



**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.**

**Saturday, March 5th, 2022 9:00 a.m.**

**Join Zoom Meeting**

**<https://us02web.zoom.us/j/86061888384?pwd=LzhNN09oVWJVUDRkTzVENEFRTXpvQT09>**

**Meeting ID: 860 6188 8384**

**Passcode: 549396**

**Phone in: +1 669 900 9128 US**

**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. 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, President  
David Ferrari, Vice-President  
Raphael Kraw, Treasurer**

**Michael Butner, 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.

### **1. 2021 Upcoming Meeting Dates**

May 21<sup>st</sup>, 2022

August 6<sup>th</sup>, 2022

October 1<sup>st</sup>, 2022

December 10<sup>th</sup>, 2022

**Reminder about Annual Form 700 filing.**

## **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 from December 11<sup>th</sup>, 2021

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

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### **2. Financial Reports**

- Financial Report through February 28<sup>th</sup>, 2022
- 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-Consider resolution for continuing teleconferenced meetings**

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

### **5. ITEM-Update on County application for grading permit**

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

5. ITEM Consider Insurance Renewals
  - a. Board report
  - b. Public comment
  - c. Board discussion
  - d. Board action /direction
  
6. ITEM – Review/Accept 2020/21 Audit Report (held over from December 11, 2021 Meeting)
  - a. Board report
  - b. Public comment
  - c. Board discussion
  - d. Board action /direction
  
7. ITEM –Consider resolution to update the meeting date policy for the PDGHAD
  - a. Board report
  - b. Public comment
  - c. Board discussion
  - d. Board action /direction
  
8. ITEM –Consider funding attendance at governmental accounting conference (AICPA) for accountant.
  - 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 21<sup>st</sup>, 2022, at 9:00 a.m. online via Zoom and if possible 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.

# PDGHAD

## 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.  
Saturday, December 11th, 2021 9:00 a.m.

### Join Zoom Meeting

<https://us02web.zoom.us/j/81503851647?pwd=amdWYkprR3plSHkyTnljMmN3S0Q0dz09>

Meeting ID: 815 0385 1647

Passcode: 210746

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. 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, President-present  
David Ferrari, Vice-President-present  
Raphael Kraw, Treasurer-present

Michael Butner, Director-present  
Sarah Mansergh, Clerk-present

**Michael Rodriquez (attorney), Wendy Cumming (accountant)**

### B. MEMBER COMMENTS

---

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.

### 1. 2022 Regular Meeting Dates

Discuss meeting dates for 2022-align with PDA? See item #6 below

## 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 meeting minutes of November 13<sup>th</sup>, 2021.

**No changes needed. Raphe moves to approve the minutes. David seconds. Roll call: John-aye, David-aye, Raphe-aye, Mike-aye. Approved.**

## E. TREASURER'S REPORT

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### 2. Financial Reports

- Financial Report through November 30<sup>th</sup>, 2021
- Warrant listing

**No significant changes from last update as of October 31<sup>st</sup>.**

## 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-Consider resolution for continuing teleconferencing meetings.

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

David moves to adopt the resolution. Raphe seconds. **Roll call: John-aye, David-aye, Raphe-aye, Mike-aye. Motion approved.**

### 5. ITEM- Update on County application for grading permit

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

**Dan Peluso gave an update on where the current application is at this point. Contacted Coastal Commission and Santa Cruz County, they came back with a question-Are you only planning on**

**using rock that already exists on the beach? 90% plans are almost complete-pending final internal review. Preparing for submission to the County.**

6. ITEM – Consider updating meeting policy to coordinate dates with PDA meetings.
- a. Board report
  - b. Public comment
  - c. Board discussion
  - d. Board action /direction

How about we do Feb 5, May 21, Aug 6, Oct 1, Dec 10. At 8:30am. Add one date in June/July.

7. ITEM – Review/Accept 2020/21 Audit Report
- a. Board report
  - b. Public comment
  - c. Board discussion
  - d. Board action /direction

Audit has not been issued yet but the draft showed a clean report so just waiting on the final recommendation letter before we can review. Will defer to the Feb meeting.

#### **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**

**Adjourned at 9:42am**

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The next Meeting of the Board of Directors is scheduled for February 5th, 2021, at 9:00 a.m. online via Zoom and if possible 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

**Pajaro Dunes Geologic Hazard Abatement District**

**Balance Sheet**

As of February 28, 2022

Feb 28, 22

**ASSETS**

**Current Assets**

**Checking/Savings**

100000 · SCCB Zone 1 - 3957	175,956
100001 · SCCB Zone 2 - 3965	40,496
100002 · SCCB Z1 Emerg - 1877	489,004
100003 · SCCB LTD- 0208	49,233
100004 · SCCB Bond Holding	<u>236,951</u>

**Total Checking/Savings** 991,640

**Accounts Receivable**

120000 · Assessments Receivable	<u>387,034</u>
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**Total Accounts Receivable** 387,034

**Other Current Assets**

121500 · Prepaid Insurance	5,517
121600 · Prepaid Expenses	<u>1,000</u>

**Total Other Current Assets** 6,517

**Total Current Assets** 1,385,191

**Fixed Assets**

150000 · Riverwall	3,000,000
160000 · Accumulated Depreciation	<u>-1,716,664</u>

**Total Fixed Assets** 1,283,336

**TOTAL ASSETS** 2,668,527

**LIABILITIES & EQUITY**

**Liabilities**

**Current Liabilities**

**Other Current Liabilities**

220000 · Accrued Interest	<u>3,613</u>
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**Total Other Current Liabilities** 3,613

**Total Current Liabilities** 3,613

**Long Term Liabilities**

285000 · Bonds Payable Z2	1,000,000
286000 · Bonds Payable Discount Z2	-52,250
286500 · Amort. Bond Discount Z2	<u>35,341</u>

**Total Long Term Liabilities** 983,091

**Total Liabilities** 986,704

**Equity**

30000 · Opening Balance Equity 608,448

32000 · Retained Earnings 926,531

Net Income 146,843

**Total Equity** 1,681,822

**TOTAL LIABILITIES & EQUITY** 2,668,526

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

**Pajaro Dunes Geologic Hazard Abatement District**  
**Profit & Loss Budget vs. Actual**  
 July 2021 through February 2022

	Zone 1			
	Jul '21 - Feb 22	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
410000 · Assessment Income	92,741	92,741	-	100%
410020 · Emergency Reserve Fund	116,667	116,667	-	100%
<b>Total Income</b>	<u>209,408</u>	<u>209,408</u>	<u>-</u>	<u>100%</u>
<b>Expense</b>				
610155 · Postage and Mailings	3	1,000	(997)	0%
61510 · Advertising	-	527	(527)	0%
615115 · Office Expense	-	360	(360)	0%
615140 · Audit Expense	9,000	10,538	(1,538)	85%
61518 · Clerk	1,360	5,785	(4,425)	24%
615415 · Accounting	8,168	14,596	(6,428)	56%
615416 · Assessment Admin. Expense	5,340	8,430	(3,090)	63%
615617 · Website Maintenance	-	1,000	(1,000)	0%
615650 · Officer Election	-	2,608	(2,608)	0%
615655 · Dues	-	527	(527)	0%
615656 · Board/Clerk Education	-	2,318	(2,318)	0%
616500 · Legal Fees	2,600	12,645	(10,045)	21%
617250 · Seawall Inspections	-	6,199	(6,199)	0%
619010 · Technical Consulting Costs	35,353	83,159	(47,806)	43%
628500 · Insurance Expense	6,457	10,537	(4,080)	61%
629030 · SBA Repayment to PHA Z2	-			
650000 · Bank Service Charges	1,025			
750000 · Depreciation Expense Z2	-			
<b>Total Expense</b>	<u>69,306</u>	<u>160,229</u>	<u>(90,923)</u>	<u>43%</u>
<b>Net Ordinary Income</b>	<u>140,102</u>	<u>49,179</u>	<u>90,923</u>	<u>285%</u>
<b>Other Income/Expense</b>				
<b>Other Income</b>				
410070 · Interest & Penalty Income	109	33	76	330%
<b>Total Other Income</b>	<u>109</u>	<u>33</u>	<u>76</u>	<u>330%</u>
<b>Other Expense</b>				
855000 · Interest Expense	-			
955500 · Interest Bond Discount	-			
<b>Total Other Expense</b>	<u>-</u>			
<b>Net Other Income</b>	<u>109</u>	<u>33</u>	<u>76</u>	<u>330%</u>
<b>Net Income</b>	<u><u>140,211</u></u>	<u><u>49,212</u></u>	<u><u>90,999</u></u>	<u><u>285%</u></u>



**Pajaro Dunes Geologic Hazard Abatement District**  
**Profit & Loss Budget vs. Actual**  
 July 2021 through February 2022

	Zone 2			
	Jul '21 - Feb 22	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
410000 · Assessment Income	177,490	177,490	-	100%
410020 · Emergency Reserve Fund	-			
<b>Total Income</b>	<u>177,490</u>	<u>177,490</u>	<u>-</u>	<u>100%</u>
<b>Expense</b>				
610155 · Postage and Mailings	-			
61510 · Advertising	-			
615115 · Office Expense	-			
615140 · Audit Expense	-			
61518 · Clerk	411	1,825	(1,414)	23%
615415 · Accounting	-			
615416 · Assessment Admin. Expense	517	1,094	(577)	47%
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	61,904	61,904	-	100%
650000 · Bank Service Charges	-	351	(351)	0%
750000 · Depreciation Expense Z2	66,664	66,667	(3)	100%
<b>Total Expense</b>	<u>129,496</u>	<u>131,841</u>	<u>(2,345)</u>	<u>98%</u>
<b>Net Ordinary Income</b>	47,994	45,649	2,345	105%
<b>Other Income/Expense</b>				
<b>Other Income</b>				
410070 · Interest & Penalty Income	134	100	34	134%
<b>Total Other Income</b>	<u>134</u>	<u>100</u>	<u>34</u>	<u>134%</u>
<b>Other Expense</b>				
855000 · Interest Expense	40,103	40,103	-	100%
955500 · Interest Bond Discount	1,392	1,392	-	100%
<b>Total Other Expense</b>	<u>41,495</u>	<u>41,495</u>	<u>-</u>	<u>100%</u>
<b>Net Other Income</b>	<u>(41,361)</u>	<u>(41,395)</u>	<u>34</u>	<u>100%</u>
<b>Net Income</b>	<u><u>6,633</u></u>	<u><u>4,254</u></u>	<u><u>2,379</u></u>	<u><u>156%</u></u>

**Pajaro Dunes Geologic Hazard Abatement District**  
**Profit & Loss Budget vs. Actual**  
 July 2021 through February 2022

	TOTAL			
	Jul '21 - Feb 22	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
410000 · Assessment Income	270,231	270,231	-	100%
410020 · Emergency Reserve Fund	116,667	116,667	-	100%
<b>Total Income</b>	<u>386,898</u>	<u>386,898</u>	<u>-</u>	<u>100%</u>
<b>Expense</b>				
610155 · Postage and Mailings	3	1,000	(997)	0%
61510 · Advertising	-	527	(527)	0%
615115 · Office Expense	-	360	(360)	0%
615140 · Audit Expense	9,000	10,538	(1,538)	85%
61518 · Clerk	1,771	7,610	(5,839)	23%
615415 · Accounting	8,168	14,596	(6,428)	56%
615416 · Assessment Admin. Expense	5,857	9,524	(3,667)	61%
615617 · Website Maintenance	-	1,000	(1,000)	0%
615650 · Officer Election	-	2,608	(2,608)	0%
615655 · Dues	-	527	(527)	0%
615656 · Board/Clerk Education	-	2,318	(2,318)	0%
616500 · Legal Fees	2,600	12,645	(10,045)	21%
617250 · Seawall Inspections	-	6,199	(6,199)	0%
619010 · Technical Consulting Costs	35,353	83,159	(47,806)	43%
628500 · Insurance Expense	6,457	10,537	(4,080)	61%
629030 · SBA Repayment to PHA Z2	61,904	61,904	-	100%
650000 · Bank Service Charges	1,025	351	674	292%
750000 · Depreciation Expense Z2	66,664	66,667	(3)	100%
<b>Total Expense</b>	<u>198,802</u>	<u>292,070</u>	<u>(93,268)</u>	<u>68%</u>
<b>Net Ordinary Income</b>	188,096	94,828	93,268	198%
<b>Other Income/Expense</b>				
<b>Other Income</b>				
410070 · Interest & Penalty Income	243	133	110	183%
<b>Total Other Income</b>	<u>243</u>	<u>133</u>	<u>110</u>	<u>183%</u>
<b>Other Expense</b>				
855000 · Interest Expense	40,103	40,103	-	100%
955500 · Interest Bond Discount	1,392	1,392	-	100%
<b>Total Other Expense</b>	<u>41,495</u>	<u>41,495</u>	<u>-</u>	<u>100%</u>
<b>Net Other Income</b>	<u>(41,252)</u>	<u>(41,362)</u>	<u>110</u>	<u>100%</u>
<b>Net Income</b>	<u><u>146,844</u></u>	<u><u>53,466</u></u>	<u><u>93,378</u></u>	<u><u>275%</u></u>

**Pajaro Dunes Geologic Hazard Abatement District**

**Bank Account Activity**

As of February 28, 2022

<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>198,073.06</b>
Bill Pmt -Check	01/21/2022	1432	Cal Engineering & Geology		11,390.00	186,683.06
Bill Pmt -Check	01/21/2022	1434	Jarvis, Fay, & Gibson, LLP		1,760.00	184,923.06
Bill Pmt -Check	01/21/2022	1435	Wendy L. Cumming, CPA		1,567.50	183,355.56
Bill Pmt -Check	01/28/2022	1436	Hutchinson & Bloodgood		7,400.00	175,955.56
Total 100000 · SCCB Zone 1 - 3957				0.00	22,117.50	175,955.56
<b>100001 · SCCB Zone 2 - 3965</b>						<b>55,971.57</b>
Bill Pmt -Check	01/21/2022	1367	Pelican Home Owner's Association		15,476.00	40,495.57
Total 100001 · SCCB Zone 2 - 3965				0.00	15,476.00	40,495.57
<b>100002 · SCCB Z1 Emerg - 1877</b>						<b>489,004.24</b>
Total 100002 · SCCB Z1 Emerg - 1877						489,004.24
<b>100003 · SCCB LTD- 0208</b>						<b>49,220.49</b>
Deposit	12/31/2021			4.18		49,224.67
Deposit	01/31/2022			4.18		49,228.85
Deposit	02/28/2022			3.78		49,232.63
Total 100003 · SCCB LTD- 0208				12.14	0.00	49,232.63
<b>100004 · SCCB Bond Holding</b>						<b>0.00</b>
Transfer	02/25/2022			263,755.52		263,755.52
Check	02/25/2022	ATM	U.S. Bank St. Paul		26,805.00	236,950.52
Total 100004 · SCCB Bond Holding				263,755.52	26,805.00	236,950.52
<b>100400 · Union Bank Bond Holding</b>						<b>263,711.15</b>
Deposit	01/31/2022			44.37		263,755.52
Transfer	02/25/2022				263,755.52	0.00
Total 100400 · Union Bank Bond Holding				44.37	263,755.52	0.00
<b>TOTAL</b>				<b>263,812.03</b>	<b>328,154.02</b>	<b>991,638.52</b>

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PAJARO DUNES  
GEOLOGIC HAZARD ABATEMENT DISTRICT AUTHORIZING THE CONTINUED  
USE OF TELECONFERENCED MEETINGS PURSUANT TO ASSEMBLY BILL 361**

**Resolution No. 2022-4**

**WHEREAS**, on March 4, 2020, Governor Newsom declared a State of Emergency in the State of California, as defined under the California Emergency Services Act, due to the COVID-19 pandemic; and

**WHEREAS**, on March 4, 2020, the Health Officer of Santa Cruz County declared a similar declaration of “local health emergency” regarding COVID-19 for Santa Cruz County, which was subsequently ratified by the Santa Cruz County Board of Supervisors on March 10, 2020; and

**WHEREAS**, on March 17, 2020, due to the threats posed by COVID-19, Governor Newsom issued Executive Order N-29-20, which suspended certain requirements of Government Code Section 54950 *et seq.*, the Ralph M. Brown Act (“Brown Act”), in order to allow local legislative bodies to conduct meetings telephonically or electronically without a physical meeting place; and

**WHEREAS**, on June 11, 2021, Governor Newsom issued Executive Order N-08-21, which stated that the provisions suspending requirements of the Brown Act in Executive Order N-29-20 would remain in effect through September 30, 2021, at which point the suspensions would expire; and

**WHEREAS**, on September 16, 2021, Governor Newsom signed Assembly Bill 361 (“AB 361”) into law, an urgency measure effective upon adoption, amending the Brown Act to allow legislative bodies to continue to meet remotely during a proclaimed State of Emergency, when either state or local officials have imposed or recommended measures to promote social distancing, or the legislative body determines that meeting in person would present imminent risks to the health and safety of attendees; and

**WHEREAS**, the State of Emergency proclaimed by the Governor on March 4, 2020, and local health emergency declarations and recommendations, remain in effect; and

**WHEREAS**, highly contagious COVID-19 Delta and Omicron Variants emerged in the second half of 2021, causing an increase in positive cases and hospitalizations locally and throughout the State of California; and

**WHEREAS**, on February 16, 2022, Santa Cruz County lifted its November 18, 2021, Order requiring the use of face coverings in indoor settings, but continues to require indoor masking for unvaccinated individuals and strongly recommends the use of face masks as an effective tool against the spread of the COVID-19 virus; and

**WHEREAS**, according to the CDC’s “Community Transmission” metric, which provides a four-tiered system that measures the level of community transmission in each county, as of March 1, 2022, Santa Cruz County was reported as having a “High” Community Transmission rate, an increase from the “Substantial” rating in place on date of the District’s last resolution on teleconferencing adopted in December of 2021, and

**WHEREAS**, due to the continued impact of COVID-19 Variants, the District is concerned about the health and safety of attendees at public meetings should they be held in person and in a shared indoor public meeting space; and

**WHEREAS**, regular meetings of the Board of Directors of the Pajaro Dunes Geologic Hazard Abatement District (the “Board”), comprised of homeowners and constituents who often reside in other counties in the State, pose a unique risk of gatherings of individuals from a variety of locales with differing Community Transmission rates; and

**WHEREAS**, on November 13, 2021, in recognition of much of the information referenced above, the Board adopted initial Resolution No. 2021-02 “Authorizing the Continued Use of Teleconferenced Meetings Pursuant to AB 361” as a means of protecting the Board and the public from the transmission of the COVID-19 virus; and

**WHEREAS**, at the last District Board meeting, on December 11, 2021, the Board adopted Resolution No. 2021-03 “Authorizing the Continued Use of Teleconferenced Meetings Pursuant to Assembly Bill 361”; and

**WHEREAS**, pursuant to the provisions of AB 361, after adoption of an initial resolution stating the desire to continue to use teleconferencing, if a governmental entity wishes to continue to conduct business via teleconferencing it must adopt a subsequent resolution establishing facts and findings that justify the use of such meeting procedures; and

**WHEREAS**, in light of the foregoing, the Board desires to take action in substantial compliance with AB 361 to continue to hold its meetings remotely.

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

1. All of the recitals set forth above are true and correct to the best of its knowledge and by this reference are incorporated herein as findings.
2. The Board hereby acknowledges that the Governor’s State of Emergency proclamation issued on March 4, 2020, remains in effect.
3. The Board finds that due to the emergence of the Delta and Omicron Variants and the continued threat of COVID-19, holding in-person Board meetings would present an imminent risk to the health and safety of attendees.

4. The Board is hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution, including conducting open and public meetings in accordance with Government Code Section 54953(e) and other applicable provisions of the Brown Act to allow teleconferenced meetings.

5. This Resolution shall take effect on March 5, 2022, and shall be effective until the earlier of thirty days from said date or such time the Board adopts a subsequent resolution in accordance with Government Code Section 54953(e)(3) to extend the time during which the Board may continue teleconferencing without compliance with the Brown Act's prior rules regarding teleconferencing.

**PASSED AND ADOPTED** by the Board of Directors of the Pajaro Dunes Geologic Hazard Abatement District of the County of Santa Cruz, State of California, this 5<sup>th</sup> day of March, 2022, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
President John Cullen, Board of Directors

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



Sondra Carter  
KBK Insurance Agency  
1006 Freedom Boulevard  
Watsonville, CA 95076

Feb 15, 2022

Re: Pajaro Dunes Geologic Hazard Abatement District, Ref# 10060727-A  
Proposed Effective 3/12/2022 to 3/12/2023

Dear Sondra:

We are pleased to confirm the attached quotation for **Public Officials Management & Employment Practices Liability** being offered with **Indian Harbor Insurance Company**. This carrier is **Non-Admitted** in the state of **CA**. Please note that this quotation is based on the coverage, terms and conditions as stated in the attached quotation, which may be different from those requested in your original submission. As you are the representative of the Insured, it is incumbent upon you to review the terms of this quotation carefully with your Insured, and reconcile any differences from the terms requested in the original submission. CRC Insurance Services, Inc. disclaims any responsibility for your failure to reconcile with the Insured any differences between the terms quoted as per the attached and those terms originally requested. The attached quotation may not be bound without a fully executed CRC brokerage agreement.

**NOTE: The Insurance Carrier indicated in this quotation reserves the right, at its sole discretion, to amend or withdraw this quotation if it becomes aware of any new, corrected or updated information that is believed to be a material change and consequently would change the original underwriting decision.**

Should coverage be elected as quoted per the attached, Premium and Commission are as follows:

<b>Premium:</b>	<b>\$12,576.00</b>	
Broker Fee	\$250.00	
Policy Fee	\$245.00	
Surplus Lines Tax	\$384.63	
Stamping Office Fee	\$32.05	
<b>Grand Total:</b>	<b>\$13,487.68</b>	<b>+\$250 KBK Fee Total Cost \$13,737.68</b>

**Commission: 10%**

**MEP: 25%**

**Broker Fees & Policy Fees are Fully Earned at Binding**

**NOTE: If insured is located outside your resident state, you must hold appropriate non-resident license prior to binding.**

**If Non Admitted the following applies:**

**California Tax Filings are the responsibility of: ( ) Your Agency (X ) CRC**

Upon requesting quotes and/or placement for the coverage listed herein, the producing retail broker hereby

confirms that he/she has performed any and all diligent searches, as may be required by statute, for coverage through licensed carriers or other means of placement, and as necessary maintain proof of declination. Where allowed by governing statutes, "diligent effort" may not require an actual physical search and declination on each risk, but may be based on the retail producing broker's own experience, opinion and overall knowledge of acceptability in the admitted marketplace.

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CRC is compensated in a variety of ways, including commissions and fees paid by insurance companies and fees paid by clients. Some insurance companies pay brokers supplemental commissions (sometimes referred to as "contingent commissions" or "incentive commissions"), which is compensation that is based on a broker's performance with that carrier. These supplemental commissions may be based on volume, profitability, retention, growth or other measures. Even if a contingent commission agreement exists with a carrier, we recognize that our responsibility is to promote the best interests of the policyholder in the selection of an insurance company. For more information on CRC's compensation, please contact your CRC broker.

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### **Financing Insurance Premiums**

Premium financing budgets insurance payments and improves liquidity for other business objectives: working capital, business growth, business expansion.

If your clients choose to pay their insurance in monthly installments, it's fast and easy with AFCO Credit Corporation, which is an affiliate of CRC, providing premium financing solutions for companies across the United States.

You can learn more about how premium financing works and how it can expand your relationship with your clients by emailing [afcodirect@afco.com](mailto:afcodirect@afco.com); or call toll-free **877-317-6437**, option 1. Additional information is available at <https://www.afco.com/partners/crc.html>.

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Sincerely,

Yolanda Hernandez  
Account Executive  
415 9518463  
Yhernandez@crcgroup.com  
10060727



## **IMPORTANT NOTICE:**

- 1. The insurance policy that you are applying to purchase is being issued by an insurer that is not licensed by the State of California. These companies are called "nonadmitted" or "surplus line" insurers.**
- 2. The insurer is not subject to the financial solvency regulation and enforcement that apply to California licensed insurers.**
- 3. The insurer does not participate in any of the insurance guarantee funds created by California law. Therefore, these funds will not pay your claims or protect your assets if the insurer becomes insolvent and is unable to make payments as promised.**
- 4. The insurer should be licensed either as a foreign insurer in another state in the United States or as a non-United States (alien) insurer. You should ask questions of your insurance agent, broker, or "surplus line" broker or contact the California Department of Insurance at the toll-free number 1-800-927-4357 or internet website [www.insurance.ca.gov](http://www.insurance.ca.gov). Ask whether or not the insurer is licensed as a foreign or non-United States (alien) insurer and for additional information about the insurer. You may also visit the NAIC's internet website at [www.naic.org](http://www.naic.org). The NAIC—the National Association of Insurance Commissioners—is the regulatory support organization created and governed by the chief insurance regulators in the United States.**
- 5. Foreign insurers should be licensed by a state in the United States and you may contact that state's department of insurance to obtain more information about that insurer. You can find a link to each state from this NAIC internet website: [https://naic.org/state\\_web\\_map.htm](https://naic.org/state_web_map.htm).**

6. **For non-United States (alien) insurers, the insurer should be licensed by a country outside of the United States and should be on the NAIC's International Insurers Department (IID) listing of approved nonadmitted non-United States insurers. Ask your agent, broker, or "surplus line" broker to obtain more information about that insurer.**
  
7. **California maintains a "List of Approved Surplus Line Insurers (LASLI)." Ask your agent or broker if the insurer is on that list, or view that list at the internet website of the California Department of Insurance: [www.insurance.ca.gov/01-consumers/120-company/07-lasli/lasli.cfm](http://www.insurance.ca.gov/01-consumers/120-company/07-lasli/lasli.cfm).**
  
8. **If you, as the applicant, required that the insurance policy you have purchased be effective immediately, either because existing coverage was going to lapse within two business days or because you were required to have coverage within two business days, and you did not receive this disclosure form and a request for your signature until after coverage became effective, you have the right to cancel this policy within five days of receiving this disclosure. If you cancel coverage, the premium will be prorated and any broker's fee charged for this insurance will be returned to you.**

**Date:** \_\_\_\_\_

**Insured:** \_\_\_\_\_

**D-1 (Effective January 1, 2020)**

**IMPORTANT NOTICE:**

**The insurance policy that you have purchased is being issued by an insurer that is not licensed by the State of California. These companies are called “nonadmitted” or “surplus line” insurers.**

**The insurer is not subject to the financial solvency regulation and enforcement that apply to California licensed insurers.**

**The insurer does not participate in any of the insurance guarantee funds created by California law. Therefore, these funds will not pay your claims or protect your assets if the insurer becomes insolvent and is unable to make payments as promised.**

**The insurer should be licensed either as a foreign insurer in another state in the United States or as a non-United States (alien) insurer. You should ask questions of your insurance agent, broker, or “surplus line” broker or contact the California Department of Insurance at the toll-free number 1-800-927-4357 or internet website [www.insurance.ca.gov](http://www.insurance.ca.gov). Ask whether or not the insurer is licensed as a foreign or non-United States (alien) insurer and for additional information about the insurer. You may also visit the NAIC's internet website at [www.naic.org](http://www.naic.org). The NAIC—the National Association of Insurance Commissioners—is the regulatory support organization created and governed by the chief insurance regulators in the United States.**

**Foreign insurers should be licensed by a state in the United States and you may contact that state's department of insurance to obtain more information about that insurer. You can find a link to each state from this NAIC internet website: [https://naic.org/state\\_web\\_map.htm](https://naic.org/state_web_map.htm).**

**For non-United States (alien) insurers, the insurer should be licensed by a country outside of the United States and should be on**

**the NAIC's International Insurers Department (IID) listing of approved nonadmitted non-United States insurers. Ask your agent, broker, or “surplus line” broker to obtain more information about that insurer.**

**California maintains a “List of Approved Surplus Line Insurers (LASLI).” Ask your agent or broker if the insurer is on that list, or view that list at the internet website of the California Department of Insurance: [www.insurance.ca.gov/01-consumers/120-company/07-lasli/lasli.cfm](http://www.insurance.ca.gov/01-consumers/120-company/07-lasli/lasli.cfm).**

**If you, as the applicant, required that the insurance policy you have purchased be effective immediately, either because existing coverage was going to lapse within two business days or because you were required to have coverage within two business days, and you did not receive this disclosure form and a request for your signature until after coverage became effective, you have the right to cancel this policy within five days of receiving this disclosure. If you cancel coverage, the premium will be prorated and any broker's fee charged for this insurance will be returned to you.**

**D-2 (Effective January 1, 2020)**



**Professional  
Governmental  
Underwriters, LLC**

**The Authority.**

DBA: PGB Insurance Agency CA License #: 0F65220

4870 Sadler Road, Suite 102  
Glen Allen, VA 23060 [www.pgui.com](http://www.pgui.com)

**25+** YEARS  
of excellence  
EST. 1993

## Public Officials Management & Employment Practices Liability

DBA: PGB Insurance Agency CA license #: 0F65220

**Date:** 02/15/2022

**To:** Yolanda P. Hernandez  
CRC - San Francisco  
**Email:** [yhernandez@crcswett.com](mailto:yhernandez@crcswett.com)

**Proposed Insured:** Pajaro Dunes Geologic Hazard Abatement District  
c/o Sarah Mansergh 134 Landis Avenue  
Freedom, CA 95019

**Application #:** POL0952899-03-REN

Thank you very much for your submission. Based upon the information received and subject to the limitations outlined below, we are pleased to offer the following:

### QUOTATION

**Coverage:** See coverage form PGU POL 2001 (04/2017) for terms, conditions and limitations

**Form:** Claims Made

**Retro Date:** None - Full Prior Acts

**Insurer Information:** Indian Harbor Insurance Company  
A member of the AXA XL Group of Companies  
Best Rating: A XV  
Surplus Lines Insurer

**Filings / Taxes:** PGU Not Responsible For Tax Filings

**Commission:** 10%

**Quotation / Indication valid until:** 3/12/2022

If we are offering coverage on a surplus lines basis, the agent is responsible for handling of filings unless we note otherwise on this quotation. If we have provided terms using bid specifications or an application other than ours, the quote is subject to change pending review of a completed and signed PGU application.

# Public Officials Management & Employment Practices Liability

Proposed Insured: Pajaro Dunes Geologic Hazard Abatement District

Terms	Limits	Retentions each claim including LAE	Premium
Public Officials Management	\$1,000,000	\$10,000	\$6,103.00
Employment Practices Liability	\$1,000,000	\$25,000	Included
Policy Aggregate	\$1,000,000		
Non-Monetary Coverage - Defense Only	\$50,000	\$10,000	Included
Non-Monetary Coverage - Defense Only Aggregate	\$100,000		
Crisis Management	\$25,000	\$5,000	Included
<b>Features/Enhancements</b>			
Punitive Damages		See Retentions Above	Included
Personal Injury		See Retentions Above	Included
Third Party Wrongful Acts		See Retentions Above	Included
Back Pay / Front Pay		See Retentions Above	Included
Loss of Earnings		See Retentions Above	Included
<b>Optional Increased Limits</b>			<b>Additional Premium</b>
	2,000,000 CSL		\$1,973.00
	3,000,000 CSL		\$1,500.00
	4,000,000 CSL		\$1,500.00
	5,000,000 CSL		\$1,500.00
<b>Premium, Fees and Taxes</b>			
	<b>Total Premium:</b>		\$12,576.00
	<b>Policy Fee :</b>		\$245.00
	<b>Total Cost:</b>		\$12,821.00
<b>Comments:</b>			
By purchasing this coverage, you will have the opportunity to register for our PGU Employer Resource Center that provides unlimited, specific, documented, and confidential advice from employment law attorneys. It also provides on-line training courses, including sexual harassment prevention, available for both supervisors and employees. As well as, on-line tools; a state-specific employee handbook builder, forms, posters, news, and more.			

Premium is subject to 3.25% taxes/fees. Premium is 25% fully earned and payable within 20 days of the effective date. CRC Insurance Broker Fee: \$250.00

Proposed Insured: Pajaro Dunes Geologic Hazard Abatement District

**SUBJECTIVITIES - WE MUST BE PROVIDED WITH THESE ITEMS BEFORE COVERAGE CAN BE BOUND:**

Name, e-mail address, and phone number of Insured contact for PGU Employer Resource Center.

Deadly Weapon Protection Insurance is available through Professional Governmental Underwriters, Inc. Please contact your underwriter if you are interested in additional information about this new product.

**Reminders:**

A written request is required to bind coverage.

We will not cancel flat after inception date.

Backdating of coverage is not allowed.

Engineering Fee is non-refundable.

See attached Coverage Features attachment for additional information.

Limits, retentions, terms and conditions quoted do not necessarily match those requested.

This proposal contains a brief outline of coverages to be included in any policy that may be issued in the future.

This is only a summary and the Terms and Conditions of any policy will take precedence over any proposal.

Minimum Earned Premium is the GREATER of \$1,500 or 25% of annual premium.

**Applicable Forms:** (Other forms may apply. Consult Underwriter for details.)

PN CA 02 01 17	Import Information to Policyholders - California
PN CA 05 01 17	Notice to Policyholder - California Surplus Lines Notice
PN CA 05 01 20	Notice to Policyholder - California Surplus Lines Important Notice
PGU POL 2000 08 19	Public Officials and Employment Practices Liability Declarations
IL MP 9104 0314 IHIC 03 14	In Witness
PGU 2002 04 17	Schedule of Policy Forms and Endorsements
PGU POL 2001 04 17	Public Officials and Employment Practices Liability Insurance Policy
PGU 1052 (POL) 04 17	Minimum Earned Premium Upon Cancellation
PGU 1133 01 22	US Professional Indemnity - Cyber Exclusion
XL-CASOP 11 10	Service of Process
PN CW 01 01 22	Notice to Policyholders - Fraud Notice
PN CW 02 01 19	Notice to Policyholders - Privacy Policy
PN CW 05 05 19	Notice to Policyholders - U.S. Treasury Department's Office of Foreign Assets Control ("OFAC")

## Commercial Insurance Quote Proposal

**To:** KBK Insurance Agency  
**Contact Name:** Sondra Carter  
**Contact Email:**  
**Contact Phone:** (831) 724-1085

**From:** MJ Hall & Company Inc (Napa, CA)  
**Address:** 3270 Silverado Trl Napa CA 94558-1424  
**Contact Name:** Myah Waldvogel  
**Contact Email:** myah@mjhollandcompany.com  
**Contact Phone:**  
**License #:** 0488901

**Underwritten By:** SCOTTSDALE INSURANCE COMPANY

**A.M. Best rated A+ (Superior), FSC XV**

**Commission:** 10.00%

**Minimum Earned:** 25%

**Minimum and Advance  
Premium:**

100%

These terms are valid for 60 days from FEBRUARY 17,2022. Our quote may differ from the terms requested. Please review the quote carefully.

If the policy is cancelled at the insured's request, including non-payment of premium, there will be a minimum earned premium retained by us. If a policy or inspection fee is applicable to this policy, the fees are fully earned. No flat cancellations.

At the close of each audit period, we will compute the earned premium for that period. If the earned premium is greater than the advance premium paid, an audit premium will be due. There will be no returned premium upon Audit if the estimated exposure is less than shown, unless the Minimum and Advance Premium is less than 100%.

<b>Applicant Name:</b>	PAJARO DUNES GEOLOGIC
<b>Proposed Policy Period:</b>	03/29/2022 To 03/29/2023
<b>Quote Number:</b>	QT-01482788
<b>Agent Reference Number:</b>	65215.05
<b>Renewal of #:</b>	CPS7324115

### Premium Summary

LIABILITY	\$2,250 MP
PROPERTY	\$500 MP
<b>Sub Total Premium:</b>	<b>\$2,750</b>
Broker Fee	\$175.00
Surplus Lines Tax	\$82.50
Stamp Fee	\$6.88
<b>Grand Total:</b>	<b>\$3,014.38</b> +\$250 KBK Fee <b>Total Cost \$3,264.38</b>

**Terrorism:** Terrorism coverage can be purchased for an additional premium of \$138.00 plus applicable taxes and fees. Signed acceptance/rejection required at binding.

#### Subject to following terms and conditions:

- IN ORDER TO BIND WE REQUIRE:
  - Written request to bind;
  - Signed Terrorism Notice form (accepting or rejecting TRIA);
  - Signed D-1 (California Surplus Lines Notice)
  - SL-2 (California Diligent Search Affidavit);
  - Signed Acords 125-126-140



- WARRANT:  
Hand Held Fire Extinguishers; Currently Tagged

## Commercial Liability Coverage

	Limits
General Aggregate	\$3,000,000
Products/Completed Operations Aggregate	EXCLUDED
Personal and Advertising Injury	EXCLUDED
Per Occurrence	\$3,000,000
Damage to Premises Rented to You	\$100,000
Medical Payments	\$5,000
Deductible	\$0 BI/PD/PA PER CLAIMANT

### Liability Rating Classifications and Premium

Loc #/ Bldg #	Program / ISO	Class Code	Description	Exposure	Prem / Prod Rate	Prem / Prod Premium
<b>2661 BEACH RD WATSONVILLE CA 95076</b>						
1 / 1	IF	49451	VACANT LAND - OTHER THAN NOT-FOR-PROFIT+	1 / PER ACRE/EACH	\$4.86 INCL	\$5 INCL
1 / 2	A1	61225	BUILDINGS OR PREMISES - OFFICE - PREMISES OCCUPIED BY EMPLOYEES OF THE INSURED - NOT-FOR-PROFIT ONLY+	500 / PER 1000 SQ FT/AREA	\$150.00 INCL	\$75 INCL

† + PRODUCTS/COMPLETED OPERATIONS ARE SUBJECT TO THE GENERAL AGGREGATE LIMIT

### Commercial Liability Additional Insureds

Coverage Description	Form	Premium Basis	Number of A/I's	Premium
ADDITIONAL INSURED - MANAGERS OR LESSORS OF PREMISES	CG 20 11	NO CHARGE	1	INCLUDED
SANTA CRUZ COUNTY BANK 720 FRONT STREET SANTA CRUZ CA 95060 UNITED STATES				

Final Liability Premium:

**\$2,250 MP**

## Commercial Property Coverage

### Property Rating Classifications and Premium

2661 BEACH RD WATSONVILLE CA 95076 SANTA CRUZ							
Loc # / Bldg #	Program / ISO / Class Code / Description	Construction	PC	Year Built	Wind / Hail	Wind/Hail Ded	
1 / 1	A1 – 0702 – OFFICES	FRAME	04	1978	WITH WIND		
Coverage	Cause of Loss	Valuation	Coinsurance	AOP Ded	Limit	Rate	Premium
BPP	SPECIAL EX-THEFT	RC	90%	\$1,000	\$10,000	0.31	\$31

### Commercial Property Additional Interests

Loc # / Bldg #	Coverage Description	Form
1 / 1	ADDITIONAL INSURED - BUILDING OWNER	CP1219
	1. SANTA CRUZ COUNTY BANK 720 FRONT ST SANTA CRUZ CA 95060 UNITED STATES	

**Final Property Premium:**

**\$500 MP**

## Forms and Endorsements

### Common Policy

NOTS0623CA 01-20 NOTICE TO CALIFORNIA INSURED  
NOTX0178CW 03-16 CLAIM REPORTING INFORMATION  
NOTX0423CW 12-20 POLICYHOLDER DISCLOSURE - NOTICE OF TERRORISM INSURANCE COVERAGE  
UTS-COVPG 03-21 COVER PAGE  
OPS-D-1-0117 01-21 COMMON POLICY DECLARATIONS  
UTS-126L 10-93 SCHEDULE OF TAXES, SURCHARGES OR FEES  
UTS-SP-2 12-95 SCHEDULE OF FORMS AND ENDORSEMENTS  
UTS-SP-3 08-96 SCHEDULE OF LOCATIONS  
IL 00 17 11-98 COMMON POLICY CONDITIONS  
IL 01 02 02-20 CALIFORNIA CHANGES-ACTUAL CASH VALUE  
IL 09 53 01-15 EXCLUSION OF CERTIFIED ACTS OF TERRORISM  
UTS-253-CA 01-97 AMENDATORY ENDORSEMENT-CALIFORNIA  
UTS-496 06-19 MINIMUM EARNED CANCELLATION PREMIUM  
UTS-9g 06-20 SERVICE OF SUIT CLAUSE

### Commercial Liability

CLS-SD-1L 08-01 COMMERCIAL GENERAL LIABILITY COVERAGE PART SUPPLEMENTAL DECLARATIONS  
CLS-SP-1L 10-93 COMMERCIAL GENERAL LIABILITY COVERAGE PART EXTENSION OF SUPPLEMENTAL DECLARATIONS  
CG 00 01 04-13 COMMERCIAL GENERAL LIABILITY COVERAGE FORM  
CG 20 11 12-19 ADDITIONAL INSURED-MANAGERS OR LESSORS OF PREMISES  
CG 21 06 05-14 EXCLUSION-ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY-WITH LIMITED BODILY INJURY EXCEPTION  
CG 21 38 11-85 EXCLUSION-PERSONAL AND ADVERTISING INJURY  
CG 21 39 10-93 CONTRACTUAL LIABILITY LIMITATION  
CG 21 47 12-07 EMPLOYMENT-RELATED PRACTICES EXCLUSION  
CG 21 49 09-99 TOTAL POLLUTION EXCLUSION ENDORSEMENT  
CG 21 67 12-04 FUNGI OR BACTERIA EXCLUSION  
CG 21 73 01-15 EXCLUSION OF CERTIFIED ACTS OF TERRORISM  
CG 32 34 01-05 CALIFORNIA CHANGES  
CG 40 12 12-19 EXCLUSION - ALL HAZARDS IN CONNECTION WITH AN ELECTRONIC SMOKING DEVICE, ITS VAPOR, COMPONENT PARTS, EQUIPMENT AND ACCESSORIES  
CG 40 15 12-20 CANNABIS EXCLUSION WITH HEMP EXCEPTION  
GLS-100s 06-13 EXCLUSION-CONTRACTORS AND SUBCONTRACTORS  
GLS-152s 08-16 AMENDMENT TO OTHER INSURANCE CONDITION  
GLS-284s 05-17 LOGGING AND LUMBERING OPERATIONS EXCLUSION

## Forms and Endorsements

GLS-341s 08-12 HYDRAULIC FRACTURING EXCLUSION

GLS-457s 10-14 AIRCRAFT EXCLUSION

GLS-475 08-17 TOTAL PRODUCTS EXCLUSION WITH DESIGNATED PREMISES LIMITATION

**Designated Premises** 2661 BEACH RD, WATSONVILLE, CA 95076

GLS-47s 10-07 MINIMUM AND ADVANCE PREMIUM ENDORSEMENT

GLS-569 03-21 EXCLUSION-RESIDENTIAL PROJECT CONSTRUCTION

GLS-74s 09-05 AMENDMENT OF CONDITIONS

IL 00 21 09-08 NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

UTS-266g 05-98 ASBESTOS EXCLUSION

UTS-267g 05-98 LEAD CONTAMINATION EXCLUSION

UTS-301g 11-05 EARTH OR LAND MOVEMENT EXCLUSION

UTS-365s 02-09 AMENDMENT OF NONPAYMENT CANCELLATION CONDITION

UTS-428g 11-12 PREMIUM AUDIT

UTS-74g 08-95 PUNITIVE OR EXEMPLARY DAMAGE EXCLUSION

### Commercial Property

CPS-SD-1-0219 01-21 COMMERCIAL PROPERTY COVERAGE PART SUPPLEMENTAL DECLARATIONS

CP 00 10 10-12 BUILDING AND PERSONAL PROPERTY COVERAGE FORM

CP 00 90 07-88 COMMERCIAL PROPERTY CONDITIONS

CP 01 40 07-06 EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

CP 02 99 06-07 CANCELLATION CHANGES

CP 04 11 09-17 PROTECTIVE SAFEGUARDS

1 1 P-9 SMOKE DETECTORS, HAND HELD FIRE EXTINGUISHERS

CP 04 49 02-20 CALIFORNIA CHANGES-REPLACEMENT COST

CP 10 30 09-17 CAUSES OF LOSS-SPECIAL FORM

CP 10 33 10-12 THEFT EXCLUSION

CP 10 75 12-20 CYBER INCIDENT EXCLUSION

CP 12 19 06-07 ADDITIONAL INSURED-BUILDING OWNER

CP 99 04 12-19 CANNABIS EXCLUSION WITH HEMP EXCEPTION

**Freedom Specialty Insurance Company  
National Casualty Company  
Scottsdale Indemnity Company  
Scottsdale Insurance Company  
Scottsdale Surplus Lines Insurance Company**

**POLICYHOLDER DISCLOSURE  
NOTICE OF TERRORISM INSURANCE COVERAGE**

**TERRORISM RISK INSURANCE ACT**

Under the Terrorism Risk Insurance Act of 2002, as amended pursuant to the Terrorism Risk Insurance Program Reauthorization Act of 2019 (the “Act”), you have a right to purchase insurance coverage for losses arising out of acts of terrorism, as defined in Section 102(1) of the Act: The term “certified acts of terrorism” means any act that is certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

You should know that where coverage is provided by this policy for losses resulting from “certified acts of terrorism,” such losses may be partially reimbursed by the United States Government under a formula established by federal law. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear, chemical, biological or radioactive events. Under the formula, the United States Government agrees to reimburse eighty percent (80%) of covered terrorism losses that exceed the statutorily established deductible paid by the insurance company providing the coverage. The premium charged for this coverage is provided below and does not include any charges for the portion of loss that may be covered by the Federal Government under the Act.

You should also know that the Act, as amended, contains a \$100 billion cap that limits United States Government reimbursement as well as insurers’ liability for losses resulting from “certified acts of terrorism” when the amount of such losses in any one calendar year exceeds \$100 billion. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

**CONDITIONAL TERRORISM COVERAGE**

The federal Terrorism Risk Insurance Program Reauthorization Act of 2019 is scheduled to terminate at the end of December 31, 2027, unless renewed, extended or otherwise continued by the federal government. Should you select Terrorism Coverage provided under the Act and the Act is terminated December 31, 2027, any terrorism coverage as defined by the Act provided in the policy will also terminate.

**IN ACCORDANCE WITH THE ACT, YOU MUST CHOOSE TO SELECT OR REJECT COVERAGE FOR “CERTIFIED ACTS OF TERRORISM” BELOW:**

**The Note below applies for risks in these states:** California, Georgia, Hawaii, Illinois, Iowa, Maine, Missouri, New Jersey, New York, North Carolina, Oregon, Rhode Island, Washington, West Virginia, Wisconsin.

**NOTE:** In these states, a terrorism exclusion makes an exception for (and thereby provides coverage for) fire losses resulting from an act of terrorism. Therefore, if you reject the offer of terrorism coverage, that rejection does not apply to fire losses resulting from an act of terrorism coverage for such fire losses will be provided in your policy.

**If you do not respond to our offer and do not return this notice to the Company, you will have no Terrorism Coverage under this policy. Please select one of the checkboxes below.**

<input type="checkbox"/>	I hereby elect to purchase certified terrorism coverage for a premium of \$ <u>138.00</u> . I understand that the federal Terrorism Risk Insurance Program Reauthorization Act of 2019 may terminate on December 31, 2027. Should that occur my coverage for terrorism, as defined by the Act, will also terminate.
<input checked="" type="checkbox"/>	I hereby reject the purchase of certified terrorism coverage.



\_\_\_\_\_  
Policyholder/Applicant's Signature

\_\_\_\_\_  
Named Insured/ Business Name

\_\_\_\_\_  
Print Name

QT-01482788  
\_\_\_\_\_  
Policy Number, if available

\_\_\_\_\_  
Date

**PAJARO DUNES GEOLOGIC HAZARD  
ABATEMENT DISTRICT**

Financial Report

June 30, 2021

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Pajaro Dunes Geologic Hazard Abatement District  
Watsonville, California

We have audited the accompanying financial statements of Pajaro Dunes Geologic Hazard Abatement District (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pajaro Dunes Geologic Hazard Abatement District as of June 30, 2021, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

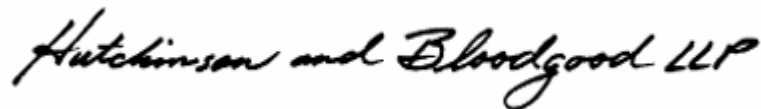
**Other Matters***Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The information included in the accompanying Schedule I (page 24) is presented for additional analysis and is not a required part of the basic financial statements.

The schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



December 11, 2021

## PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT

### *Management's Discussion and Analysis*

For the Year Ended June 30, 2021

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As management of the Pajaro Dunes Geologic Hazard Abatement District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities and performance of the District for the year ended June 30, 2021. Please read this in conjunction with the District's basic financial statements.

#### **Using This Financial Report**

This annual report consists of management's discussion and analysis, the basic financial statements and notes to financial statements. Management's discussion and analysis provides a narrative of the District's financial performance and activities for the year ended June 30, 2021. The basic financial statements provide readers with a broad overview of the District's finances, in a manner similar to private-sector business. The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

#### **Government-Wide Financial Statements –**

##### **Statement of Net Position and Statement of Activities and Changes in Net Position**

One of the most important questions asked about the District's finances is, "Is the District better off, or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Activities and Changes in Net Position report information about the District in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District's *net position* and changes in it. Think of the District's net position – the difference between assets and liabilities – as one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net position are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the District's property tax base to assess the *overall health* of the District.

#### **Government Fund Financial Statements –**

##### **Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances**

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating a government's near term financial requirements.

## PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT

### *Management's Discussion and Analysis*

For the Year Ended June 30, 2021

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#### **Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)**

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

#### **Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

#### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information regarding the District's budgetary information.

## PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT

*Management's Discussion and Analysis*  
For the Year Ended June 30, 2021

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### Government-wide Financial Analysis

#### *Statements of Net Position (page 10)*

#### Condensed Statements of Net Position

	6/30/2021	6/30/2020
<b>Assets:</b>		
Current and other assets	\$ 1,272,334	\$ 962,983
Capital assets net of depreciation	1,350,000	1,450,000
<b>Total assets</b>	<u>\$ 2,622,334</u>	<u>\$ 2,412,983</u>
<b>Liabilities:</b>		
Current liabilities	\$ 105,656	\$ 128,462
Long-term debt	981,699	1,064,611
<b>Total liabilities</b>	<u>1,087,355</u>	<u>1,193,073</u>
<b>Deferred Inflows of Resources:</b>		
Prepaid assessments	--	3,547
<b>Net Position:</b>		
Investment in capital assets, net of related debt	283,301	305,389
Restricted for debt service	144,825	144,825
Unrestricted	1,106,853	766,149
<b>Total net position</b>	<u>1,534,979</u>	<u>1,216,363</u>
	<u>\$ 2,622,334</u>	<u>\$ 2,412,983</u>

As noted earlier in this analysis, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets of the District exceeded liabilities and deferred inflows by \$1,534,979 as of June 30, 2021. At June 30, 2021, the District reflected an accumulated balance in its unrestricted net position of \$1,106,853.

## PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT

*Management's Discussion and Analysis*  
For the Year Ended June 30, 2021

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### Government-wide Financial Analysis (Continued)

The District has 200 tons of riprap, which is stored at a site provided by Granite Rock. The cost of the rock and storage was \$15,000 and was incurred and expensed in September 2012. The agreement with Granite Rock expires December 31, 2022, at which point any unused rock is to be forfeited unless a new agreement is reached.

### *Statements of Activities and Changes in Net Position (page 11)*

#### Condensed Statements of Activities and Changes in Net Position

	6/30/2021	6/30/2020
<b>Expenses:</b>		
Hazard abatement program	\$ 149,371	\$ 225,091
Interest on long-term obligations	60,883	64,908
Depreciation	<u>100,000</u>	<u>100,000</u>
<b>Total expenses</b>	<u>310,254</u>	<u>389,999</u>
<b>General Revenues</b>	<u>628,870</u>	<u>542,900</u>
<b>Change in net position</b>	318,616	152,901
Net position - beginning of year	<u>1,216,363</u>	<u>1,063,462</u>
Net position - end of year	<u>\$ 1,534,979</u>	<u>\$ 1,216,363</u>

The statement of activities and changes in net position shows how the government's net position changed during the year. In the case of the District, net position increased by \$318,616 during the current year.

### Governmental Funds Financial Analysis

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financial requirements. In particular, the unreserved fund balance may serve as a useful measure of the government's net resources for spending at the end of the fiscal year.

As of June 30, 2021, the District's General Fund reported a fund balance of \$905,637. The fund balance is not available for future spending because it has already been reserved for specific provisions (page 12).

## PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT

### *Management's Discussion and Analysis* For the Year Ended June 30, 2021

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#### Financial Highlights

- The District's general fund balance increased \$343,416, from \$562,221 to \$905,637 (page 14).
- The District's debt service fund balance decreased by \$7,619, from \$373,032 to \$365,413 (page 14).
- Assessment revenues of \$624,919 were above prior year by \$91,418. The increase was due to an increase to cover technical consulting costs in the current year. The prior year's budget had also anticipated to pay for these costs, but since the funds were not spent in the prior year, the assessment was reduced last year.
- General fund operating expenses of \$149,371 (before depreciation) were below the prior reporting period by 33.6%, or \$75,720. The decrease is due primarily to a decrease in contract costs for technical consulting.

#### General Fund Budgetary Highlights

- Total revenues over expenditures for the District's general fund operations were above budget by \$159,301. Actual assessment revenues were below budget by \$7,301.
- General fund operating expenses were below budget by \$166,398 or 52.7%. The underbudget variance is primarily due to anticipated technical consulting and seawall inspection costs, that while budgeted, will occur in the next fiscal year.

#### Capital Asset Administration

Changes in capital assets for the year were as follows:

	<u>Balance</u> <u>6/30/2020</u>	<u>Additions/</u> <u>Transfers</u>	<u>Balance</u> <u>6/30/2021</u>
Depreciable capital asset	\$ 3,000,000	\$ --	\$ 3,000,000
Less accumulated depreciation	(1,550,000)	(100,000)	(1,650,000)
Total capital assets, net	<u>\$ 1,450,000</u>	<u>\$ (100,000)</u>	<u>\$ 1,350,000</u>

At June 30, 2021, the District's investment in capital assets amounted to \$1,350,000 (net of accumulated depreciation). This investment in capital assets consists solely of a riverwall. See note 3 for further information on the District's capital assets.

## PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT

### *Management's Discussion and Analysis*

For the Year Ended June 30, 2021

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#### **Debt Administration**

Changes in long-term debt for the year were as follows:

	<u>Balance 6/30/2020</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance 6/30/2021</u>
Ltd Obligation improvement bonds	\$ 1,165,000	\$ --	\$ (80,000)	\$ 1,085,000

#### **Future Plans**

During this year, the District has developed preliminary permit application documents in the form of a 35% plan and an updated 65% plan to Santa Cruz County (SCC) and the California Coastal Commission (CCC). Our materials provide the technical and construction detail for seawall repair and maintenance. During CY 2022, the District will continue meetings with governmental control agencies to further refine and clarify our plans with the end goal being submission of a 100% plan that is supported and provides the basis for permits.

Capacity building will continue to be a part of our future plans. A new District Director was appointed who has extensive skills in construction project management, which will compliment the work tasks before us. Our Engineer of Record (EOR) has brought in additional experts to assist with some of the technical aspects of our plan. The EOR has communicated regularly with SCC and CCC staff to provide info and answer questions. This work effort will continue into 2022.

Once preliminary approval of our plan and permit application is achieved, the District will focus on our next 218 election. A community education effort will begin in 2022 to inform our property owners of final project details and construction costs of seawall repairs and maintenance. A 218 election may occur in 2022 or early 2023 based on timing of the permit approvals process.

Years of alternative analysis, control agency negotiations, and District capacity building, appear to have finally set a course that will lead to the authorization of needed seawall repairs.



## **PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT**

*Management's Discussion and Analysis*  
For the Year Ended June 30, 2021

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### **Contacting the District's Financial Management**

The financial report is designed to provide a general overview of the District's accountability for the District's assets. If you have questions about this report or need additional financial information, contact the Pajaro Dunes Geologic Hazard Abatement District at 2661 Beach Road, Watsonville, California 95076 or (831) 761-7744.

# PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT

Government-Wide  
Statement of Net Position  
June 30, 2021

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents, unrestricted (Note 2)	\$ 841,464
Cash and cash equivalents, restricted (Note 2)	144,825
Assessments receivable	257,595
Prepaid expenses	28,450
Capital assets, net of accumulated depreciation (Note 3)	<u>1,350,000</u>
Total assets	<u>\$ 2,622,334</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	
Liabilities:	
Accrued interest	\$ 19,372
Accounts payable	1,284
Long-term obligations:	
Long-term obligations - due within one year (Note 4)	85,000
Long-term obligations - due in more than one year (Note 4)	<u>981,699</u>
Total liabilities	<u>1,087,355</u>
<b>COMMITMENTS AND CONTINGENCIES (Note 6)</b>	
Net Position:	
Invested in capital assets, net of related debt	283,301
Restricted for debt service	144,825
Unrestricted	<u>1,106,853</u>
Total net position	<u>1,534,979</u>
	<u>\$ 2,622,334</u>

**PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT**

Government-Wide  
 Statement of Activities and Changes in Net Position  
 Year Ended June 30, 2021

Function	Expenses	Revenue	Total
Hazard abatement program	\$ 149,371	\$ --	\$ (149,371)
Interest on long-term obligations	60,883	--	(60,883)
Depreciation	100,000	--	(100,000)
	<u>\$ 310,254</u>	<u>\$ --</u>	<u>(310,254)</u>
<b>General Revenues:</b>			
Assessment income			459,099
Emergency reserve fund assessments			169,367
Interest earnings			<u>404</u>
Total general revenues			<u>628,870</u>
Change in net position			318,616
Net position - beginning of year			<u>1,216,363</u>
Net position - end of year			<u>\$ 1,534,979</u>

**PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT**

Balance Sheet-Governmental Funds

June 30, 2021

	<b>Governmental Fund Types</b>		<b>Total</b>
	<b>General</b>	<b>Debt Service</b>	<b>(Memorandum Only)</b>
<b>ASSETS</b>			
Cash and cash equivalents, unrestricted (Note 2)	\$ 620,876	\$ 220,588	\$ 841,464
Cash and cash equivalents, restricted (Note 2)	--	144,825	144,825
Assessments receivable	257,595	--	257,595
Prepaid expenses	28,450	--	28,450
	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 906,921</u>	<u>\$ 365,413</u>	<u>\$ 1,272,334</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 1,284	\$ --	\$ 1,284
	<u>          </u>	<u>          </u>	<u>          </u>
<b>COMMITMENTS AND CONTINGENCIES (Note 6)</b>			
Fund balances:			
Fund balance - reserved for debt service	--	365,413	365,413
Fund balance - reserved for reimbursement	905,637	--	905,637
	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances	<u>905,637</u>	<u>365,413</u>	<u>1,271,050</u>
	<u>\$ 906,921</u>	<u>\$ 365,413</u>	<u>\$ 1,272,334</u>

## PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT

Reconciliation of the Governmental Funds Balance Sheet to the  
Government-Wide Statement of Net Position  
June 30, 2021

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<b>Total fund balances of governmental funds</b>	\$ 1,271,050
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet.	1,350,000
Accrued interest on debt that will not be paid with current financial resources are not considered in the Governmental Funds Balance Sheet.	(19,372)
Long-term obligations are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet. The long-term obligations were adjusted as follows:	
Long-term obligations - due within one year	(85,000)
Long-term obligations - due in more than one year	<u>(981,699)</u>
<b>Net position of governmental activities</b>	<u><u>\$ 1,534,979</u></u>

**PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT**

Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended June 30, 2021

	General	Debt Service	Total (Memorandum Only)
<b>PROGRAM REVENUES</b>			
Assessment income	\$ 315,257	\$ 140,295	\$ 455,552
Emergency reserve fund assessments	169,367	--	169,367
Interest income	404	--	404
	<u>485,028</u>	<u>140,295</u>	<u>625,323</u>
Total revenues			
<b>EXPENDITURES</b>			
Insurance	15,460	--	15,460
Legal	3,480	--	3,480
Accounting	10,851	--	10,851
Clerk	4,277	--	4,277
Assessment administration	4,949	--	4,949
Office	1,420	--	1,420
Audit	9,000	--	9,000
Bond fee	565	--	565
Technical planning	6,513	--	6,513
Reimbursements:			
Pelican Homeowners Association	92,856	--	92,856
Debt service:			
Principal	--	80,000	80,000
Interest	--	60,155	60,155
	<u>149,371</u>	<u>140,155</u>	<u>289,526</u>
Total expenditures			
<b>Excess of revenue over expenditures</b>	<u>335,657</u>	<u>140</u>	<u>335,797</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfer in	7,759	--	7,759
Operating transfer out	--	(7,759)	(7,759)
	<u>7,759</u>	<u>(7,759)</u>	<u>--</u>
Total other financing sources (uses)			
<b>NET CHANGE IN FUND BALANCE</b>	343,416	(7,619)	335,797
<b>BEGINNING FUND BALANCE</b>	<u>562,221</u>	<u>373,032</u>	<u>935,253</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 905,637</u>	<u>\$ 365,413</u>	<u>\$ 1,271,050</u>

## PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT

Reconciliation of the Governmental Funds Statement of Revenues,  
Expenditures, and Changes in Fund Balances to the Government-Wide  
Statement of Activities and Changes in Net Position  
Year Ended June 30, 2021

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<b>Net change in fund balances of governmental funds</b>	\$ 335,797
Amounts reported for governmental activities in the Statement of Activities are different because:	
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Funds.	(100,000)
The bond discount is reported as amortizable interest expense in the Government-Wide Statement of Activities and Changes in Net Position, but it does not require the use of current financial resources. Therefore, the discount was reported as an expenditure the year the bonds were issued in Governmental Funds.	(2,088)
Accrued interest on long-term debt is reported as interest expense in the Government-Wide Statement of Activities and Changes in Net Position, but it does not require the use of current financial resources. Therefore, the accrued interest relating to the special assessment bonds is not reported in Governmental Funds.	1,360
The prepaid assessment revenue is classified as deferred inflows of resources in the Government-Wide Statement of Net Position and is recognized as assessment income over fifteen years in the Statement of Activities and Changes in Net Position. The prepaid assessments were considered other financing sources in the year they were paid and recognized entirely during that period in the Statement of Revenues, Expenditures, and Changes in Fund Balances.	3,547
Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Position. Repayment of debt principal is an expenditure in Governmental Funds, but the repayment reduces long-term liabilities in the Government-Wide Statement of Net Position.	
Current year principal debt repayments	<u>80,000</u>
<b>Change in net position of governmental activities</b>	<u><u>\$ 318,616</u></u>

**PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT**

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual  
Year Ended June 30, 2021

	General Fund			Debt Service Fund		
	Original and Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
<b>REVENUES</b>						
Assessment income	\$ 316,925	\$ 315,257	\$ (1,668)	\$ 140,155	\$ 140,295	\$ 140
Emergency reserve fund	175,000	169,367	(5,633)	--	--	--
Interest income	200	404	204	--	--	--
<b>Total revenues</b>	<b>492,125</b>	<b>485,028</b>	<b>(7,097)</b>	<b>140,155</b>	<b>140,295</b>	<b>140</b>
<b>EXPENDITURES</b>						
Insurance	15,497	15,460	(37)	--	--	--
Legal	18,596	3,480	(15,116)	--	--	--
Accounting	18,596	10,851	(7,745)	--	--	--
Clerk	11,361	4,277	(7,084)	--	--	--
Assessment administration	9,338	4,949	(4,389)	--	--	--
Office	3,666	1,420	(2,246)	--	--	--
Officer election	2,557	--	(2,557)	--	--	--
Board and clerk training	2,273	--	(2,273)	--	--	--
Website maintenance	1,550	--	(1,550)	--	--	--
Audit	10,331	9,000	(1,331)	--	--	--
Bond fee	656	565	(91)	--	--	--
Seawall annual inspection	6,199	--	(6,199)	--	--	--
Technical planning	122,293	6,513	(115,780)	--	--	--
Reimbursements (Note 6)						
Pelican Homeowners Association	92,856	92,856	--	--	--	--
Debt service:						
Principal	--	--	--	80,000	80,000	--
Interest	--	--	--	60,155	60,155	--
<b>Total expenditures</b>	<b>315,769</b>	<b>149,371</b>	<b>(166,398)</b>	<b>140,155</b>	<b>140,155</b>	<b>--</b>
<b>Excess of revenues over expenditures</b>	<b>176,356</b>	<b>335,657</b>	<b>159,301</b>	<b>--</b>	<b>140</b>	<b>140</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfer in	--	7,759	7,759	--	--	--
Operating transfer out	--	--	--	--	(7,759)	(7,759)
<b>Total other financing sources (uses)</b>	<b>--</b>	<b>7,759</b>	<b>7,759</b>	<b>--</b>	<b>(7,759)</b>	<b>(7,759)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 176,356</b>	<b>343,416</b>	<b>\$ 167,060</b>	<b>\$ --</b>	<b>(7,619)</b>	<b>\$ (7,619)</b>
<b>BEGINNING FUND BALANCE</b>		<b>562,221</b>			<b>373,032</b>	
<b>ENDING FUND BALANCE</b>		<b>\$ 905,637</b>			<b>\$ 365,413</b>	



## PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT

Notes to Basic Financial Statements  
June 30, 2021

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of the District:** The Pajaro Dunes Geologic Hazard Abatement District (the District) was formed October 27, 1998 to reduce damage caused by severe storms to the Pajaro Dunes area located in southern Santa Cruz County. The District maintains two areas as follows:

- Zone 1, the boundaries of which are coterminous with the development known as Pajaro Dunes, the District maintains a rock revetment seawall.
- Zone 2, the boundaries of which are coterminous with the Pelican Point Condominium Project, the District maintains a sheet pile river wall.

Both of those structures were designed to reduce damage from 30-year storm events.

**Basis of Accounting:** The accounts of the District are organized and operated on the basis of fund accounting. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

**Basis of Presentation:** Management's Discussion and Analysis – Government auditing standards require the financial statements be accompanied by a narrative introduction and analytical overview of the District's financial activities in the form of management's discussion and analysis (MD&A).

The District Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These two statements present summaries of Governmental Activities.

Government-Wide Financial Statements:

These statements are presented on an "economic resource" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities and Changes in Net Position presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Assessments and other items not properly included among program revenues are reported instead as general revenues.

## PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT

Notes to Basic Financial Statements  
June 30, 2021

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **Basis of Presentation (continued):**

##### Governmental Fund Financial Statements:

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in government fund balances as presented in these statements to the net position presented in the Government-Wide Financial Statements. The District has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net position. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period (the District considers all revenues available if they are collected within 60 days after year-end). Property taxes are susceptible to accrual. Other receipts and taxes become measurable and available when cash is received by the government and recognized as revenue at that time. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

**Budgets:** The District’s Board of Directors annually adopts the budget for the District. Board of Directors action is required for the approval of budget revisions.

**Property Assessment Revenue:** Property assessments are governed by Proposition 218, which requires that assessments to operate the District be put to a vote of the members of the District. Property assessments are due November 1 and February 1 and are delinquent if not paid by December 10 and April 10, respectively. Santa Cruz County bills, collects, and remits the property assessments to the District. Taxes remitted within 60 days of year-end are accrued as assessments receivable.

**Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT

Notes to Basic Financial Statements  
June 30, 2021

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Capital Assets:** The District's capital assets are capitalized at historic cost. The District does not have a capitalization threshold for reporting capital assets. Donations or contributions of capital assets are recorded at fair market value when received.

Depreciation is recorded on a straight-line basis over the estimated useful life of the capital asset as follows:

Riverwall	30 years
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Depreciation expense totaled \$100,000 for the year ended June 30, 2021.

**Total Columns on Governmental Fund Financial Statement:** Total columns on the Governmental Fund financial statements are captioned "Memorandum Only" to indicate they are presented only to facilitate financial analysis. Data in these columns do not present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

**Classification of Net Position:** In the Government-Wide financial statements, net position is classified in the following categories:

Invested in capital assets, net of related debt – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce this category.

Restricted net position – This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or the District's enabling legislation.

Unrestricted net position – This category represents the net position of the District, which is not restricted for any project or other purpose.

**Use of Restricted/Unrestricted Net Position:** When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the District's policy is to apply restricted net position first.

### NOTE 2. CASH AND CASH EQUIVALENTS

The District maintains cash balances at two financial institutions and, from time to time during the year, the cash balances may be in excess of the amount insured by the Federal Deposit Insurance Corporation (FDIC). In the event of insolvency by the financial institution, deposits in excess of insured amounts are potentially subject to unrecoverable loss.

## PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT

Notes to Basic Financial Statements  
June 30, 2021

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### NOTE 2. CASH AND CASH EQUIVALENTS (Continued)

As described in Note 1, the District uses the County of Santa Cruz to bill, collect, and remit property assessments. During the time the County holds the District's funds, the County maintains those funds in a cash and investment pool that is available for use by all funds with various financial institutions and a safekeeping agent. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash and cash equivalents". Statutes authorize the County to invest in obligations of the U.S Treasury, agencies, and instrumentalities, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, banker's acceptances, repurchase agreements, and the State Treasurer's investment pool.

As detailed in the 2005 Limited Obligation Bond issuance statement the District is required to maintain a reserve fund in the amount of \$144,825 for the benefit of the District and the owners of the bonds as a reserve for the payment of principal and interest on the bonds.

### NOTE 3. CAPITAL ASSETS

In accordance with government auditing standards, the District reported all capital assets in the Government-Wide Statement of Net Position. The District elected to use the "basic approach", whereby accumulated depreciation and depreciation expense have been recorded.

District capital assets consist solely of a riverwall. Title to the riverwall transferred from the Pelican Homeowners Association to the District in 2009 after the issuance date of the 2005 Limited Obligation Improvement Bonds. The contribution of this asset is recorded in the Government-Wide financial statements as donated capital. The District currently does not anticipate constructing additional capital assets.

Capital assets of the District for the year ended June 30, 2021, consist of the following:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Riverwall	\$ 3,000,000	\$ --	\$ --	\$ 3,000,000
Less accumulated depreciation	(1,550,000)	(100,000)	--	(1,650,000)
	<u>\$ 1,450,000</u>	<u>\$ (100,000)</u>	<u>\$ --</u>	<u>\$ 1,350,000</u>

**PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT**

Notes to Basic Financial Statements  
June 30, 2021

**NOTE 4. LONG-TERM OBLIGATIONS**

Long-term obligations and the related current portion as of June 30, 2021, consist of the following:

*Bonds:*

2005 Limited Obligation Improvement Bonds, variable interest at 3.2% - 5.1%, payable on March 2 and September 2; final payment September 2, 2030	\$ 1,085,000
Less bond discount, net	(18,301)
Less current portion	<u>(85,000)</u>
	<u>\$ 981,699</u>

Changes in long-term obligations for the year ended June 30, 2021, are as follows:

Debt	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Due within one year
2005 Ltd Oblig.					
Improv. Bonds	<u>\$ 1,165,000</u>	<u>\$ --</u>	<u>\$ 80,000</u>	<u>\$ 1,085,000</u>	<u>\$ 85,000</u>

Aggregate maturities or payments required on principal and interest for each of the succeeding five years and thereafter in five -year increments are as follows:

Year	Bond Principal	Bond Interest	Total
2022	\$ 85,000	\$ 55,862	\$ 140,862
2023	90,000	51,225	141,225
2024	95,000	46,322	141,322
2025	100,000	41,155	141,155
2026	105,000	35,722	140,722
2027-2032	<u>610,000</u>	<u>85,860</u>	<u>695,860</u>
Total	<u>\$ 1,085,000</u>	<u>\$ 316,146</u>	<u>\$ 1,401,146</u>

**NOTE 5. INSURANCE**

The District carries directors' and officers' coverage.

## PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT

Notes to Basic Financial Statements  
June 30, 2021

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### NOTE 6. COMMITMENTS AND CONTINGENCIES

Pelican Homeowners Association:

The District entered into a contract on December 9, 2000 with the Pelican Homeowners Association, Inc. The terms of the contract call for the Pelican Homeowners Association, Inc. to obtain the necessary funds to repair the river wall, and for the District to reimburse the Pelican Homeowners Association, Inc. through Zone 2 property assessments.

The District is obligated to reimburse the Homeowners Association with funds received from property assessments for the following obligation:

The Pelican Homeowners Association note is payable in monthly installments of \$7,738, including interest at 4.0%. Final payment is due in February 2025. The District will reimburse the Pelican Homeowners Association's monthly payments as long as Zone 2 property assessments are collected.

Reimbursements for the note listed above for each of the succeeding five years are:

	Principal	Interest	Total
2022	\$ 82,463	\$ 10,393	\$ 92,856
2023	85,823	7,033	92,856
2024	89,320	3,536	92,856
2025	<u>39,732</u>	<u>408</u>	<u>40,140</u>
	<u>\$ 297,338</u>	<u>\$ 21,370</u>	<u>\$ 318,708</u>

California Department of Parks and Recreation:

The District has been in discussions with the Department of Parks and Recreation, regarding the "Right of Entry Permit" connected with the existing seawall. At present there are insufficient funds to respond to permit application questions from the County of Santa Cruz. In order to move forward with the permit the District would need to conduct an assessment election to raise approximately \$300,000 to respond to the County. Additionally, the Department of Parks and Recreation assessed a penalty fee for not removing the rip-rap rocks buried in State Parks property adjacent to the revetment. The Department of Parks and Recreation has verbally agreed to hold the rip-rap rocks buried issues in abeyance until the permit is resolved. The District's management believes the matter will be settled without material adverse financial impact to the District as long as an assessment election is held.

## **PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT**

Notes to Basic Financial Statements  
June 30, 2021

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### **NOTE 7. LINE OF CREDIT**

The District entered into a borrowing agreement with Santa Cruz County Bank for a line of credit with an established limit of \$600,000, which expires on August 24, 2022. The interest rate on the line of credit was a fixed rate determined by the Bank to be 1.00% above Prime. The interest rate as of June 30, 2021 was 5.5%. There was no balance outstanding under the line of credit at June 30, 2021.

### **NOTE 8. SUBSEQUENT EVENTS**

The District's Management has evaluated its June 30, 2021 financial statements for subsequent events through December 11, 2021, the date of issuance of the financial statements. The District is not aware of any additional subsequent events that would require recognition or disclosure in the financial statements.

**PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT**

Schedule I - Revenues and Expenditures by Zone - Budget to Actual  
Year Ended June 30, 2021

	ZONE 1			ZONE 2			TOTAL		
	Original and Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
<b>PROGRAM REVENUES</b>									
Assessment income	\$ 217,934	\$ 212,406	\$ (5,528)	\$ 239,146	\$ 243,146	\$ 4,000	\$ 457,080	\$ 455,552	\$ (1,528)
Emergency reserve fund	175,000	169,367	(5,633)	--	--	--	175,000	169,367	(5,633)
Interest income	50	202	152	150	202	52	200	404	204
<b>Total revenues</b>	<b>392,984</b>	<b>381,975</b>	<b>(11,009)</b>	<b>239,296</b>	<b>243,348</b>	<b>4,052</b>	<b>632,280</b>	<b>625,323</b>	<b>(6,957)</b>
<b>EXPENDITURES</b>									
Insurance	15,497	15,460	(37)	--	--	--	15,497	15,460	(37)
Legal	18,596	3,480	(15,116)	--	--	--	18,596	3,480	(15,116)
Accounting	18,596	10,851	(7,745)	--	--	--	18,596	10,851	(7,745)
Clerk	8,678	3,390	(5,288)	2,683	887	(1,796)	11,361	4,277	(7,084)
Assessment administration	8,265	3,649	(4,616)	1,073	1,300	227	9,338	4,949	(4,389)
Office	3,149	395	(2,754)	517	1,025	508	3,666	1,420	(2,246)
Officer election	2,557	--	(2,557)	--	--	--	2,557	--	(2,557)
Board and clerk training	2,273	--	(2,273)	--	--	--	2,273	--	(2,273)
Website maintenance	1,550	--	(1,550)	--	--	--	1,550	--	(1,550)
Audit	10,331	9,000	(1,331)	--	--	--	10,331	9,000	(1,331)
Bond fee	--	--	--	656	565	(91)	656	565	(91)
Seawall annual inspection	6,199	--	(6,199)	--	--	--	6,199	--	(6,199)
Technical planning	122,293	6,513	(115,780)	--	--	--	122,293	6,513	(115,780)
Reimbursements (Note 6):									
Pelican HOA	--	--	--	92,856	92,856	--	92,856	92,856	--
Debt service:									
Principal	--	--	--	80,000	80,000	--	80,000	80,000	--
Interest	--	--	--	60,155	60,155	--	60,155	60,155	--
<b>Total expenditures</b>	<b>217,984</b>	<b>52,738</b>	<b>(165,246)</b>	<b>237,940</b>	<b>236,788</b>	<b>(1,152)</b>	<b>455,924</b>	<b>289,526</b>	<b>(166,398)</b>
<b>Excess of revenues over expenditures</b>	<b>175,000</b>	<b>329,237</b>	<b>154,237</b>	<b>1,356</b>	<b>6,560</b>	<b>5,204</b>	<b>176,356</b>	<b>335,797</b>	<b>159,441</b>
<b>NET CHANGE IN ZONE BALANCE</b>	<b>\$ 175,000</b>	<b>329,237</b>	<b>\$ 154,237</b>	<b>\$ 1,356</b>	<b>6,560</b>	<b>\$ 5,204</b>	<b>\$ 176,356</b>	<b>335,797</b>	<b>\$ 159,441</b>
<b>BEGINNING ZONE BALANCE</b>		<b>436,218</b>			<b>499,035</b>			<b>935,253</b>	
<b>ENDING ZONE BALANCE</b>		<b>\$ 765,455</b>			<b>\$ 505,595</b>			<b>\$ 1,271,050</b>	



**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PAJARO DUNES  
GEOLOGIC HAZARD ABATEMENT DISTRICT UPDATING ITS REGULAR  
MEETING POLICY**

**Resolution No. 2022-5**

**WHEREAS**, the Pajaro Dunes Geologic Hazard Abatement District (PDGHAD) desires to make attendance at their meetings accessible to as many interested parties as possible; and

**WHEREAS**, the PDGHAD has previously adopted a “Regular Meeting Policy” by resolution, and now believes said policy should be updated to better align with the work of the Board; and

**WHEREAS**, the PDGHAD desires to align meetings with the Pajaro Dunes Homeowners Association Board meetings to make it easier for Pajaro Dunes homeowners to attend.

**NOW, THEREFORE, BE IT HEREBY RESOLVED** by the Board of the Directors of the Pajaro Dunes Geologic Hazard Abatement District that the “Pajaro Dunes Geologic Hazard Abatement District Regular Meeting Policy,” a copy of which is attached hereto as Exhibit “A” and by this reference incorporated herein, is hereby adopted, and by this action, the Board intends said policy to supersede any other “regular meeting policy” previously adopted by the Board. .

**PASSED AND ADOPTED** by the Board of Directors of the Pajaro Dunes Geologic Hazard Abatement District of the County of Santa Cruz, State of California, this 5<sup>th</sup> day of March, 2022, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
President John Cullen, Board of Directors

ATTEST \_\_\_\_\_

Sarah Mansergh, Clerk of the Board

# PDGHAD

## EXHIBIT A PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT Regular Meeting Policy

The Pajaro Dunes Geologic Hazard Abatement District (a California Special District) meeting policy shall be in conformity of the Brown Act. To follow are the rules of the District's meeting policy:

- Regular Meetings shall be held in March, May, June, August, October and December
- Regular Meetings shall be held on the first Saturday of a meeting month at 9:00 am. May and December meetings will be held on the same day as the scheduled Homeowners Pajaro Dunes Association meetings.
- Regular Meeting times shall be established when meeting dates are set, with a priority to come before or after the Pajaro Dunes Association's meeting.
- Regular Meetings shall be held in the District's Board Room and Pajaro Dunes, but can be changed to Sandpiper Center at the Dunes Hall. The Pajaro Dunes is located at 2661 Beach Road, Watsonville, California 95076
- Regular Meeting dates shall be confirmed at each meeting for the following meeting
- Regular Meetings agendas are to be posted on the Pajaro Dunes Association, the District's and the Pajaro Dunes Association public websites.
- Agenda's for regular meetings are to be posted a minimum of 72 hours prior to the meeting.
- Agendas are to be displayed on both the Board Room, the display case on the fence facing Beach Road, and on the Dunes Hall at Sandpiper Center.
- Meeting dates can be changed by an action of the President of the Board to cancel, change a meeting, or by a change in the future date of the meeting.
- If a meeting date is changed the Clerk or President must notify all Board members by email or phone. The change must be posted on the District's and on the Pajaro Dunes Association website. Also, the change in meeting date and time must be posted on agenda marked with the new date, and all locations where an agenda is regularly posted shall be changed.

A good faith effort will be made to comply with the policy, but failure to meet any particular requirement, unless mandated by law, shall not be grounds for cancellation of a meeting or invalidation of any action taken at the same.

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