



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

**Saturday, January 10, 2015 10:00 a.m.**

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

---

**Roll Call**

Bill Lyons (H40) President	Jim Griffin (Director) (P9)
Bob Moore (P45) Vice President	David Bower (Director) (P48)
Wendy Cumming, Clerk/Accountant/Secretary	

**B. PRESENTATIONS**

---

- a. Oath of Office for Board Members appointed in lieu of an election

**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.

- Update on status of open position

**D. 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.

**E. CONSENT CALENDAR**

---

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

1. Approval of minutes November 8, 2014

## **F. TREASURER'S REPORT**

---

2. Financial Reports
  - Five Month Period Ended November 30, 2014
  - Warrant listing
  - Delinquent Assessments
  - Accept reports by motion

## **G. COMMITTEE REPORTS**

---

3. Finance and Budget Committee
4. Community Membership and Relations Committee (Bill Lyons/Bob Moore)
5. New Website Update Committee
6. 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.

## **H. NEW BUSINESS**

---

7. ITEM – Consider action to request the County of Santa Cruz Board of Supervisors to appoint new board member.

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

8. ITEM – Receive draft audit report for the year ended June 30, 2014, and consider approving the audit report as submitted.

- a. Staff report
- b. Nomination
- c. Board action

9. ITEM – Consider appointment of 2015 subcommittees for Community Membership and Relations and Website Committee, Seawall Repair and Maintenance Application Committee, and the 218 Process, Finance and Budget Committee

- a. Staff report
- b. Nomination
- c. Board action

## **I. ENGINEER PRESENTATION**

---

Receive the following updates from the District's Engineer on the following:

- a. Update on inspection/survey
- b. Update on interaction with public agencies
- c. Update on submittal to the California Coastal Commission

## **J. CONTINUED PUBLIC HEARING**

---

A Public Hearing for Consideration Resolutions Commencing the Process for A Ballot Election for New Assessments in District Zones 1 and 2 for the District's New Administrative and Operation Budgets.

This matter will be continued to a workshop/listening session meeting on January 17, 2015, at 2:00 p.m. The Board may discuss and ask Staff questions concerning this matter, but may take no formal action, other than to open the public hearing, receive comment from members of the public, and to continue the matter to the February 14, 2015 agenda.

President Bill Lyons to provide a brief presentation on the revised draft 218 budget.

After the presentation the session will be open to public/member comment.

## **K. DIRECTORS COMMENTS**

---

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.

## **L. CLOSED SESSION**

---

The Board will recess to closed session to confer with its attorney regarding litigation pursuant to:

Government Code Section 54956.9(d)(2)- and is hereby of the opinion that a significant exposure to litigation exist; and

Government Code Section 54956.9(d)(4)- deciding whether to initiate litigation.

## **M. ADJOURNMENT**

---

The next Regular Meeting of the Board of Directors is scheduled for February 14<sup>th</sup>, 2015, at 9:00 a.m. at the offices of the Pajaro Dunes Geologic Hazard Abatement District, Meadow Room, Pajaro Dunes, 2661 Beach Road, Watsonville, CA 95076. Individuals who require special accommodations are requested to contact the District Clerk by calling (831) 761-7744, no less than 72 hours prior to the meeting or in the case of a Special Meeting, as soon as possible after the Agenda is posted. Copies of the agenda will be available 72 hours prior to the meeting and may be obtained by contacting the District at (831) 761-7744. All meetings are noticed and conducted in accordance with the Ralph M. Brown Act.



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

**Saturday, November 8, 2014 8:00 a.m.  
Start Time 8:06**

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

---

**Roll Call**

Bill Lyons (H40) President  
Bob Moore (P45) Vice President  
Wendy Cumming, Clerk/Accountant/Secretary

Jim Griffin (Director) (P9)  
David Bower (Director) (P48)

All present

**B. 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.

- a. Open Board Position

Comments:

President Bill Lyons stated Treasurer Susan Ellis resigned from board due to the sale of her property, making her ineligible to be a board member. The District has an open position that needs to be appointed by the December board meeting.

President Bill Lyons stated that the District is different than the other Pajaro Dunes boards as it is a governmental agency and needs to operate as such. GHAD works with many other governmental agencies to protect homes against damage whether from the River to the Ocean.

President Lyons expressed that he expected to receive the final engineer report on the repairs and hope to submit to the County for an application in the next two weeks.

President Lyons apologized for the mailing on the 218 process which did not include attachments. The District will be holding over the 218 process to the January meeting, before taking action.

The District has had interactions with the County of Santa Cruz, regarding the maintenance and repair of the seawall. The initial proposed project was to be a potentially 25 to 28 million dollar fix, including mitigation. The new engineer felt the District could do it at 20% of that cost by doing another type of repair at approximately 90% of the protection. The County staffer they brought back to review the project thought this was still a new project and not simply a repair project. The District is actually looking at repairing and maintaining various areas of the wall. The County is asking for studies on our work would impact with rising seawater changes.

## **C. 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.

Comments:

Member Kent Stephens questioned how much the District's overall property taxes flowed to the County. Bill Lyons stated that approximately one million and the District provides approximately 700k per year for schools, and pays for the fire station.

Raul Deju, member, said that the audit is overdue and he has not been contacted by the audit firm. He is supportive of the 218 project. Bill Lyons stated that he was not pleased when he received the initial letter with no attachments. The 218 process is not for the seawall and river wall repair and maintenance projects, but for the funding to be used for administering GHAD.

David Bower stated that the County individual is Joe Hanna. Our engineering firm had a changeover in personnel which stagnated the process.

Stacy Stillman, question if there has been consideration for legal action towards the County for the response by Joe Hanna.

## **D. PUBLIC HEARING**

---

A Public Hearing for Consideration and Approval of Resolutions Commencing the Process for A Ballot Election for New Assessments in District Zones 1 and 2 for the District's New Administrative and Operation

This matter will be continued to a Special Meeting on January 10, 2015. The Board may discuss and ask Staff questions concerning this matter, but may take no formal action, other than to open the public hearing, receive comment from members of the public, and to continue the matter to the January 10, 2015 agenda.

Moved to the end of the agenda

Comments:

President Bill Lyons provided a presentation on the historical background. When GHAD was formed the board was the PDA board. Then a decision was made to split up the boards to create more independence. At the time Carol Turley and PDA attorney offered to assist. The District had a volunteer board and staff. Moving forward it became apparent the District needed to change the way it is operated. To do a good job for GHAD, and the complexities of changes at the State, and federal level created the need to increase for professional services. The District prepared charts and diagrams of for preliminary purposes only. The breakdown for the budget is Administrative costs and Operating costs.

The Administrative costs include office supplies, professional services such as legal, audit, assessment administration, web site development and maintenance. The Operating costs would include annual inspections by the engineer, and capital repair costs and reserves.

Per Bill Lyons, the budget is set up such that in the future the District hopefully would have sufficient reserves for future administration, maintenance and repair costs, and sufficient general and administrative cost. After the first year the District would assess the budget verses actual costs and adjust where necessary and then reduce the budget for future years.

Per David Bower, the District would not presently have the funds should there be an event in the future. The budget provides reserves to deal with future uncertainties. Bill Lyons stated that the costs to deal with State Agencies can be significant. David Bower referred to Granite Rock estimate of \$15k to remove the rocks is significantly understated. Per Bob Moore, the District is under threat being levied approximately 50k each year while we have the rocks on the State Beach, by state agencies.

#### Member comments:

Stacy Stillman, expected that she thought that the 218 budget was only for operating costs, but now understands that it includes repair costs as well.

Raul Deju, thinks it would be best to separate the repairs and maintenance and from the operating costs. Present the best estimate for emergencies and permits, and subtract from that the 100k reserves.

David Bower agreed that the separation of the administration be separated from the repairs and maintenance.

Member, Peter Hauntschild, agreed that the emergency fund he agrees with, but there needs to be a "firewall" around the fund and that the funds be tracked separately.

Member, Kent Stephens, felt that 218 budget only provided for ¼ of what the District needs to operate. He recommends that the District establish a higher threshold on what would be needed and use only if necessary. Also, the repairs and maintenance contingency is not nearly enough.

Bob Moore stated, that the Board wanted to get a firm handle on what the District needs.

David Bower, asked what would happen if the District did not move forward with the 218 process. Bill Lyons commented that the District would not have the funds necessary to do what the District needs to do to operate such as board and clerk training.

Raul Deju, asked that the budget be broken up, and the District needs more money for operations. More money for the one time only permit with the County. A detailed explanation of the 75/25 breakout and deduct the 2009 emergency funds from the amount needed to do repairs and maintenance.

Roger McGomery, member, the allocation is unfair to the Pelican's and he would like the District to go back and look at the 75/25 split. And the funds need to be increased or General and administration. Build a "firewall" on the reserve funds.

Unknown member, stated that the funds are conservative. The emergency fund should be supportive by figuring out what the major emergency costs would be and firewall the funds. The budget is quiet inequitable to Pelican. There is not documentation on what Pelican will pay on Zone 1. The allocation is should be 10% of the whole seawall project. He stated that the amount Pelican would actually pay would be for a total of 32%. The PHA was told that they would not pay for the seawall. Only 10% of the seawall is fronting Pelican. He asks GHAD to review his concerns carefully.

Member Kent Stephens expressed appreciation for the work that has been done and that there is a logical method for allocating costs. Consider giving credit to Pelican for what was over charged.

## **E. CONSENT CALENDAR**

---

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

1. Approval of minutes August 9<sup>th</sup> and September 20<sup>th</sup>, 2014  
Motion by David Bower second by Bob Moore, approved by all

## **F. TREASURER'S REPORT**

---

2. Financial Reports
  - Four Month Period Ended October 31, 2014
  - Warrant listing
  - Delinquent Assessments
  - Accept reports by motion

Comments:

Bill Lyons asked for Clerk to comment on the delinquencies. Per Clerk there are two properties delinquent. One is making payments and the other is being pursued by the County.

Motion by Bob Moore Second by Jim Griffin, approved by all.

## **G. COMMITTEE REPORTS**

---

3. Finance and Budget Committee
4. Community Membership and Relations Committee (Bill Lyons/Bob Moore)
5. New Website Update Committee
6. 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.

Comments:

Finance and budget meeting – no meetings

Community Membership and relationships committee – There have been two meetings with the State Parks supervisor. Bob Moore, Committee also met with Granite Rock. Stacy Stillman offered to be on the committee

Website committee – Susan Ellis drafted a website and presently not yet implemented due to lack of funding.

## **H. NEW BUSINESS**

---

7. ITEM – Consider action to appoint new signers on the Districts bank accounts.

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

Per Clerk three positions left the board, Raul Deju, Susan Ellis, Al Ragoneis. Motion to authorize David Bower and James Griffin to become new signers on both the Union Bank and Santa Cruz County Bank.

Motioned by Bob Moore second by Bill Lyons, David Bower abstained for himself, and Jim Griffin for himself.

8. ITEM – Consider adopting the District’s revised by-laws

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

Council Mike Rodriguez stated that the by-laws have been updated and the motion to rescind the prior by-laws and adopt the current by-laws. The by-laws were updated for code sections. Ensure that the Board could organize committee, and that the District standardize the board meeting and the old rule having the District follow the Roberts Rules of Order, modified that the District follow Robert’s Rules as a guideline.

Motioned David Bower to adopt the resolution unnumbered to adopt the by Second by Bob Moore, approved by all.

9. ITEM – Consider renewing the District’s membership with the California Association of GHAD’s

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

Motioned Jim Griffin by to renew membership in the California Association of GHAD’s by Second by David Bower. All in favor.

10. ITEM – Consider nomination for Board Treasurer

- a. Staff report
- b. Nomination



c. Board action

With Susan's departure there is now an opening for the treasurer's spot. David Bower suggests the board table for January meeting.

Member Kent Stephens stated while he's interested, and qualified for the Treasurer's position, he would not consider the position at this time due to the lack of staff within the GHAD.

Bob Moore, stated that over the last two years, with Bill Lyons leadership, that the District has been improved.

**I. DIRECTORS COMMENTS AND CONCERNS**

---

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.

**J. ADJOURNMENT**

---

Motion to adjourn by Bob Moore Seconded by David Bower

There being no further business to come before the Board, the meeting was adjourned at 9:58 a.m.

Attest: \_\_\_\_\_

Wendy Cumming  
Clerk of the Board  
Pajaro Dunes Geologic Hazard  
Abatement District.

**Pajaro Dunes Geologic Hazard Abatement District**  
**Balance Sheet**  
As of November 30, 2014

	<u>Nov 30, 14</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
100000 · SCCB Zone 1 - 3957	59,752.03
100001 · SCCB Zone 2 - 3965	71,288.41
100002 · SCCB Z1 Emerg - 1877	102,179.05
100003 · SCCB LTD- 0208	36,990.74
100400 · Union Bank Bond Holding	254,121.76
<b>Total Checking/Savings</b>	524,331.99
<b>Accounts Receivable</b>	
120000 · Assessments Receivable	170,079.80
120500 · Assess. Rec. Delinquent	11,246.53
<b>Total Accounts Receivable</b>	181,326.33
<b>Other Current Assets</b>	
121500 · Prepaid Insurance	4,768.00
<b>Total Other Current Assets</b>	4,768.00
<b>Total Current Assets</b>	710,426.32
<b>Fixed Assets</b>	
150000 · Riverwall	3,000,000.00
160000 · Accumulated Depreciation	-991,665.00
<b>Total Fixed Assets</b>	2,008,335.00
<b>TOTAL ASSETS</b>	<b>2,718,761.32</b>

Pajaro Dunes Geologic Hazard Abatement District

Balance Sheet

As of November 30, 2014  
Nov 30, 14

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

200000 · Accounts Payable 11,194.76

Total Accounts Payable 11,194.76

Other Current Liabilities

220000 · Accrued Interest 26,698.69

255000 · Unearned Revenue 46,315.00

Total Other Current Liabilities 73,013.69

Total Current Liabilities 84,208.45

Long Term Liabilities

260000 · NP SCCB (439k) Loan 245,627.35

261000 · NP SCCB (198k) Loan 88,752.85

263000 · SCCB Emergency Loan Z1 86,268.65

285000 · Bonds Payable Z2 1,510,000.00

286000 · Bonds Payable Discount Z2 -52,250.00

286500 · Amort. Bond Discount Z2 20,203.00

Total Long Term Liabilities 1,898,601.85

Total Liabilities 1,982,810.30

Equity

30000 · Opening Balance Equity 607,355.35

32000 · Retained Earnings 99,656.63

Net Income 28,939.04

Total Equity 735,951.02

TOTAL LIABILITIES & EQUITY 2,718,761.32

**Pajaro Dunes Geologic Hazard Abatement District**  
**Profit & Loss Budget vs. Actual**  
July through November 2014

	Zone 1			Zone 2			TOTAL		
	Jul - Nov 14	Budget	\$ Over Budget	Jul - Nov 14	Budget	\$ Over Budget	Jul - Nov 14	Budget	\$ Over Budget
<b>Ordinary Income/Expense</b>									
<b>Income</b>									
410000 · Assessment Income	80,755	80,762	(7)	103,365	103,368	(3)	184,120	184,130	(10)
<b>Total Income</b>	80,755	80,762	(7)	103,365	103,368	(3)	184,120	184,130	(10)
<b>Expense</b>									
610155 · Postage and Mailings	404	75	329	173	50	123	577	125	452
615415 · Accounting/Clerk Expense	11,939	4,272	7,667	5,927	1,172	4,755	17,866	5,444	12,422
615650 · Officer Election	38			38	2,000	(1,963)	75	2,000	(1,925)
615655 · Dues	-			-	50	(50)	-	50	(50)
616500 · Legal Fees	2,385	802	1,583	2,385	250	2,135	4,770	1,052	3,718
628500 · Insurance Expense	2,875	2,816	59	2,875	2,816	59	5,750	5,632	118
629030 · SBA Repayment	-			38,690	38,690	-	38,690	38,690	-
650000 · Bank Service Charges	-			8			8		8
750000 · Depreciation Expense	-			41,665	41,669	(4)	41,665	41,669	(4)
<b>Total Expense</b>	17,640	7,965	9,675	91,761	86,697	5,064	109,400	94,662	14,738
<b>Net Ordinary Income</b>	63,115	72,797	(9,682)	11,604	16,671	(5,067)	74,720	89,468	(14,748)
<b>Other Income/Expense</b>									
<b>Other Income</b>									
410070 · Interest Income	127	20	107	69	66	3	196	86	110
<b>Total Other Income</b>	127	20	107	69	66	3	196	86	110
<b>Other Expense</b>									
855000 · Interest Expense	10,838	10,633	205	34,269	34,085	184	45,107	44,718	389
955500 · Interest Bond Discount	-			870	870	-	870	870	-
<b>Total Other Expense</b>	10,838	10,633	205	35,139	34,955	184	45,977	45,588	389
<b>Net Other Income</b>	(10,711)	(10,613)	(98)	(35,069)	(34,889)	(180)	(45,781)	(45,502)	(279)
<b>Net Income</b>	<b>52,404</b>	<b>62,184</b>	<b>(9,780)</b>	<b>(23,465)</b>	<b>(18,218)</b>	<b>(5,247)</b>	<b>28,939</b>	<b>43,966</b>	<b>(15,027)</b>

**Pajaro Dunes Geologic Hazard Abatement District**  
**Warrant Listing**  
**As of November 30, 2014**

<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>49,925.08</b>
Deposit	11/06/2014		County of Santa Cruz	19.67		49,944.75
Deposit	11/06/2014		County of Santa Cruz	11,364.79		61,309.54
Bill Pmt -Check	11/07/2014	1202	California Special Districts Association		69.50	61,240.04
Bill Pmt -Check	11/07/2014	1203	Wendy L. Cumming, CPA		1,488.01	59,752.03
<b>Total 100000 - SCCB Zone 1 - 3957</b>				<b>11,384.46</b>	<b>1,557.51</b>	<b>59,752.03</b>
<b>100001 - SCCB Zone 2 - 3965</b>						<b>85,052.13</b>
Deposit	11/06/2014		County of Santa Cruz	18.38		85,070.51
Deposit	11/06/2014		County of Santa Cruz	2,675.41		87,745.92
Bill Pmt -Check	11/07/2014	1157	California Special Districts Association		69.50	87,676.42
Bill Pmt -Check	11/07/2014	1158	Pelican Home Owner's Association		7,738.00	79,938.42
Bill Pmt -Check	11/07/2014	1159	Wendy L. Cumming, CPA		912.01	79,026.41
Bill Pmt -Check	11/07/2014	1160	Pelican Home Owner's Association		7,738.00	71,288.41
<b>Total 100001 - SCCB Zone 2 - 3965</b>				<b>2,693.79</b>	<b>16,457.51</b>	<b>71,288.41</b>
<b>100002 - SCCB Z1 Emerg - 1877</b>						<b>102,166.45</b>
Deposit	11/30/2014		Interest Income	12.60		102,179.05
<b>Total 100002 - SCCB Z1 Emerg - 1877</b>				<b>12.60</b>	<b>0.00</b>	<b>102,179.05</b>
<b>100003 - SCCB LTD- 0208</b>						<b>36,990.74</b>
<b>Total 100003 - SCCB LTD- 0208</b>						<b>36,990.74</b>
<b>100400 - Union Bank Bond Holding</b>						<b>254,121.76</b>
<b>Total 100400 - Union Bank Bond Holding</b>						<b>254,121.76</b>
				<b>14,090.85</b>	<b>18,015.02</b>	<b>524,331.99</b>

Pajaro Dunes GHAD  
 Delinquent Assessments Receivable  
 As of November 30, 2014

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>Total</u>
<b>Total</b>	\$ 2,824	\$ 5,235	\$ 3,269	\$ 4,775	\$ 3,845	\$ 19,948
Penalty/Interest Included In Outstanding Balance	\$ 1,259	\$ 2,114	\$ 1,006	\$ 1,111	\$ 621	\$ 6,111
						<u>\$ 13,837</u>

## Wendy Cumming

---

**From:** Stacey Stillman <staceystillman@hotmail.com>  
**Sent:** Thursday, November 13, 2014 12:10 PM  
**To:** maperanch@aol.com; 'Wendy Cumming'  
**Cc:** Stacey Stillman  
**Subject:** Statement of Interest in GHAD Appointment  
**Attachments:** Stacey-E-Stillman.pdf

Bill and Wendy (and members of the Board to whom this will be distributed):

I write to request appointment to the open position on the GHAD Board. I am a second-row homeowner (House 84 on Puffin Lane). I am the sole owner of the home and hold it for both personal use and as a rental. I am a single working mom with two boys, ages 2 and 5. Before buying, I rented several houses at Pajaro Dunes during 2013, including Houses 72, 98 and 58. I analyzed Houses 72, 60, 76 and 84 for potential purchase. I financed my purchase of House 84 and navigated complexities inherent in lending and appraising in this "resort" community. I bring the perspectives of a renter, a recent prospective purchaser and an owner. I believe uncertainties regarding the sea wall project are having an impact on the home values at Pajaro Dunes and that increasing communication with prospective buyers, and resolving the sea wall project, will cause values to increase in future years.

I have been a practicing attorney in California since 1998, primarily in the field of patent litigation where I am tasked with getting up to speed on many different kinds of technologies and explaining them in lay terms to judges and juries. I have been employed at the Orrick law firm in Menlo Park for the past eight years, and represented well-known companies defending their core technology from attack such as Facebook, Oracle, VMware, Synopsys and NVIDIA. My Orrick biography is attached.

Although I went to law school, I have always been interested in science and engineering. I have a dual college degree in pre-law and physics. I worked in the physics lab for two years during college. During college, I worked two summers at Grumman Corporation on the F-14 project through a scholarship program. I understand and have completed coursework in statistics and hydrodynamics, as well as mechanical and electrical engineering. I am able to synthesize a lot of data in my mind, and consider different perspective and variables that impact decisionmaking.

I have worked hard all my life, starting with a paper route and yardwork for neighbors when I was in elementary school. I put myself through law school at NYU and have been self-supporting since graduating college. I support my family, including our residence in Los Altos and three rental properties I have managed myself over the past five years. I do my own taxes. I act as my own general contractor with improvements, pulling permits myself and working with the Planning Department (Santa Clara County), and overseeing tradespeople. I see challenges and find solutions.

I have some experience with flood issues, having purchased a residence on a creek in Los Altos and worked through FEMA to obtain a Letter of Map Amendment to take my home out of the flood zone and out of the flood insurance requirement. Similarly, for my home at Pajaro Dunes, I performed research and obtained documentation (elevation certificate) that reduced my flood insurance premium from \$5000 per year to \$267 per year. I understand the relative flooding risks of the ocean and river and have begun reviewing the documentation on the GHAD website concerning the efforts to fortify the sea wall over the years.

I grew up in a working class family on Long Island, where beachfront homes are common. When I was a child, my grandparents had a home in the "poor" section of Westhampton where we spent extended periods each summer. I watched over the years as the ocean washed over the peninsula where the home was situated, requiring repeated restoration of the road, elevating the homes on pilings, and constant vigilance and fighting back against the elements. My brother still lives on Long Island, on a canal on the south shore where his home flooded during Hurricane Sandy, requiring him to evacuate and rebuild for almost a year. The shore is in my family's DNA. They are so proud of my ability to have a beachhouse for my family's use now and as a legacy for my children.

I am committed to be a citizen of Pajaro Dunes for the long term, if I am lucky for at least another thirty years (I am 42). I have volunteered to assist with community outreach to support the sea wall repair, and also to assist with social outreach for upcoming HOA events. I have the time to serve on a formal Board position and the desire to contribute to the community. I have made a point of "giving back" over the years, from performing a significant amount of pro bono legal work (over 400 hours in 2013 alone) to volunteering at food banks and making donations.

From an ideological standpoint, I fully support repairing the sea wall and making sure the project is funded appropriately for long term benefit. I am interested in the distribution of costs and have reviewed the poll results showing the distribution is the issue of greatest interest to most of the homeowners here. Above all, my actions in life are guided by fairness. I am interested to see the Sue Holt report from 1983 that analyzed the relative economic value of sea wall repairs to the Pelican/Houses/Cypress properties and understand what has been approved before and why, to get to where we are today. I would like to see homeowner buy-in to the distribution, and to see the project move forward and be completed.

Please feel free to ask me anything else that may assist with your decision.

Thank you for your consideration,  
Stacey





ORRICK



## Stacey E. Stillman

Senior Associate  
Intellectual Property

Silicon Valley

(650) 289-7152 (650) 614-7400  
sstillman@orrick.com

### Profile

Ms. Stillman is a senior associate in the Silicon Valley office and a member of the Intellectual Property Group.

Ms. Stillman's practice focuses on complex litigation for technology and Internet companies, including litigation of patent, copyright, trade secret, breach of contract, unfair competition and tortious interference claims.

Ms. Stillman has worked on cases involving, for example, database architecture, software, value-added resale of enterprise solutions, social networking Web sites, online gaming, medical lasers, A/C electric motor controllers, light-emitting diodes (LEDs), semiconductor processing and design, hard disk drives, circuit architecture of consumer electronics devices and chips, digital rights management and videocassette recorders.

Ms. Stillman represents plaintiffs and defendants before federal courts throughout the country and California state court. Ms. Stillman also represents complainants and respondents before the International Trade Commission. She assists companies in responding to discovery subpoenas issued from litigations to which they are not party.

The following is a sample of Ms. Stillman's notable matters at Orrick.

#### Internet Liability and Trade Secrets Litigation

- **Facebook, Inc.** Ms. Stillman aided in representing Facebook and Mark Zuckerberg in their well-publicized litigation with ConnectU concerning the founding of the Facebook Web site (as satirized in the movie *The Social Network*), resulting in Facebook's favorable settlement with the ConnectU plaintiffs. In April 2011, this settlement was upheld by the Ninth Circuit Court of Appeals:  
<http://www.ca9.uscourts.gov/datastore/opinions/2011/04/11/08->

#### Practices

- Intellectual Property
- Patent Litigation
- Trade Secrets Litigation
- Privacy, Data Security & Internet Safety
- Commercial Litigation
- Trademark, Copyright & False Advertising Litigation & Counseling
- Entertainment

#### Education

- J.D., New York University School of Law, 1998
- B.A., Physics, Binghamton University, State University of New York, 1994
- B.A., Philosophy, Politics & Law, Binghamton University, State University of New York, 1994



## ORRICK

### 16745.pdf

Ms. Stillman also aided in asserting Facebook's claims against ConnectU under the CAN-SPAM Act and Computer Fraud and Abuse Act related to use of Facebook's services for allegedly unauthorized purposes.

- **FusionStorm.** Ms. Stillman aided in representing FusionStorm, a value-added reseller of enterprise technology solutions against Technology Integration Group (TIG). Ms. Stillman's demurrer briefing resulted in dismissal of the plaintiff's breach of contract claims as being based on an unenforceable contract provision. Ms. Stillman also successfully opposed plaintiff's attempt to dismiss FusionStorm's cross-claims for tortious interference and unfair competition.

### Patent Litigation – International Trade Commission

- **Acer, Inc., Nanya Technology Corp. & Powerchip Semiconductor Corp.** *ITC Investigation No. 337-TA-630.* Ms. Stillman was a member of the first defense team to defeat complainant Tessera, Inc. in this ITC Investigation concerning semiconductor chip design, resulting in Initial and Final Determinations of no violation. Ms. Stillman significantly contributed to the effort to prove Tessera's infringement methodology unreliable, as discussed [here](#). Orrick's success in discrediting Tessera's infringement case was cited by the Financial Times as a basis for ranking Orrick in the top five firms that consistently "create transformative solutions for clients": <http://rankings.ft.com/usil/orrick-herrington--sutcliffe-2/litigation-2011#litigation-2011>.
- **NVIDIA Corp.** *ITC Investigation Nos. 337-TA-661 & 337-TA-753.* Ms. Stillman is a member of the team representing NVIDIA in two ITC investigations initiated by Rambus.

### Patent Litigation – Federal Court

- **NVIDIA Corp.** Ms. Stillman is a member of the team representing NVIDIA in two patent infringement actions initiated by Rambus in the Northern District of California. Ms. Stillman has also assisted NVIDIA in responding to subpoenas issued in District Court cases to which NVIDIA is not a party.
- **Oracle Corp.** Ms. Stillman was a member of the team that represented Oracle in the Eastern District of Texas concerning two database architecture patents asserted by Financial Systems Technology (FST). In particular, Ms. Stillman aided in obtaining a Federal Circuit writ that vacated the District Court's order denying transfer of venue from Texas to California. The order can be found [here](http://www.ca9.uscourts.gov/images/stories/opinions-orders/2010-m951.11-1-10.1.pdf): <http://www.ca9.uscourts.gov/images/stories/opinions-orders/2010-m951.11-1-10.1.pdf>

### Honors

- Binghamton University Presidential Scholar 1990-1994
- Grumman Corporation Outstanding Student Award

### Memberships

- State Bar of California



## ORRICK

- **E-Z-GO and Textron Innovations Inc.** Ms. Stillman was a member of the team that represented Textron Innovations and E-Z-GO in their patent infringement action against Club Car in the Southern District of Georgia, concerning A/C motor controllers used in golf cars and low speed neighborhood vehicles.
- **Firetide, Inc.** Ms. Stillman assisted in defending Firetide from allegations of patent infringement directed at Firetide's wireless mesh products brought by Linex Technologies, Inc. in multidefendant litigation in the Eastern District of Texas. The case settled favorably for Firetide.

### Patent Litigation – Federal Circuit

- **NVIDIA Corp.** Ms. Stillman is a member of the team representing NVIDIA in the Federal Circuit appeals of the Final Determination issued in ITC Investigation No. 337-TA-661 (initiated by Rambus).

Before joining Orrick, Ms. Stillman was employed as an intellectual property litigation associate by Morgan, Lewis & Bockius LLP and Pennie & Edmonds LLP, both in Palo Alto, California. At those firms, Ms. Stillman represented such clients as **Funai Electric Co., Ltd.** (against Daewoo Electronics Corp.), **Nidec Corp.** (against Victor Co. of Japan), **InterTrust Technologies Corp.**, **LumiLeds Lighting U.S., LLC** (against Epistar Corp.) and **Micrel Inc.** in extensive patent litigation.

In particular, Ms. Stillman's prior work on behalf of **Funai Electric Co., Ltd.** was specifically referenced in this September 1, 2010 Federal Circuit opinion, which overturned the District Court's decision and holds that Funai can collect its US\$8 million default judgment against a successor Daewoo company. While at Morgan Lewis, Ms. Stillman investigated and uncovered the determinative facts recited in the opinion and was responsible for the underlying legal research on the successor liability and choice of law issues.

Ms. Stillman also provides pro bono legal services to disadvantaged individuals through the Legal Aid Society of San Mateo, including legal advice to tenants facing unlawful detainer actions. In 2010, the Legal Aid Society of San Mateo honored Orrick's dedication to pro bono work with its Guardian of Justice Award.

### Select Publications

- "Important New Patent Decision on Successor Liability," Robert Freitas, Monte Cooper and Stacey Stillman, Orrick Client Alert, September 9, 2010.
- "Enthalpy Increment Measurements from 4.5 to 350K and the Thermodynamic Properties of Titanium Disilicide (cr) to 1700K," Donald G. Archer, Mel S. Sabella, Stacey S. Sabella, Stacey E. Stillman and Eric J.



## ORRICK

Cotts, *J. Chem. Eng. Data* 40:1237-1241 (1995).

- "The Heat Capacity of Titanium Disilicide," W.K. Sylla, S.E. Stillman, M.S. Sabella and E.J. Cotts, *J. Appl. Phys.* 76(5):2752 September 1, 1994.

### **Admitted In**

- California

### **Court Admissions**

United States Court of Appeals

- Federal Circuit
- Ninth Circuit

United States District Court

- Central District of California
- Eastern District of California
- Northern District of California
- Southern District of California

## PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT

### ANNUAL BUDGET PROJECTION FOR FY 2015/16 AND FOLLOWING YEARS

The following budget is presented as a FY 2015/16 budget for administrative and operating expenses (loan and bond repayments are not included in the budget). The GHAD Board intends to hold an Assessment Election (also known as a Proposition 218 Process and described in Article XIII D of the California Constitution) to ask owners to approve this budget for FY 2015/16 and following years, replacing the annual budget approved by owners in 1999.

	<u>Notes</u>	<u>Total</u>		
<b>Administrative and Operating Expenses:</b>	<b>(A)</b>			
General and Administrative		\$ 40,225		
Professional Services		48,150		
Special District Compliance Costs		4,675		
<b>Total Administrative and Operating Expenses *</b>		<b>\$ 93,050</b>		
			<u>Zone 1</u>	<u>Zone 2</u>
<b>Accountant &amp; Clerk Contract/Admin. &amp; Outreach **</b>	<b>(B)</b>	<b>\$ 40,500</b>	<b>\$ 38,500</b>	<b>\$ 2,000</b>
			<u>Zone 1</u>	<u>Zone 2</u>
<b>Operating Expenses and Reserve ***</b>	<b>(C)</b>	<b>\$ 180,000</b>	<b>\$ 174,450</b>	<b>\$ 5,550</b>

(A) Administrative and Operating Expenses cover general and administrative costs, professional services and special district compliance costs as detailed in the Supplemental Support for 218 Budget Calculations.

(B) Contract for Accountant/Clerk, services to include audit support, budget preparation, administration, outreach and additional requests as required by the board.

(C) Operating Expenses and Reserve cover annual inspection expenses and funds to plan and execute repairs to the seawall and the River Wall as detailed in the Supplemental Support for 218 Budget Calculations.

\* Administrative and Operating costs are to be allocated evenly to each individual parcel.

\*\* Accountant and Clerk costs to be allocated to each zone based on estimated proportional benefit. Based on standard cost allocation formulas for GHAD as recorded by the engineer of record July 1, 2009.

\*\*\* Operating Expenses and Reserve expenses are specific to each zone. Within each zone, costs are allocated according to the standard cost allocation formulas for GHAD, which are based on the special benefit received by each type of property. More information available in the Administrative and Operating Budget Allocation Charts.

**The costs presented here are preliminary and are provided for presentation and discussion purposes only.**

**\*\*Assessments will be subject to a 2.6% annual increase and a 1% County collection fee. 2.6% is based on a ten year average for the Consumer Price Index, All Bay Area Urban Consumers\*\***

## SUPPLEMENTAL SUPPORT FOR 218 BUDGET CALCULATIONS

Administrative and Operating Expenses	<u>Notes</u>	<u>Total</u>			
<b>General and Administrative Expenses</b>					
Printing and mailings	(A)	\$ 7,425			
Communications and Website maintenance	(B)	10,800			
Office Supplies	(C)	550			
Advertising	(D)	2,200			
Insurance	(E)	17,600			
Membership Dues	(F)	1,650			
<b>Total General and Administrative Expenses</b>		<b>40,225</b>			
<b>Professional Services</b>					
Legal Consultant	(G)	30,000			
Contract costs for Assessment calculations	(H)	9,900			
Audit Fees	(I)	8,250			
<b>Total Professional Services</b>		<b>48,150</b>			
<b>Special District Compliance Costs</b>					
Elections	(J)	2,475			
Board and Clerk Training	(K)	2,200			
<b>Total Special District Compliance Costs</b>		<b>4,675</b>			
<b>Total Administrative and Operating Costs</b>		<b>\$ 93,050</b>	*		
<u>Zone 1</u> <u>Zone 2</u>					
<b>Accountant &amp; Clerk Contract/Admin. &amp; Outreach</b>	(L)	<b>\$ 40,500</b>	<b>\$ 38,500</b>	<b>\$ 2,000</b>	**
<u>Zone 1</u> <u>Zone 2</u>					
<b>Operating Expenses and Reserve</b>					
Seawall and River Wall Annual Inspection	(M)	\$ 25,000	\$ 24,450	\$ 550	
Capital Repair Costs and Reserve	(N)	155,000	150,000	5,000	
<b>Total Operating and Expense Reserve</b>		<b>\$ 180,000</b>	<b>\$ 174,450</b>	<b>\$ 5,550</b>	***

\* Administrative and Operating costs are to be allocated evenly to each individual parcel.

\*\* Accountant and Clerk costs to be allocated to each zone based on estimated proportional benefit. Based on standard cost allocation formulas for GHAD as recorded by the engineer of record July 1, 2009.

\*\*\* Operating Expenses and Reserve expenses are specific to each zone. Within each zone, costs are allocated according to the standard cost allocation formulas for GHAD, which are based on the special benefit received by each type of property.

(A) 8 mailings per year, 260 homes, estimated \$1.50 per mailing

(B) To include communication with membership, the public and other agencies, and website maintenance.

(C) To include paper, envelopes, board meetings, misc.

(D) Public notices of meetings to include newspaper advertisement.

(E) Insurance policy limits increased 5 million to 10 million

(F) Annual dues to California Special District Association, California GHAD Association.

(G) Legal costs for District council at meetings and for consultations. Estimate \$2,500 per month, for \$30,000 per year.

(H) Contract costs annually \$9,900 for outsourcing of assessment administration and property transfer of ownership information

(I) Fees for annual audit required by the County of Santa Cruz and as a requirement of a public agency.

(J) Santa Cruz County Annual Election Costs \$2,475, based on an election held every 2 years at \$4,950.

(K) Mandatory compliance training and consultation as required by the State. Estimate \$2,200 per year.

(L) Contract for Accountant/Clerk, services to include accounting, audit support, budgets preparation, administration, outreach and additional requests. Estimate 25 hours per month at \$135.00 per hour.

(M) Consulting Engineering inspection, to include annual inspection, survey work, presentations, and minor consultations. Estimated at \$25,000 per year.

(N) **Capital Repair Costs and Reserve Fund** include rock purchase and storage; emergency event response; major event repairs; legal support; penalties; mitigation; repair, permit costs (consultants, surveying, application and compliance costs, seawall repair, negotiations, and project management), and project costs (contractors, materials, construction management). The objective of the Reserve Fund also to set aside up to \$500,000 for future emergency events and submittals.

**The costs presented here are preliminary and are provided for presentation and discussion purposes only.**

Pajaro Dunes Geologic Hazard Abatement District  
 Administrative and Operating Budget Allocation Charts

Zone 1				
Monthly Difference per Home				
	Current	Increase	Total	
	Monthly	in Monthly	Monthly	
	Payment	Payment	Payment	
Front Row Home (average)	\$ 21	\$ 179	\$ 200	
Cypress	11	110	121	
2nd Row Home	4	56	60	
Pelican	3	48	50	
Back Row Home	2	44	46	
PDA Stairs	54	410	464	

Zone 2				
Monthly Difference per Home				
	Current	Increase	Total	
	Monthly	in Monthly	Monthly	
	Payment	Payment	Payment	
Pelican	\$ 14	\$ 23	\$ 37	
PDA Stairs	6	27	33	

The costs presented here are preliminary and are provided for presentation and discussion purposes only.

**Pajaro Dunes Geologic Hazard Abatement District  
Administrative and Operating Budget Allocation Charts**

<b>Administrative and Operating Expense Budget</b>	\$ 93,050
<b>Number of Units</b>	262
<b>Per Unit Cost</b>	<u><u>355</u></u>

<u>Group</u>	<u>Allocation</u>	<u>Amount</u>	<u>Qty</u>	<u>Per Unit</u>
Front Row Home (average)	64.20%	23,795	67	\$ 355
Cypress	11.85%	8,169	23	355
2nd Row Home	7.57%	15,627	44	355
Pelican	10.18%	30,898	87	355
Back Row Home	3.76%	14,206	40	355
PDA Stairs	2.45%	355	1	355
<b>Total</b>	100.00%	\$ 93,050	262	

**Zone 1**

<b>Accountant/Clerk Contract</b>	\$ 38,500
<b>Operating Expense &amp; Reserve</b>	174,450
	<u><u>212,950</u></u>

**Zone 1**

<u>Group</u>	<u>Allocation</u>	<u>Amount</u>	<u>Qty</u>	<u>Per Unit</u>
Front Row Home (average)	64.20%	\$ 136,714	67	\$ 2,041
Cypress	11.85%	25,224	23	1,097
2nd Row Home	7.57%	16,116	44	366
Pelican	10.18%	21,676	87	249
Back Row Home	3.76%	8,007	40	200
PDA Stairs	2.45%	5,213	1	5,213
<b>Total</b>	100.00%	\$ 212,950	262	

**Zone 2**

<b>Accountant/Clerk Contract</b>	\$ 2,000
<b>Operating Expense &amp; Reserve</b>	5,550
	<u><u>7,550</u></u>

**Zone 2**

<u>Group</u>	<u>Allocation</u>	<u>Amount</u>	<u>Qty</u>	<u>Per Unit</u>
Pelican	99.47%	\$ 7,510	87	86
PDA Stairs	0.53%	40	1	40
<b>Total</b>	100.00%	\$ 7,550	88	

The costs presented here are preliminary and are provided for presentation and discussion purposes only.