerk.**

##### 5. ITEM- Review officers job descriptions

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

**Question from John: What was the wording of the charge from the County Board of Supervisors. Sarah to look at docs from formation of GHAD and bring back at a future meeting.**

##### 6. ITEM – Receive an update on permitting documentation and drone survey from Dan Peluso.

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

**Dan called in to the meeting and provided an update on the drone survey and the transfer of documents from ARUP have been received. Jack brought up the point that this map may be**

used by PDA to address the flood designations from FEMA. Discussed some strategies for moving forward with the County. Dan will return a list of next steps in the process and a timeline as projected for end of January.

**Things Dan suggested be added to the grading permit request: Staging areas, title sheet, access route, cross sections and details on where the rocks will be staged during the process, specifications and cost estimates.**

## **H. 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.

**To communicate at HOA meeting: Completed 18/19 fiscal year under budget. 19/20 budget updates with technical services, clean 2018/19 audit, met with SC County about the repairs, completed an inspection, updated EOR and is preparing a permit application, encourage Pelicans homeowner to join the Board.**

## **I. ADJOURNMENT**

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The next Meeting of the Board of Directors is scheduled for February 8th, 2020, at 9:00 a.m. at the offices of the Pajaro Dunes Geologic Hazard Abatement District, Board Room, Pajaro Dunes, 2661 Beach Road, Watsonville, CA 95076. Individuals who require special accommodations are requested to contact the District Clerk by calling (831) 818-9253, 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. For copies of the agenda will be available 72 hours prior to the meeting and may be obtained by contacting the District agenda and board packet e-mail [pdghad@gmail.org](mailto:pdghad@gmail.org) or (831) 761-7744. All meetings are noticed and conducted in accordance with the Ralph M. Brown Act.

The meeting was adjourned at 9:58am.

**Pajaro Dunes Geologic Hazard Abatement District**

**Balance Sheet**

As of March 31, 2020

Mar 31, 20

**ASSETS**

**Current Assets**

**Checking/Savings**

100000 · SCCB Zone 1 - 3957	55,777
100001 · SCCB Zone 2 - 3965	92,298
100002 · SCCB Z1 Emerg - 1877	254,184
100003 · SCCB LTD- 0208	49,139
100400 · Union Bank Bond Holding	<u>324,028</u>

**Total Checking/Savings** 775,426

**Accounts Receivable**

120000 · Assessments Receivable	<u>81,824</u>
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**Total Accounts Receivable** 81,824

**Other Current Assets**

121500 · Prepaid Insurance	15,273
121600 · Prepaid Expenses	<u>24,072</u>

**Total Other Current Assets** 39,345

**Total Current Assets** 896,595

**Fixed Assets**

150000 · Riverwall	3,000,000
160000 · Accumulated Depreciation	<u>-1,524,997</u>

**Total Fixed Assets** 1,475,003

**TOTAL ASSETS** 2,371,598

**LIABILITIES & EQUITY**

**Liabilities**

**Current Liabilities**

**Accounts Payable**

200000 · Accounts Payable	<u>8,758</u>
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**Total Accounts Payable** 8,758

**Other Current Liabilities**

220000 · Accrued Interest	5,965
255000 · Unearned Revenue	<u>10,675</u>

**Total Other Current Liabilities** 16,640

**Total Current Liabilities** 25,398

**Long Term Liabilities**

285000 · Bonds Payable Z2	1,165,000
286000 · Bonds Payable Discount Z2	-52,250
286500 · Amort. Bond Discount Z2	<u>31,339</u>

**Total Long Term Liabilities** 1,144,089

**Total Liabilities** 1,169,487

**Equity**

30000 · Opening Balance Equity	608,448
32000 · Retained Earnings	450,480
Net Income	<u>143,182</u>

**Total Equity** 1,202,110

**TOTAL LIABILITIES & EQUITY** 2,371,597

Note ~ GHAD owns \$15k of rock that is stored at Granite Rock

**Pajaro Dunes Geologic Hazard Abatement District**  
**Profit & Loss Budget vs. Actual**  
 July 2019 through March 2020

	Zone 1			
	Jul '19 - Mar 20	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
410000 · Assessment Income	98,049	98,070	(21)	100%
410020 · Emergency Reserve Fund	136,498	136,498	-	100%
410050 · Assess. Income PDA Stairs	3,930	3,930	-	100%
<b>Total Income</b>	<b>238,477</b>	<b>238,498</b>	<b>(21)</b>	<b>100%</b>
<b>Expense</b>				
610155 · Postage and Mailings	66	1,250	(1,184)	5%
61510 · Advertising	-	500	(500)	0%
615115 · Office Expense	-	400	(400)	0%
615140 · Audit Expense	9,000	10,000	(1,000)	90%
61518 · Clerk	2,064	6,300	(4,236)	33%
615415 · Accounting	11,014	13,500	(2,486)	82%
615416 · Assessment Admin. Expense	2,519	8,000	(5,481)	31%
615617 · Website Maintenance	-	1,250	(1,250)	0%
615650 · Officer Election	-	2,475	(2,475)	0%
615655 · Dues	-	500	(500)	0%
615656 · Board/Clerk Education	-	1,500	(1,500)	0%
616500 · Legal Fees	7,920	13,500	(5,580)	59%
617250 · Seawall Inspections	2,506	6,000	(3,494)	42%
619010 · Technical Consulting Costs	31,481	92,000	(60,519)	34%
628500 · Insurance Expense	11,250	11,250	-	100%
629030 · SBA Repayment to PHA Z2	-			
650000 · Bank Service Charges	1,034			
750000 · Depreciation Expense Z2	-			
<b>Total Expense</b>	<b>78,854</b>	<b>168,425</b>	<b>(89,571)</b>	<b>47%</b>
<b>Net Ordinary Income</b>	<b>159,623</b>	<b>70,073</b>	<b>89,550</b>	<b>228%</b>
<b>Other Income/Expense</b>				
<b>Other Income</b>				
410070 · Interest & Penalty Income	1,022	35	987	2920%
<b>Total Other Income</b>	<b>1,022</b>	<b>35</b>	<b>987</b>	<b>2920%</b>
<b>Other Expense</b>				
855000 · Interest Expense	-	-	-	0%
955500 · Interest Bond Discount	-	-	-	0%
<b>Total Other Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>
<b>Net Other Income</b>	<b>1,022</b>	<b>35</b>	<b>987</b>	<b>2920%</b>
<b>Net Income</b>	<b>160,645</b>	<b>70,108</b>	<b>90,537</b>	<b>229%</b>

**Pajaro Dunes Geologic Hazard Abatement District**  
**Profit & Loss Budget vs. Actual**  
 July 2019 through March 2020

	Zone 2			
	Jul '19 - Mar 20	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
410000 · Assessment Income	176,156	176,156	-	100%
410020 · Emergency Reserve Fund	-			
410050 · Assess. Income PDA Stairs	1,254	1,254	-	100%
<b>Total Income</b>	<u>177,410</u>	<u>177,410</u>	<u>-</u>	<u>100%</u>
<b>Expense</b>				
610155 · Postage and Mailings	-			
61510 · Advertising	-			
615115 · Office Expense	-			
615140 · Audit Expense	-			
61518 · Clerk	617	1,948	(1,331)	32%
615415 · Accounting	-			
615416 · Assessment Admin. Expense	328	1,039	(711)	32%
615617 · Website Maintenance	-			
615650 · Officer Election	-			
615655 · Dues	-			
615656 · Board/Clerk Education	-			
616500 · Legal Fees	-			
617250 · Seawall Inspections	-			
619010 · Technical Consulting Costs	-			
628500 · Insurance Expense	-			
629030 · SBA Repayment to PHA Z2	69,642	69,642	-	100%
650000 · Bank Service Charges	188	375	(187)	50%
750000 · Depreciation Expense Z2	74,997	75,001	(4)	100%
<b>Total Expense</b>	<u>145,772</u>	<u>148,005</u>	<u>(2,233)</u>	<u>98%</u>
<b>Net Ordinary Income</b>	<u>31,638</u>	<u>29,405</u>	<u>2,233</u>	<u>108%</u>
<b>Other Income/Expense</b>				
<b>Other Income</b>				
410070 · Interest & Penalty Income	516	113	403	457%
<b>Total Other Income</b>	<u>516</u>	<u>113</u>	<u>403</u>	<u>457%</u>
<b>Other Expense</b>				
855000 · Interest Expense	48,053	48,053	-	100%
955500 · Interest Bond Discount	1,566	1,566	-	100%
<b>Total Other Expense</b>	<u>49,619</u>	<u>49,619</u>	<u>-</u>	<u>100%</u>
<b>Net Other Income</b>	<u>(49,103)</u>	<u>(49,506)</u>	<u>403</u>	<u>99%</u>
<b>Net Income</b>	<u><u>(17,465)</u></u>	<u><u>(20,101)</u></u>	<u><u>2,636</u></u>	<u><u>87%</u></u>

**Pajaro Dunes Geologic Hazard Abatement District**  
**Profit & Loss Budget vs. Actual**  
 July 2019 through March 2020

	TOTAL			
	Jul '19 - Mar 20	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
410000 · Assessment Income	274,205	274,226	(21)	100%
410020 · Emergency Reserve Fund	136,498	136,498	-	100%
410050 · Assess. Income PDA Stairs	5,184	5,184	-	100%
<b>Total Income</b>	<b>415,887</b>	<b>415,908</b>	<b>(21)</b>	<b>100%</b>
<b>Expense</b>				
610155 · Postage and Mailings	66	1,250	(1,184)	5%
61510 · Advertising	-	500	(500)	0%
615115 · Office Expense	-	400	(400)	0%
615140 · Audit Expense	9,000	10,000	(1,000)	90%
61518 · Clerk	2,681	8,248	(5,567)	33%
615415 · Accounting	11,014	13,500	(2,486)	82%
615416 · Assessment Admin. Expense	2,847	9,039	(6,192)	31%
615617 · Website Maintenance	-	1,250	(1,250)	0%
615650 · Officer Election	-	2,475	(2,475)	0%
615655 · Dues	-	500	(500)	0%
615656 · Board/Clerk Education	-	1,500	(1,500)	0%
616500 · Legal Fees	7,920	13,500	(5,580)	59%
617250 · Seawall Inspections	2,506	6,000	(3,494)	42%
619010 · Technical Consulting Costs	31,481	92,000	(60,519)	34%
628500 · Insurance Expense	11,250	11,250	-	100%
629030 · SBA Repayment to PHA Z2	69,642	69,642	-	100%
650000 · Bank Service Charges	1,222	375	847	326%
750000 · Depreciation Expense Z2	74,997	75,001	(4)	100%
<b>Total Expense</b>	<b>224,626</b>	<b>316,430</b>	<b>(91,804)</b>	<b>71%</b>
<b>Net Ordinary Income</b>	<b>191,261</b>	<b>99,478</b>	<b>91,783</b>	<b>192%</b>
<b>Other Income/Expense</b>				
<b>Other Income</b>				
410070 · Interest & Penalty Income	1,538	148	1,390	1039%
<b>Total Other Income</b>	<b>1,538</b>	<b>148</b>	<b>1,390</b>	<b>1039%</b>
<b>Other Expense</b>				
855000 · Interest Expense	48,053	48,053	-	100%
955500 · Interest Bond Discount	1,566	1,566	-	100%
<b>Total Other Expense</b>	<b>49,619</b>	<b>49,619</b>	<b>-</b>	<b>100%</b>
<b>Net Other Income</b>	<b>(48,081)</b>	<b>(49,471)</b>	<b>1,390</b>	<b>97%</b>
<b>Net Income</b>	<b>143,180</b>	<b>50,007</b>	<b>93,173</b>	<b>286%</b>



**Pajaro Dunes Geologic Hazard Abatement District  
Bank Account Activity**

As of March 31, 2020

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Debit</u>	<u>Credit</u>	<u>Balance</u>
<b>100000 · SCCB Zone 1 - 3957</b>						<b>21,318.11</b>
Bill Pmt -Check	02/07/2020	1382	Jarvis, Fay, & Gibson, LLP		4,060.00	17,258.11
Bill Pmt -Check	02/07/2020	1383	Sarah Mansergh		499.46	16,758.65
Bill Pmt -Check	02/07/2020	1384	Wendy L. Cumming, CPA		1,691.25	15,067.40
Bill Pmt -Check	02/12/2020	1385	KBK Insurance		15,106.11	-38.71
Deposit	02/28/2020		Santa Cruz County	58,305.63		58,266.92
Bill Pmt -Check	03/03/2020	1386	Hutchinson & Bloodgood		1,500.00	56,766.92
Bill Pmt -Check	03/03/2020	1387	Wendy L. Cumming, CPA		990.00	55,776.92
Total 100000 · SCCB Zone 1 - 3957				58,305.63	23,846.82	55,776.92
<b>100001 · SCCB Zone 2 - 3965</b>						<b>28,779.63</b>
Bill Pmt -Check	02/07/2020	1331	Pelican Home Owner's Association		7,738.00	21,041.63
Bill Pmt -Check	02/07/2020	1332	Sarah Mansergh		149.19	20,892.44
Deposit	02/28/2020		Santa Cruz County	180,544.61		201,437.05
Bill Pmt -Check	03/03/2020	1333	Pajaro Dunes Geologic Abatement District		101,401.52	100,035.53
Bill Pmt -Check	03/03/2020	1334	Pelican Home Owner's Association		7,738.00	92,297.53
Total 100001 · SCCB Zone 2 - 3965				180,544.61	117,026.71	92,297.53
<b>100002 · SCCB Z1 Emerg - 1877</b>						<b>173,056.11</b>
Deposit	02/28/2020		Santa Cruz County	81,128.12		254,184.23
Total 100002 · SCCB Z1 Emerg - 1877				81,128.12	0.00	254,184.23
<b>100003 · SCCB LTD- 0208</b>						<b>49,130.50</b>
Deposit	02/29/2020			3.89		49,134.39
Deposit	03/31/2020			4.16		49,138.55
Total 100003 · SCCB LTD- 0208				8.05	0.00	49,138.55
<b>100400 · Union Bank Bond Holding</b>						<b>253,723.86</b>
Check	02/28/2020	atm	MUFG Union Bank, N.A.		31,097.50	222,626.36
Bill	02/28/2020		Pajaro Dunes Geologic Abatement District	101,401.52		324,027.88
Total 100400 · Union Bank Bond Holding				101,401.52	31,097.50	324,027.88
<b>TOTAL</b>				<b>421,387.93</b>	<b>171,971.03</b>	<b>775,425.11</b>

# CE&G estimates for costs associated with 1865 ft of repairs based on 30% design

**Pajaro Dunes GHAD**  
**Rock Revetment Repair**  
**Pajaro Dunes Resort, Watsonville, California**  
**30% Engineer's Estimate**  
**7 April 2020**

Item No.	Description	Qty	Unit	Unit Cost	Total
1	Mobilization (5%)	1	LS	\$ 140,000	\$ 140,000
* 2	Water Pollution Control	1	LS	\$ 30,000	\$ 30,000
* 3	Traffic Control	1	LS	\$ 20,000	\$ 20,000
* 4	Clearing and Grubbing	1	LS	\$ 20,000	\$ 20,000
* 5	Remove and Replace Beach Access Stairs	5	EA	\$ 35,000	\$ 175,000
* 6	Steel Sheet Piling (Excavation and Rock Revetment Shoring)	1	LS	\$ 1,000,000	\$ 1,000,000
* 7	Excavation Dewatering	1	LS	\$ 100,000	\$ 100,000
8 (F)	Temporary Excavation (Sand)	14,000	CY	\$ 12	\$ 168,000
9 (F)	Remove and Stockpile Revetment Rock (Pajaro Dunes)	10,600	TON	\$ 19	\$ 201,400
10 (F)	Remove and Stockpile Revetment Rock (State of California)	450	TON	\$ 19	\$ 8,550
11	Rock Slope Protection Fabric (Class 10)	3,900	SQYD	\$ 4	\$ 15,600
12	Marine Cell	190	EA	\$ -	\$ -
13	Rock Slope Protection (1/4 T, Method B)	9,200	CY	\$ 100	\$ 920,000
14 (F)	Rock Slope Protection (4 T, Method A)	10,600	TON	\$ 30	\$ 318,000
15 (F)	Sand Backfill	11,000	CY	\$ 25	\$ 275,000

Total \$ 3,116,550  
Total +30% \$ 4,051,600

**Total + 30% (Rounded) \$ 4,100,000**

Legend

(F) = Final Pay Item (construction quantity will not be measured for payment)  
\* = Item was not included in estimate prepared by ARUP dated 5 January 2015

Notes

1. Estimate does not include soft costs such as environmental permitting, biological monitoring, engineering design, construction management

# CE&G estimates for costs associated with 1865 ft of repairs based on 30% design

Project Dimensions	Notes	Non-Caltrans Costs
Revetment Length = 1,865.0 ft	Existing and repair	
Revetment Width = 10.0	Existing and repair	
Revetment Height = 8.0 ft	Existing and repair	
Revetment Repair Foundation Height = 4.4 ft	New marine cell	
<b>Revetment Unit Weight Calculation</b>		
Revetment Specific Gravity = 3.0	Assumed	
Rock Density = 187.2	Calculated	
Revetment Void Ratio = 25.0 %	Assumed	
Revetment Unit Weight = 141.0 pcf	Calculated	
<b>Shoring and Excavation</b>		
Shoring Length = 145.0 ft	For 2 lots at a time	
Shoring Depth = 40.0 ft	Assumed	
Excavation Width = 16.0 ft	3 ft clear, ea side	
Excavation Depth = 17.0 ft	Assumes beach at elev 12	
<b>Marine Cell Materials and Cost</b>		
Triton UX200 Geogrid= 11,749.6 ft		200 ft/roll 59.00 rolls \$608.00 /roll \$ 35,872.00
Bodkin bars = 374.0 ea		50 bars/box 8.00 boxes \$150.00 /box \$ 1,200.00
=		Delivery \$ 10,000.00
=		Installation (3x material cost) <u>\$111,216.00</u>

**Revetment Repair Design**  
**Budget Authorization, Level-3 Design Development Cost Estimate**

**DRAFT      Rev2      January 5, 2015**

**Pajaro Dunes GHAD**

Watsonville, CA

Prepared for:

**Job Number:      217563-00**

Cost Estimate Provided By:

**Arup North America, Ltd.**

560 Mission Street, Suite 700

San Francisco, CA 94105 USA

t : + 1 415.957.9445

f : + 1 415.957.9096

[www.arup.com](http://www.arup.com)

# Previous estimates from ARUP for costs associated with 1416 ft of repairs

ARUP

January 5, 2015  
Revetment Repair Design  
Pajaro Dunes GHAD  
Watsonville, CA

## Budget Authorization, Level-3 Design Development Cost Estimate

### BASIS OF ESTIMATE

---

**1 Project Description**

Repair 1416 ft seawall in front of Lots 1, 3, 6, 8, 9, 94, 95, 97 to 104, and 107 located at Pajaro Dunes community in Watsonville, California.

**2 Estimate Scope of the Project**

The estimate scope is a Design Development cost estimate.

**3 Purpose of this Estimate**

To study and estimate the likely cost.

**4 Documentations**

Documentation received to develop this cost estimate:

- Revetment repair design dated 06/11/2013

**5 Inclusion**

Indirect cost @ 15% of Supervision, Field Office Equipment, Temporary Facilities, Utilities, Specials, Tools-Rentals, Cleanup

Contractor's OH & P at 15%

Unknown construction contingency at 10%

**6 Exclusion**

Preliminary Engineering

Final Design

Project Management for Design & Construction,

Construction Administration & Management

Professional Liability & Other Non-Construction Insurance

Legal; Permits; Review Fees; Surveys, Testing, Inspection, start up

Design contingency

Estimate contingency

Escalation for design

**7 Total Direct Cost**

As deliberated in Summary Direct Costs for "Contractor" include Labor, Material, Equipment and Subcontracts.

Item 4 pg 4

# Previous estimates from ARUP for costs associated with 1416 ft of repairs



January 5, 2015  
 Revetment Repair Design  
 Pajaro Dunes GHAD  
 Watsonville, CA

## Budget Authorization, Level-3 Design Development Cost Estimate

### BASIS OF ESTIMATE

#### 8 Estimating Classification

Estimates are used primarily as inputs for budgeting costs, value analysis, decision making, asset/project planning, and schedule control processes. Cost estimates are determined using various calculations that forecast the future cost of materials, equipment, labor and other resources.

We classify an estimate as a level-3 estimate, with the level of detail in design documents. Accuracy range is classified in LOW and HIGH factors. Low factor varies from -10% to -20%, and High factor varies +10% to +40%.

Estimate Classification Matrix

Estimate Level	Estimate Description	Design Phase	Level of Design Completion	Methodology	Accuracy Range
5	Rough Order of Magnitude	Planning Schematic Design	0% to 5%	Parametric Models Capacity Factored Historical Costs	L: -20% to -50% H: +30% to +100%
4	Concept Feasibility	Planning Schematic Design	1% to 15%	Equipment Factored Parametric Models	L: -15% to -30% H: +20% to +50%
3	Budget Authorization	Planning Schematic Design Design Documents	10% to 40%	Unit Costs Assemblies	L: -10% to -20% H: +10% to +40%
2	Budget Control Estimate	Preliminary Design Engineering Design Documents Construction Documents	30% to 70%	Detailed Unit Cost with Forced Detailed Take-Off	L: -5% to -15% H: +5% to +30%
1	Bid	Detailed Design Engineering Construction Documents	50% to 100%	Detailed Unit Costs Detailed Take-Off Production Based Estimate	L: -2% to -5% H: +3% to +15%



#### 9 Assumptions

- Assume 1416 lf for Revetment Repair
- Assume the project is constructed during dry period.
- Assume 1.5 slope for sand excavation.
- On-site soil can be used for backfill.
- Assume the density of filled rounded Cobbles is 1 cy/ton.

## Previous estimates from ARUP for costs associated with 1416 ft of repairs

Job No.: 217563-00  
 Project: Pajaro Dunes  
 Location: Watsonville, CA

Date Submitted: January 5, 2015  
 Revision: Rev1  
 Prepared / Checked by: BB/AE

No.	Description	Quantity	Unit	Rate	Amount
1	<b>Mobilization and Demobilization</b>	1	ls	\$ 15,000.00	\$ 15,000.00
2	<b>Site Preparation</b>	2.28	Acre	\$ 5,844.18	\$ 13,298.33
3	<b>Excavation</b>				
3.1	Sand Excavation	14,764	cy	\$ 4.22	\$ 62,304.76
3.2	Riprap Removal and Stockpile	6,514	ton	\$ 31.42	\$ 204,669.52
4	<b>Backfill</b>				
4.1	Sand Backfill with Compaction	12,457	cy	\$ 3.19	\$ 39,736.57
4.2	Riprap-Reuse Rock	5,664	Ton	\$ 31.42	\$ 177,966.54
4.3	Riprap-New Rock	2,427	Ton	\$ 81.42	\$ 197,645.30
5	<b>Marine Cell</b>	1,416	lf	\$ 215.26	\$ 304,809.54
6	<b>Filter Fabric</b>	4,287	sy	\$ 3.22	\$ 13,805.21
7	<b>Access Road Repair/Maintenance of Traffic</b>	14	month	\$ 10,000.00	\$ 140,000.00

Direct Cost (A)		\$ 1,169,235.76
Indirect Cost (B=A×15%)	15%	\$ 175,385.36
Subtotal (C=A+B)		\$ 1,344,621.13
Contractor's Overhead and Profit (D=C×15%)	15%	\$ 201,693.17
Subtotal (E=C+D)		\$ 1,546,314.30
Construction Contingency (F=E×10%)	10%	\$ 154,631.43
<b>Total Construction Cost (G=E+F)</b>		<b>\$ 1,700,945.73</b>

Minimum cost	-10%	\$ 1,530,851.15
Most Likely Cost		\$ 1,700,945.73
Maximum cost	20%	\$ 2,041,134.87

Effective cost per 100 lineal feet based on most likely cost estimate	\$ 120,123.29
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Projected Likely Cost Estimate	\$ 1,700,945.73
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**Please refer to the Design Documents Sent as a Separate PDF file entitled:**

**GHAD Board Packet 4-11-20 Part B**

**PDGHAD\_Plans\_30P.pdf**

**Item 4 pg 7-21 design plans attached separately**



**COUNTY OF SANTA CRUZ  
INTEREST APPORTIONMENT  
GENERAL FUND EARNINGS**

Prepared by: [Trevor MacGruer](#)  
Updated on: [2/4/2020](#)

**FY 2019-20**

**FY 2018-19**

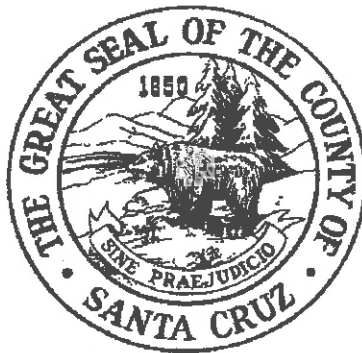
RCUTVI JOB REF	INTEREST ON CASH IN TREASURY GL 101				
		TOTAL APPORTIONED A	GEN FUND Prefix ID & FX 40430/40434 B	% OF TOTAL C	RATE
1896863	JUL	1,629,218.53	285,242.46	17.508%	2.350%
1931145	AUG	1,558,637.82	255,055.60	16.364%	2.294%
1951581	SEPT	1,402,182.82	220,160.88	15.701%	2.293%
	1ST QTR	4,590,039.17	760,458.94	16.568%	2.312%
1984851	OCT	1,376,063.92	209,558.10	15.229%	2.253%
2011858	NOV	1,360,003.58	307,301.39	22.596%	2.172%
2039628	DEC	1,509,718.59	324,393.65	21.487%	2.024%
	2ND QTR	4,245,786.09	841,253.14	19.814%	2.150%
2069614	JAN	1,580,642.15	291,418.12	18.437%	2.104%
	FEB				
	MAR				
	3RD QTR	1,580,642.15	291,418.12	18.437%	2.104%
	APR				
	MAY				
	JUNE				
	4TH QTR	0.00	0.00	0.000%	0.000%
	TOTALS	10,416,467.41	1,893,130.20	18.174%	2.213%

RCUTVI JOB REF	INTEREST ON CASH IN TREASURY GL 101				
		TOTAL APPORTIONED A	GEN FUND Prefix ID & FX 40430/40434 B	% OF TOTAL C	RATE
1507080	JUL	1,159,069.35	204,089.92	17.608%	1.610%
1541369	AUG	1,037,183.10	189,757.95	18.296%	1.591%
1569809	SEPT	953,336.39	169,123.49	17.740%	1.630%
	1ST QTR	3,149,588.84	562,971.36	17.874%	1.610%
1600059	OCT	1,004,120.19	179,559.33	17.882%	1.725%
1625078	NOV	1,117,755.80	260,587.77	23.313%	1.870%
1654975	DEC	1,441,926.17	361,715.64	25.086%	1.994%
	2ND QTR	3,563,802.16	801,862.74	22.500%	1.863%
1684469	JAN	1,549,967.66	338,432.28	21.835%	2.145%
1713040	FEB	1,405,091.25	291,644.49	20.756%	2.246%
1744974	MAR	1,552,925.83	280,591.97	18.069%	2.243%
	3RD QTR	4,507,984.74	910,668.74	20.201%	2.211%
1776245	APR	1,773,170.47	386,768.41	21.812%	2.365%
1811832	MAY	1,724,728.28	315,877.59	18.315%	2.263%
1853329	JUNE	1,654,272.76	302,413.23	18.281%	2.361%
	4TH QTR	5,152,171.51	1,005,059.23	19.507%	2.330%
	TOTALS	16,373,547.25	3,280,562.07	20.036%	2.004%

**COUNTY OF SANTA CRUZ**

**2020**

**INVESTMENT POLICY**



Adopted by Board of Supervisors on: November 19, 2019

Policy in effect for calendar year 2020.

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# **County of Santa Cruz**

## **STATEMENT OF INVESTMENT POLICY**

Under the laws of the State of California, it is the responsibility of the County Treasurer, at the direction of the Board of Supervisors, to secure and protect the public funds of the County and the participants of the Investment Pool, and to establish proper safeguards, controls, and procedures to maintain these funds in a lawful, rational and auspicious manner. Said maintenance shall include the prudent and secure investment of those funds that are deemed temporarily available for investment, in a manner anticipated to provide additional benefit to the people of the County of Santa Cruz. In addition, the County Treasurer acts as the Treasurer, cash manager, and investor for a sizable number of public agencies within the County rather than each entity having to locate and hire a knowledgeable person to handle the entity's banking, investments, and other financial duties separately. This pooling of public funds eliminates duplication of expenses, smooths out cash flow, permits cost savings through higher volume, and attracts more professional service providers.

This Statement of Investment Policy will be provided annually for the review of the Treasury Oversight Commission and the approval of the Board of Supervisors in an open public meeting.

### **COUNTY TREASURER**

The County Treasurer referred to in the Statement of Investment Policy is the County Auditor-Controller-Treasurer-Tax Collector.

### **SCOPE**

This Statement of Investment Policy pertains to those temporarily excess funds under the control of the Treasurer, designated for the daily ongoing operations of the County and pool participants; and concerns the deposit, maintenance, and safekeeping of all such funds, and the investments made with these funds. This Policy does not apply to pension moneys, deferred compensation funds, trustee, and certain other non-operating funds not participating in the County Investment Pool.

### **PURPOSE OF POLICY STATEMENT**

The purpose of this Statement of Investment Policy is to provide the Board of Supervisors, the Treasury Oversight Commission, those entities invested in the County Investment Pool, those involved in servicing the investment requirements of the County, and any other interested party, a clear understanding of the regulations and internal guidelines that will be observed in maintaining and investing those pooled funds deemed temporarily excess.

## TREASURY OBJECTIVES

The primary objective of the Treasurer is to protect the safety of the principal of the County Investment Pool through the judicious purchase of those legal investments permitted to local agencies, as defined in the State of California Government Codes, consistent with current conditions and the other dominant objectives pursuant to managing a local agency portfolio, namely:

**Safety:** It is the primary responsibility of the Treasurer to maintain the safe return of all principal placed in investments by avoiding decisions that might result in losses through either fraud, default, or adverse market conditions. Import is also accorded the protection of accrued interest earned on any investment instrument.

**Liquidity:** It is imperative that most investments be in items that are immediately negotiable, as the portfolio is a cash management fund. It shall always be assumed that all investments could require immediate liquidation in order to meet unexpected cash calls.

**Availability:** Due to the nature of a public funds portfolio, it is mandatory that moneys be available to meet the monetary requirements inherent to operating a public entity. Thus funds need to be invested in such a manner that money will always be available to pay normal cash requirements. A sufficient portion of all funds shall be invested in securities providing a high degree of liquidity and availability, that is, in securities easily sold or converted to cash in a timely manner, with little or no loss of interest earnings.

**Yield:** While it is considered desirable to obtain a yield commensurate to current market conditions, yield shall not be the driving force in determining which investments are to be selected for purchase. Yield is definitely considered to be of much lesser importance than safety, liquidity or availability.

The Treasurer places investments with the objective of obtaining a yield commensurate to current market conditions, not attempting to maximize yield at the expense of safety, liquidity, or availability, yet not totally ignoring those factors within the marketplace that may be indicative of either favorable or hazardous conditions. The portfolio will be managed very conservatively, but actively enough to avert avoidable losses due to adverse market conditions.

## PRUDENCE

The Treasurer is subject to the "Prudent Investor Standard" whenever making a decision regarding the investment of the County's funds. This rule states in principle:

*"When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent investor acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."*

The Treasurer, and those acting for the Treasurer, are considered to have a fiduciary, trustee, relationship with the public for the public funds, and all investment decisions will be made in a manner sustaining this responsibility.

## DELEGATION OF AUTHORITY

In accordance with Government Code section 27000.1 and County of Santa Cruz Ordinance 2.10.030, the County Treasurer has been delegated the authority to invest and reinvest the funds of the County and the funds of other depositors in the County Pool.

While the Treasurer has final responsibility for all investment decisions, other Treasury personnel may aid in the day-to-day operations. Those staff members, in addition to the Treasurer, currently authorized to act on behalf of the County, as of the date entered on this Policy, are listed below. This list is subject to change, and those parties involved in transactions with the Treasurer's department should always obtain a current Trading Authorization and Agreement form, and be verbally introduced by a known Treasury employee, prior to accepting unconfirmed verbal instructions from any previously unknown Treasury staff member.

### Authorized Personnel

Treasury–Tax Manager

Senior Accounting Technician – Treasury Division

Other persons, both inside and outside County employment, may act in the role of assistant or advisor to aid in the timely and proper settlement of investment transactions. While these persons may provide information or aid in the expedient delivery of securities, they may not authorize, approve, or initiate any trading activities. **Only the Treasurer and the persons listed on the current *Trading Authorization and Agreement* may initiate trading activity.**

## SECURITIES CUSTODY

The Treasurer has established a third party custody and safekeeping account to which all negotiable instruments shall be delivered upon purchase on a payment versus delivery basis. No negotiable or deliverable securities or investments will be left in the custody of any brokerage firm or issuing party, including any collateral from Repurchase Agreements.

## DESIGNATED SERVICE BANK

The Treasurer shall designate a State or Federally chartered bank operating within the State of California to serve as the County's Primary Service Bank. The Treasury shall use this bank as a clearinghouse for all funds.

## AUTHORIZED INVESTMENTS AND LIMITATIONS

The Government Codes of the State of California, primarily within sections 53600 et. seq., establish the legality of certain types of investment vehicles for a California local agency's portfolio. Thereby, under no circumstances is the Treasurer permitted to purchase an investment that is not specifically authorized for a local agency under these, or other code sections that may apply, or might later be enacted, pertaining to local agency investments. Investment professionals dealing with the County should possess a complete understanding of these Code sections.

An attached Exhibit A briefly describes the types of securities that are legal within the Government Code sections noted above and outlines the various limitations included in these sections. Excepting the restrictions noted below in this section, all legally permitted investment options described in the Government Code are authorized at this time. Funds placed in the State's Local Agency Investment Fund (LAIF) shall follow the limitations placed on these deposits by the State and may change in accordance with these restrictions.

Though these Government Code sections define the investment types and terms permissible to the Treasurer, **the Treasurer will not:**

- Invest in any security or investment with a stated or potential final maturity longer than five years, unless it contains a non-retractable "put" exercisable within five years. In other words, such a security cannot be purchased by the Treasurer unless it permits the investor the unrestricted choice of selling the security back to the issuer at par, or above, at a time prior to five years.
- Invest in any security or investment wherein, by the terms of the investment, interest might not be earned during any period the security or investment exists.
- Purchase floating rate securities containing an inherent yield structure that could result in a return substantially below rates available for similar maturity periods on the dates the coupon changes.
- Enter into a reverse repurchase agreement.
- Purchase any Collateralized Mortgage Obligations.
- Lend securities.
- Invest in futures or options.

Nothing in the preceding prohibitions is intended to preclude the purchase of authorized investments that are callable.

In addition to the limitations provided in State law and this Statement of Investment Policy, various temporary and more restrictive constraints may at times be beneficial due to transient conditions within the marketplace. These flexible constraints are not part of this Policy but are presented in a document

prepared by the Treasurer entitled “Temporary Constraints and Restrictions on Investments”, and will change on an “as needed” basis. The attached Exhibit B is the “Temporary Constraints and Restrictions on Investments” that were in effect when the Board of Supervisors approved this policy. When these constraints and restrictions change, a copy will be immediately sent to members of the Treasury Oversight Commission and the Board of Supervisors. These constraints or restrictions may only be *more* restrictive than those of the Policy, but may *not* be less restrictive. Investment professionals should be aware of these temporary conditions in order to save time and best serve the County.

## AUTHORIZED DEALER LIST

It is prohibited for a transaction to be entered into with any securities broker, dealer or bank investment department or subsidiary prior to that entity being designated an Authorized Dealer, and placed on the Authorized Dealer List. For a firm to become authorized it must first demonstrate that it will add value to the Treasurer’s efforts to best manage the cash portfolio, as well as fulfill certain other minimum requirements. Preference will be given to primary dealers or others who possess a strong capital capacity and willingness to make a market in the various fixed income securities that the County holds. To qualify for Authorized Dealer status, a brokerage firm or bank must be one of the following:

- 1) Be a dealer operation properly licensed to deal with local agencies in California and have a minimum of \$50 million in capital or;
- 2) Be a Primary Dealer of the Federal Reserve Bank of New York or;
- 3) Be a department or subsidiary of an insured bank with minimum assets of \$500 million that the County has a comprehensive banking relationship with or;
- 4) Be a broker operation properly licensed to deal with local agencies in California that has capital of not less than \$5 million, that is not directly involved in the actual custody, and transfer of money or securities purchased or sold by the County, but that represents established accounts opened in the County name at those firms meeting the requirements of this section, wherein all dealings would be the responsibility of the dealer operation, and wherein all deliveries, payments, written confirmation, etc. will originate with the qualified dealer operation and are sent directly to the County.

If meeting the above requirements, a salesperson may apply to become an Authorized Dealer by sending to the Treasurer their most recent annual and interim audited financial statements and a letter furnishing:

- 1) Their reasons for believing they would add value to the present coverage; and,
- 2) A general roster of those markets they participate in, and specifics on those types of securities they as a firm, regularly issue or regularly hold dealer trading positions in; and,
- 3) A list of five references, at least three being California local agency treasurers, including telephone numbers and email addresses that the Treasurer or his representative may contact.



The Treasurer will initiate an investigation of the applying salesperson and the firm through various sources, including the Financial Industry Regulatory Authority (FINRA), to determine market participation, knowledge, reputation, and financial stability. All salespeople and their supervisors will be expected to have a working knowledge of the appropriate sections of the State of California Government Code, sufficient experience in covering public entities, a willingness to well serve their customers, a complete and total understanding of this Investment Policy, and demonstrate an ongoing ability to work with the Treasurer and staff. The Treasurer will review all new requests annually, and if the decision is made that additional dealers would be beneficial to best service the portfolio's needs, those dealers selected will be informed of their addition to the Authorized Dealer List. All dealers are subject to removal from the Authorized Dealer List at any time, solely at the discretion of the Treasurer.

The Treasurer, or Treasury staff, are prohibited from dealing with a salesperson, broker, or account executive from any broker, dealer or bank investment department or subsidiary until the Acknowledgment form found on the last page of the *Trading Authorization and Agreement* is signed by all parties and received by the Treasurer. The *Trading and Authorization Agreement* is sent to all approved dealers and is an integral part of this Policy Statement for Broker/Dealers, etc. doing investment business with the County Treasurer or Treasury staff.

Similar restrictions and forms will be required of those firms doing business with the County through retained financial advisors or managers. Certain selected firms may be chosen or appointed by the Treasurer to render specific services the Treasurer determines they are uniquely qualified to provide, wherein some of the requirements of this section may be waived.

Neither the Treasurer, nor any member of the Treasurer's staff, may accept any gift, honoraria, gratuity or service of value in violation of the regulations set forth by the Fair Political Practices Commission, the Government Codes, additional limitations set forth by County ordinance, or internal requirements of the Treasurer. The Treasurer and all members of the Treasury staff are prohibited from conducting any business with any broker, dealer, or securities firm that has made a political contribution within any consecutive 48 month period beginning January 1, 1996, in an amount exceeding the limitation contained in Rule G37 of the Municipal Securities Rulemaking Board, to the County Treasurer or any member of the Board of Supervisors, or any candidate for these offices.

## **THE COUNTY TREASURY OVERSIGHT COMMISSION**

In accordance with Government Code section 27130 et seq. and County Ordinance 4433, there shall be a Treasury Oversight Commission of five members appointed from the following:

- a) An appointed representative of the Board of Supervisors.
- b) The County Superintendent of Schools, or designee.
- c) A representative selected by a majority of the presiding officers of the governing bodies of the school districts and community college districts of the County.
- d) A representative selected by a majority of the presiding officers of the legislative bodies of the special districts within the County that are required or authorized to deposit money in the County Investment Pool.
- e) A public member who shall have expertise in, or an academic background in, public finance.

**Restriction of Members** - All members of the Treasury Oversight Commission are restricted as follows:

- A member may not be employed by an entity that has (a) contributed to the campaign of a candidate for the office of local treasurer; or (b) contributed to the campaign of a candidate to be a member of a legislative body of any local agency that has deposited funds in the county treasury, in the previous three years or during the period that the employee is a member of the commission.
- A member may not directly or indirectly raise money for a candidate for local treasurer or a member of the governing board of any local agency that has deposited funds in the county treasury while a member of the commission.
- A member may not secure employment with, or be employed by, bond underwriters, bond counsel, security brokerages or dealers, or financial services firms, with whom the treasurer is doing business during the period that the person is a member of the commission or for one year after leaving the commission.
- Members may not receive honoraria, gifts, gratuities or service of value from advisors, brokers, dealers, bankers, or other persons with whom the county treasury conducts business.

The Treasurer will annually provide a copy of the Investment Policy for review and monitoring by the Treasury Oversight Commission. The Treasurer will provide a report quarterly to the Board of Supervisors and the Treasury Oversight Commission, identifying all investments held in the County Investment Pool, or elsewhere by the Treasurer. The Treasury Oversight Commission shall, via this report and other appropriate means, monitor the activities of the Treasurer, and cause to be performed an annual audit to determine the Treasurer's compliance with this Investment Policy, and other appropriate regulations.

Commission meetings shall be open to the public and in compliance with the appropriate sections of the Ralph M. Brown Act. By Code, all costs related to the duties of the Treasury Oversight Commission will be considered normal charges against earnings of the Investment Pool.

The Treasury Oversight Commission shall have no authority to direct the process or daily operation of any portion of the Treasury department, nor shall the Commission play any role in determining which banks, firms, or individuals the Treasurer does business with, nor shall the Commission be involved in determining which investments the Treasurer purchases, but shall act only to review the actions of the Treasurer to determine that they are in accordance with the Investment Policy and all other legal requirements or regulations.

## **TERMS FOR FUNDS INVESTED WITH THE COUNTY INVESTMENT POOL**

The Government Code requires the County Treasurer to define the limits and conditions under which local agencies having their money in the Investment Pool may deposit and withdraw their funds. The Government Codes confer upon the Treasurer the final authority as to how funds for which the Treasurer is held responsible for overseeing, are to be invested. The Treasurer must take into account the current financial condition of the sum total of the Pools' agencies, the conditions of the marketplace, as well as the cash flow projections and the potential for changes in the Pool's cash needs. The Treasurer must protect the earnings of each individual local agency in the Pool, and also see that no

decision will reward a particular agency or group of agencies within the Pool at the expense of another or others within the Pool. If the Treasurer determines that a request for a withdrawal of funds for a specific or outside investment is not, in the Treasurer's opinion, in the best interest of a particular agency, or is overly detrimental to the Pool as a whole, the Treasurer must legally deny the request, or find a means of neutralizing the harm to all those affected.

Any funds deposited in accounts that are consolidated into the County Investment Pool that are not immediately required to meet cash flows of the Pool will be invested by the Treasurer or the Treasurer's staff. All Pool entities agree that by placing funds in such accounts that they agree to proportionately participate in all investments within the Investment Pool.

#### FUNDS OF AGENCIES REQUIRED TO INVEST WITHIN THE POOL

Funds will be accepted at all times, in the manner prescribed, from those local agencies where the County Treasurer is also the Treasurer for the local agency, or from any agencies that by statute must place their money in the County Investment Pool. Funds will earn interest based on the average daily balance distributed on a monthly basis.

Should a legislative body of a local agency determine that certain funds will not be required by the local agency for a period of at least one year, the local agency may petition the County Treasurer to invest that portion of the local agency's excess funds in a specific investment under the control of the County Treasurer. Such a petition should state the nature of the funds the legislative body wishes to invest specifically, and the reasons why the legislative body believes a specific investment is a preferable and viable alternative to the general Pool participation. Should the Treasurer determine that the request for a specific investment is valid and not overly counter-productive to the Pool as a whole, the Treasurer will consult with the local agency's legislative body, or its appointed representative, to suggest and determine exactly what investment(s) should be purchased to fulfill the needs of the local agency. The Treasurer will then purchase the specific investment(s) upon receipt of a written resolution, issued by the legislative body of the local agency, requesting the specific investment. The resolution must acknowledge that the local agency's legislative body takes full responsibility for the decision to purchase the specific investment(s), and that should conditions change requiring a sale prior to maturity of the specific investment(s), any loss that might be suffered as a result, will be solely that of the local agency, and that this loss shall not be shared by the Pool as a whole, nor by the County.

Under language added to the Government Code in 1995, it is not permissible for local agency legislative bodies, required to have their funds within the Pool, to withdraw funds from the Pool in order to invest outside the County Pool in any manner, at any time without specific permission of the Treasurer. Any such investments shall be either terminated and all funds returned to the Pool, or the securities so purchased must be transferred to the custody of the County Treasurer immediately. Upon receipt of any such securities by the Treasurer, the Treasurer shall at the Treasurer's option, place the investment in the Pool, terminate the investment at the current market value and credit the local agency with the proceeds, or place the security in the name of the local agency as a specific investment.

#### MONEY VOLUNTARILY INVESTED WITH THE COUNTY INVESTMENT POOL

By Code, the County Treasurer shall limit the amounts and set conditions under which money from local agencies, not required to have their funds in the Investment Pool, may deposit and withdraw

voluntarily invested funds. Local agencies from outside the County will not be permitted to deposit funds in the County Pool. Funds from local agencies within the County, voluntarily wishing to participate in the Pool, will not be accepted under normal conditions unless the Treasurer is assured that these funds are in lieu of longer-term investments. Such deposits are subject to withdrawal restrictions for a set minimal term as to be agreed to, prior to the funds being accepted into the Pool, and may not be withdrawn at any time without a minimum of thirty days notice of "intent to withdraw."

Under normal conditions, voluntary money withdrawn from the Pool will be disbursed on a dollar for dollar basis, plus appropriate interest, but under adverse market conditions, when the Treasurer deems the withdrawal of voluntary funds would cause undue losses or significantly lower earnings for those local agencies remaining within the Pool, the Treasurer may require one or more of three remedies:

1) restrict the percentage of funds that may be withdrawn in any given month 2) restrict the rate at which the funds may be withdrawn, or 3) require the local agency withdrawing their funds to accept their funds based on the current market value of the overall Pool.

These terms will be agreed to and contracts signed prior to any voluntary money being accepted into the County Investment Pool. Such terms may exceed minimum requirements set forth in the Government Codes.

Specific investments are not normally permitted with voluntary funds, though on a cost recovery basis and under circumstances that dictate such activity, exceptions may be permitted.

## **POOLING FUNDS AND DISTRIBUTING EARNINGS**

Funds available from all sources may be pooled in order to achieve greater investment potential. The earnings from the pooled investments shall be deposited in a dedicated fund. Each month, accrued interest will be distributed to each participant in the Pool proportional to their average daily balance in the pool during the month.

Funds placed in specific investments earn the yield of the investment, not the return earned by the Pool. Earnings on specific investments will be distributed within thirty days of receipt. The Treasury will charge the cost of administration against the earnings of the specific investment.

## **CALCULATING AND APPORTIONING COSTS**

The County Treasurer, following the criteria outlined by the Federal Office of Management and Budget Circular A-87, will determine the "administrative cost" of investing or handling of funds as well as the cost of equipment which expedites processing. This cost shall be deducted prior to interest apportionment and shall be shared proportionately by all pooled and specific investments.

## REPORTING

The Treasurer will report to the Board of Supervisors and the Treasury Oversight Commission on a quarterly basis the holdings, status, and earnings of the portfolio. The Statement of Investment Policy will be reviewed by the Treasury Oversight Commission and adopted by the County Board of Supervisors annually. Should circumstances require revision within this Policy during the year, the changes will be presented to the Treasury Oversight Commission, and approval obtained from the Board of Supervisors prior to these alterations being adopted.

The Treasurer reports monthly to the County Board of Supervisors all investment transactions completed in the prior month.

The Auditor reports quarterly to the County Board of Supervisors the results of their regular cash audit of the Treasury.

EXHIBIT A

ALLOWABLE INVESTMENT INSTRUMENTS PER STATE GOVERNMENT CODE

	INVESTMENT TYPE	MAXIMUM MATURITY	MAXIMUM SPECIFIED % OF PORTFOLIO	MINIMUM QUALITY REQUIREMENTS
A	LOCAL AGENCY BONDS	5 YEARS	NONE	NONE
B	U.S. TREASURY OBLIGATIONS	5 YEARS	NONE	NONE
C	STATE OBLIGATIONS -CA AND OTHERS	5 YEARS	NONE	NONE
D	CA LOCAL AGENCY OBLIGATIONS	5 YEARS	NONE	NONE
E	US AGENCY OBLIGATIONS	5 YEARS	NONE	NONE
F	BANKERS' ACCEPTANCES	180 DAYS	40%	NONE
G	COMMERICAL PAPER <sup>b</sup>	270 DAYS	40%	"A-1" If the issuer has issued long-term debt it must be rated "A" without regard to modifiers
H	NEGOTIABLE CERTIFICATES OF DEPOSIT	5 YEARS	30% <sup>d</sup>	NONE
I	CD PLACEMENT SERVICES	5 YEARS	30% <sup>d</sup>	NONE
J	REPURCHASE AGREEMENTS	1 YEAR	NONE	NONE
K	REVERSE REPURCHASE AGREEMENTS AND SECURITIES LENDING AGREEMENTS	92 DAYS	20% OF THE BASE VALUE OF THE PORTFOLIO	NONE
L	MEDIUM-TERM NOTES <sup>c, e</sup>	5 YEARS	30%	"A" Rating
M	MUTUAL FUNDS AND MONEY MARKET MUTUAL FUNDS	N/A	20% <sup>f</sup>	MULTIPLE <sup>g</sup>
N	COLLATERALIZED BANK DEPOSITS	5 YEARS	NONE	NONE
O	MORTGAGE PASS-THROUGH SECURITIES	5 YEARS	20%	"AA" RATING
P	BANK/TIME DEPOSITS	5 YEARS	NONE	NONE
Q	JOINT POWERS AUTHORITY POOL	N/A	NONE	MULTIPLE <sup>h</sup>
R	LOCAL AGENCY INVESTMENT FUND (LAIF)	N/A	NONE	NONE
S	SUPRANATIONALS	5 YEARS	30%	"AA" RATING <sup>i</sup>

EXHIBIT A

- a. Sources: Sections 16429.1, 53601, 53601.8, 53635, 53635.2, and 53638.*
- b. No more than 10 percent of the agency's money may be invested in any one issuer's commercial paper.*
- c. Issuing corporation must be organized and operating within the U.S. and have assets in excess of \$500 million.*
- d. No more than 30 percent of the agency's total funds may be invested in CDs authorized under Sections 53601.8, 53635.8, and 53601(i).*
- e. "Medium-term notes" are defined in Section 53601 as "all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state and operating within the U.S."*
- f. No more than 10 percent invested in any one money market mutual fund.*
- g. A money market mutual fund must receive the highest ranking by not less than two nationally recognized statistical rating organizations or retain an investment advisor registered with the SEC or exempt from registration and who has not less than five years experience investing in money market instruments with assets under management in excess of \$500 million.*
- h. A joint powers authority pool must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years experience investing in instruments authorized by Section 53601, subdivisions (a) to (o).*
- i. Includes International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank eligible for purchase or sale within the United States*

## EXHIBIT B

### Temporary Constraints and Restrictions on Investments

**A. Bonds issued by the County or County Agencies.** The Treasurer may purchase debt issued by the County or its agencies, but any such debt purchased will normally be obtained only directly from the issuing agency and not in the secondary market. Such issues, along with issues from 'C' and 'D' below, shall not exceed 10% of the total portfolio.

**B. US Treasury obligations.** The Treasurer currently invests in US Treasury obligations. US Treasuries provide the greatest liquidity in the market and should be a preferred investment for their very strong liquidity and high credit quality. There is no limit on the percentage of the portfolio in US Treasuries.

**C. State of California Obligations.** The Treasurer may invest in state obligations, including notes, bonds, or other instruments of the State of California. Interest bearing state issued warrants as an investment alternative are permissible investments. Such issues, along with issues from 'A' and 'D' below, shall not exceed 10% of the total portfolio.

**D. Obligations of another California local agency.** The Treasurer does not currently purchase these securities due to tax considerations, but may purchase taxable issues. The total of such issues, along with issues from 'A' and 'C' above, shall not exceed 10% of the overall portfolio. LAIF investments (see 'R' below) shall not be included when calculating this percentage, nor shall investments in joint powers authority pools (see 'Q' below) that resemble money market mutual funds such as CAMP and CALTRUST. Maximum investments in LAIF shall be governed by the maximum permitted by the State. Neither of these limits shall include specific investments or individual local agency's investments of bond proceeds not made through the pool.

**E. Obligations of the various Federal Agencies.** The Treasurer currently does not invest in any long term pooled securities issued by GNMA, FHLMC, SBA, or any federal agency with a maturity based on average life calculations. Due to the frequent concerns for the safety and liquidity levels of many agency obligations, the Treasurer monitors and may restrict the purchase of any particular agency's securities at any time. No single Government Sponsored Enterprise (GSE) will account for more than 25% of the portfolio at this time. The total of all GSEs may compose 100% of the portfolio. The GSEs referred to above include FHLMC, FNMA, FHLB and FFCB.

**F. Bankers Acceptance.** The Treasurer currently purchases bankers acceptances from those banks rated "AA" or higher by both Moody's and Standard and Poor's rating agencies. Additionally, the Treasurer monitors, and therefore may possibly eliminate those banks whose marketability and liquidity may be considered suspect due to their pricing within the secondary markets. Foreign banks shall be headquartered in certain Western European countries, Canada, or Japan. For additional potential restrictions see section 'S' below.



## EXHIBIT B

**G. Commercial Paper.** The Treasurer currently does not allow the percent of commercial paper to exceed 25% of the total portfolio. See section 'S' below for additional restrictions on particular commercial paper issues. The Treasurer is currently only purchasing commercial paper with maturities of 90 days or less.

**H. Negotiable Certificates of Deposit (NCD).** The Treasurer currently purchases those types of NCD permitted by the Government Codes only from banks with a long term rating of "A" and short term rating of A1 / P1 or better from both Moody's and Standard and Poor's rating agencies. Additionally, the Treasurer monitors, and therefore may possibly eliminate those banks whose marketability and liquidity may be considered suspect due to their pricing within the secondary markets. NCD issued by S&Ls, savings banks and credit unions are not currently purchased. The Treasurer currently is not purchasing NCD with maturities greater than one year. Please see sections 'P' and 'S' below for additional restrictions on non-negotiable Certificates of Deposit (CD) purchases.

**I. Certificate of Deposit (CD) Placement Services.** The Treasurer may invest or participate in CD Placement Services. See section 'P' below for restrictions on time deposits.

**J. Repurchase Agreements.** Repurchase agreements will only be entered into with Primary Dealers, and all collateral will be delivered to a third party designated by the Treasurer, as per state law. Due bills are not acceptable, nor, except in cases of extreme emergency, are substitutions of collateral on agreements under thirty days. The Treasurer will constantly monitor the market value of all collateral and shall require additional collateral if the market value falls to a level of 100% of the cash value invested, when Treasury Notes and Bonds are the collateral, and at higher levels for other types of collateral. Treasury Notes and Bonds will be collateralized at a minimum of 102% of market at the start of the repo, for short-term repos, and possibly at higher levels for longer-term repos, (percentage determined by market conditions, etc.). Repo agreements with Treasury Bills or other discounted securities as collateral will be priced to market and collateralized at a minimum of 102% of market, (actual percentage to be determined by collateral type, conditions, etc.). Collateral with maturities beyond five years are not acceptable, (except in certain limited cases where unrestricted 'puts' are included with the issue), and all collateral must meet the same requirements as purchased securities. Repurchase Agreements will not be entered into for periods longer than ninety days. Repurchase Agreement contracts will be on file for any dealer with which the County does Repos. See section 'S' below for other potential restrictions on Repo collateral.

**K. Reverse Repurchase Agreements.** The County Investment Policy does not allow the Treasurer to enter into reverse repurchase agreements.

**L. Medium Term Notes.** The Treasurer currently purchases medium term notes with a rating of "A" or higher from both Moody's and Standard and Poor's rating agencies. See section 'S' below for additional potential restrictions on medium term notes. Medium term notes shall not exceed 30% of the portfolio.

**M. Mutual Funds.** The Treasurer currently imposes no additional restrictions on mutual fund purchases beyond those in the Codes.

## EXHIBIT B

**N. Collateralized Bank Deposits.** The Treasurer currently imposes no additional restrictions on collateralized bank deposits beyond those in the Codes.

**O. Mortgage Pass-Through Securities.** The Treasurer does not invest in Mortgage pass-through securities nor in any collateralized mortgage investments.

**P. Bank/Time Deposits.** The Treasurer will enter into contracts for time deposits (including CDs) of amounts greater than \$250,000 only with those banks that meet the requirements for investment in NCD. Time deposits of less than or equal to \$250,000 (not including accrued interest) will require FDIC insurance. The total of all time deposits shall not exceed 10% of the total portfolio. Mandated deposits or investments specifically invested by pool participant's request are not included in this percentage restriction. See section 'S' below for additional potential restrictions.

**Q. Joint Powers Authority (JPA) Pool.** Investments in JPA investment funds shall not exceed 25% of the pool's portfolio.

**R. Local Agency Investment Fund (LAIF).** The Treasurer does currently invest in LAIF. The current limit is \$65 million as determined by the State.

**S. Exposure Limits.** Presently the total exposure to any one issuer, when totaling all types of securities shall not exceed 10% of the total portfolio on date of purchase. Exceptions to this limit shall include US Treasury issues, federal agency or government sponsored enterprise issues, and funds in LAIF. Repurchase agreement collateral shall not be excluded from this calculation unless the repurchase agreement is for 5 business days or less. Exposure to the overall credit of individual foreign countries shall be monitored and maintained at prudent levels.

**T. Lending Securities.** The County Investment Policy does not allow the County Treasurer to lend securities.

**U. Futures and Options.** The County Investment Policy does not allow the Treasurer to invest in futures or options. The purchase of callable securities is permitted.

**V. Maturities over Three Years.** Any investment made with a maturity exceeding three years shall require prior written approval of the Treasurer. The Treasurer may provide temporary exemptions for specific employees for a period not to exceed one year such that each individual investment shall not require specific approval.

**X. Calculating Limits.** State law states that all required percentages included within investment related sections of the Government Codes are only binding on the day the investment is made, and that future changes in the size of the portfolio do not require the Treasurer to readjust the total percentage of each security type within the portfolio to reflect the change in size. Neither is it necessary to sell an investment when changes occur such that the security no longer meets the minimum requirements of the Codes or the Codes are changed such as to no longer include certain current holdings. The Treasurer shall weigh the change in risk and determine whether or not a security should be sold within the portfolio after a change in conditions or the Codes result in a

## EXHIBIT B

particular security no longer meeting existing or new regulations.

**Y. Asset Backed Securities** The Treasurer may purchase asset backed commercial paper with a maturity of less than or equal to 90 days and a short term rating of A1 / P1 / F1. The Treasurer currently does not purchase medium term notes issued by structured investment vehicles.

**Z. Supranationals.** The Treasurer may purchase United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank eligible for purchase and sale within the United States. The issue shall be rated "AA" or better by an NRSRO and shall not exceed 30 percent of the portfolio.

**AA. Bank Restrictions.** The Treasurer is restricted from engaging as broker-dealer or purchasing bonds issued by the following banks through June 8, 2020:

- 1) Citigroup
- 2) JP Morgan Chase
- 3) Barclays
- 4) Royal Bank of Scotland
- 5) United Bank of Switzerland (UBS)

**PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT - ZONE 1**

**BUDGET FOR FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

FUNDING SOURCES FOR ZONE 1	FY21 Spending <u>Budget</u>	FY20 Previously <u>Received</u>	FY21 <u>Assessment</u>	<u>County Object Number</u>	
				404823 Operating Assessment	404853 Emergency Reserve
Property Assessments:			\$ 392,934		
From Members			381,330		
From PDA for Stairways			11,604		
Interest income			50		
<b>Total Revenue for Zone 1</b>			<u>392,984</u>		
<b>Administrative and Operating Expenses</b>					
<b>General and Administrative Expenses</b>					
Printing and mailings	\$ 1,550		\$ 1,550		
Communications and Website maintenance	1,550		1,550		
Office Supplies	568		568		
Advertising	517		517		
Insurance	15,497		15,497		
Membership Dues	517		517		
<b>Total General and Administrative Expenses</b>	<u>20,197</u>	-	<u>20,197</u>		
<b>Professional Services</b>					
Legal Consultant	18,596		18,596		
Contract costs for Assessment calculations	8,265		8,265		
Audit Fees	10,331		10,331		
Accountant Contract	18,596		18,596		
Engineer Fees/County permit	122,293	-	122,293		
Clerk Contract/Admin. & Outreach	8,678		8,678		
<b>Total Professional Services</b>	<u>186,759</u>	-	<u>186,759</u>		
<b>Special District Compliance Costs</b>					
Elections	2,557		2,557		
Board and Clerk Training	2,273		2,273		
<b>Total Special District Compliance Costs</b>	<u>4,830</u>		<u>4,830</u>		
<b>Seawall Annual Inspection</b>	<u>6,199</u>		<u>6,199</u>		
<b>Total Administrative and Operating Expenses</b>	<u>217,984</u>		<u>217,984</u>	217,984	
<b>Capital Repair Costs/Expenses and Reserve</b>	<u>175,000</u>		<u>175,000</u>		175,000
<b>Total Administrative Budget</b>	<u>392,984</u>		<u>392,984</u>		
<b>Net Change in Fund Balance</b>			<u>\$ -</u>		

**PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT - ZONE 2**

***DRAFT BUDGET FOR FOR THE FISCAL YEAR ENDED JUNE 30, 2021***

	<u>Current Year budget</u>
<b>REVENUE FOR ZONE 2</b>	
Property Assessments	239,147
Pelican	237,879
Total PDA for stairway	1,267
Interest	150
<b><i>Total Revenue for Zone 2</i></b>	<u>239,297</u>
<b>EXPENDITURES FOR ZONE 2</b>	
<b><i>Administrative Costs</i></b>	
Contract for Assessment Administration	1,073
Accountant/Clerk Contract	2,683
Bond Fee	656
Bank Service Charges	517
Total Administrative Costs	<u>4,929</u>
<b><i>Riverwall Inspection</i></b>	<u>-</u>
<b><i>Loan Payments</i></b>	
SBA Loan Payment	92,856
Payment on bond issue (82 members)	141,512
Total loan payments	<u>234,368</u>
<b><i>Total Expenditures for Zone 2</i></b>	<u>239,297</u>
<b>Net Change in Fund Balance</b>	<u>-</u>

## **Job Descriptions for Officers**

**The Board usually elects a President, Vice-President. Currently the Treasurer duties are performed by the accountant and overseen by the President. The District Clerk has acted as Secretary in the past but has also been a position within the Board. Position designations or modifications of this may be made by a majority vote of the Board.**

### **Article 8: Duties of the Officers**

#### 8.1 The President shall:

- 8.1.1 Call all meetings of the Board of Directors.
- 8.1.2 Oversee the preparation of the agenda for each meeting, including resolutions, reports, communications, contracts, documents or other matters. Assistance in this regard may be provided by the Clerk and District Counsel.
- 8.1.3 Preside at all meetings of the District.
- 8.1.4 Organize and oversee Assessment Elections.
- 8.1.5 Supervise communications between the District and other governmental agencies or other members of the public.
- 8.1.6 Nominate and appoint members of Board committees and subcommittees, subject to approval of the majority of the Board members.

#### 8.2 The Vice-President shall:

- 8.2.1 Preside in the absence of the President.
- 8.2.2 Perform such other duties as are assigned by the Board of Directors.
- 8.2.3 Be familiar with the District activities and the Geologic Hazard Abatement District codes and bylaws.

#### 8.3 The Treasurer shall:

- 8.3.1 Oversee financial records of the District.  
Review bank reconciliations at least quarterly.
- 8.3.2 Oversee audits as required by State law.
- 8.3.3 See that all funds are kept in financial institutions approved by the Board.
- 8.3.4 Submit financial statements of all income and expenditures of the District at the end of each fiscal year.

8.3.5 Perform such other duties as are assigned by the Board of Directors.

Other Job descriptions:

**Secretary:**

- 1) Reviews meeting minutes
- 2) Assists in drafting resolutions
- 3) Assists in drafting updates to the Bylaws and other governing documents

**Community Liaison:**

- 1) Develops communications for distribution to homeowners.
- 2) Interfaces with homeowners at events and special meetings
- 3) Creates strategies for outreach

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Disk Space (GB)	40GB	80GB	120GB	160GB	Starting at 75 GB
Email Accounts	UNLIMITED	UNLIMITED	UNLIMITED	UNLIMITED	UNLIMITED
Free Themes (200+)	✓	✓	✓	✓	✓
Parked Domains	26	50	100	100	UNLIMITED
Subdomains	100	100	100	100	UNLIMITED
24 x 7 x 365 US-Based Support	✓	✓	✓	✓	✓
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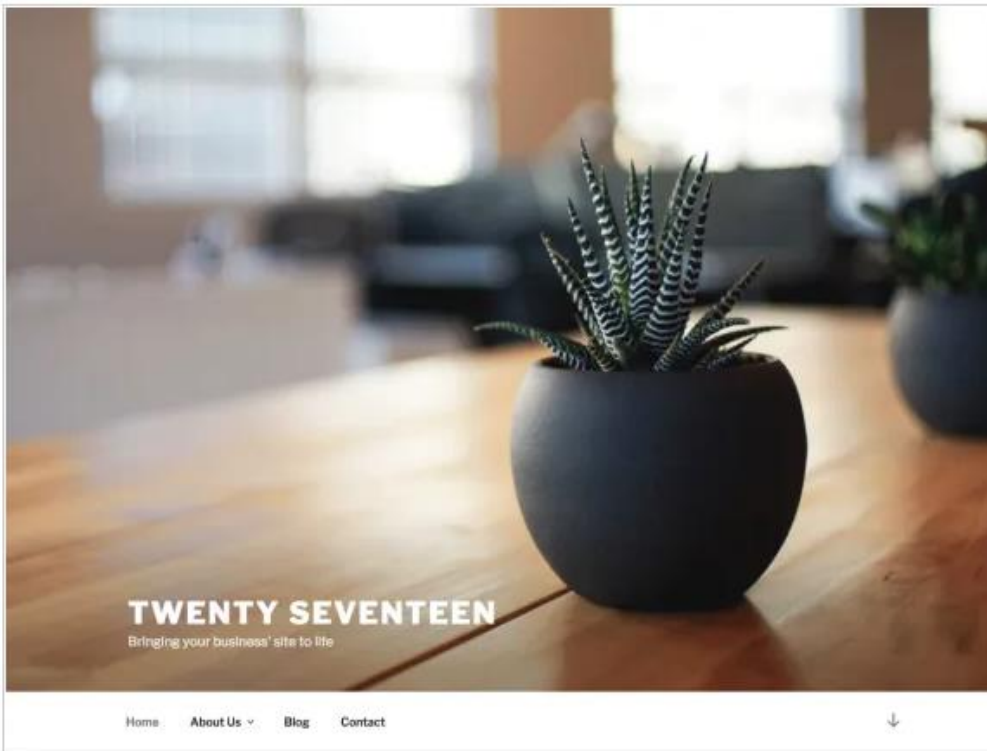
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Some Theme Ideas:

View others at: [www.wordpress.org/themes](http://www.wordpress.org/themes)



The image shows the homepage of the 'Benjamin' WordPress theme. The header includes the theme name 'Benjamin' and a navigation menu with 'Feed', 'Shortcodes', 'Formatting', 'Templates', 'About', 'Customizer', and 'Contact'. A dropdown menu is open under 'Formatting', listing options like 'Headers Page', 'Links Page', 'Blockquote Page', 'UL and OL Page', 'Image Page', and 'Multiple Paragraph Page'. The main content area features a dark blue box with the theme name 'Benjamin' and the description 'A USWDS styled WordPress theme built for federal agencies.', with a 'Learn More' button. Below this is a 'Welcome to Benjamin' section with a paragraph of text and a 'Download' link. To the right is a calendar for February 2018.

February 2018						
M	T	W	T	F	S	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25