



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

**Saturday, February 14, 2015 9:00 a.m.**

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

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**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. 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.

- Update on status of election to fill vacancy of open board position
- Emergency Response Plan update
- ARUP California Coastal Commission submittals
- PDA/GHAD website transition

**C. 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.

**D. CONSENT CALENDAR**

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

1. Approval of minutes January 10, and 17, 2015

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

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### 2. Financial Reports

- Seven Month Period Ended January 31, 2015
- Warrant listing
- Delinquent Assessments
- Accept reports by motion

## **F. COMMITTEE REPORTS**

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3. Finance and Budget Committee (Bill Lyons/Wendy Cumming)

4. Community Membership and Relations Committee (Bill Lyons/Bob Moore)

5. Seawall Application and Repair Committee (Jim Griffin/David Bower)

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.

## **G. NEW BUSINESS**

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7. ITEM – Consider renewal of the District's annual insurance policy for policy period March 12, 2015 through March 12, 2016

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

8. ITEM – Receive final 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 adopting resolution 01-2015 to hold a special election June 2, 2015 to fill the open position on the District's board.

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

10. ITEM – Consider preliminary and approval of the District's Administrative budgets that have been prepared for consideration pursuant to the process and procedures established in Prop. 218.

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

## **H. DIRECTORS COMMENTS**

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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 Regular Meeting of the Board of Directors is scheduled for March 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.



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

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

**Meeting began at 10:08**

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

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**Roll Call**

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

**B. PRESENTATIONS**

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

Performed by clerk, Wendy Cumming

**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.

- Update on status of open position

President Bill Lyons commented on the Economic Analysis being available on the GHAD website. The Analysis provides information on Pajaro Dunes South and benefits, such as income to the school district, the County General Fund, and the Fire Station.

Status of open position, there were a couple candidates. One has since declined, and another was unqualified as he lives at the Shorebirds. Per Mike Rodriguez, the County will require the District to hold an election. Within 90 days

**D. MEMBER COMMENTS**

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Member, Mr. Brock, questioned if the District has its own website. The Clerk answered the site has not changed.

Peter Haunschild, member, commented on the SBA loan for Zone 2. Peter wonder why the SBA debt is not on the audit report or financial statements. The GHAD is not legally responsible to pay the debt. Per David Bower there is an agreement between PHA and GHAD, where GHAD administers the debt, but PHA. Per Raul Deju, member, the auditor looks at the loan and includes it in the footnotes to the audit report.

The balance is \$770,383, per the clerk.

## **E. CONSENT CALENDAR**

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

1. Approval of minutes November 8, 2014

Motioned by board member David Bower, second by board member Bob Moore, approved by all.

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

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

Raul Deju, member, asked for a supplemental schedule showing the Line of Credit, cash on hand, and the rocks held by Granite Rock.

Motioned by board member Bob Moore, Second board member Jim Griffin, approved by all.

## **G. COMMITTEE REPORTS**

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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.

Per President Bill Lyons, finance committee, had no meeting. The District consider including Raul Deju's comments for the supplemental report in the next finance package.

Per President Lyons the Community Membership committee held no meetings. President Lyons will do so outreach to other organizations to develop a relationship. Also, the New Website Update Committee held no meetings.

There were no meetings attended at the expense of the District.

## **H. NEW BUSINESS**

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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

President Lyons state that this item was already discussed in president’s report. Per District council Mike Rodriquez formal action to table this item for a future date.

Motion to take action to consider appointing a new board member to be done at a future board meeting.

Motioned by board member Bob Moore, second board member David Bower, approved by all

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

Draft report provided to board members. Accountant walked through the report.

President Lyons asked that the auditor state that the percentages on assessments are good.

Raul Deju, member, asked that the auditor provide a supplemental schedule for the Cash on hand, Lind of credit and the rocks on hand.

Member Peter Haunschild, asked about a breach of independence with one of the partner, Ken Chappell, begin on the board of directors for the bank that the District banks with, Santa Cruz County Bank.

President Lyons Directed the District Clerk to follow up with the audit firm Hutchinson and Bloodgood.

Motion to accept draft audit report by board member David Bower, second by board member Bob Moore, approved by all.

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

Bill Lyons set up subcommittees.

- 1. Community membership (Bob and Bill)
- 2. Seawall application and repair (Jim and David)
- 3. Finance and budget (Bill and Wendy)

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

## **I. ENGINEER PRESENTATION**

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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

President Lyons directed the District Clerk, engineer and Carol Turley and include PDA board, gatehouse, all involved individual, on a course of action report on who will do what when there is an emergency. He requested an Emergency Event Contact List by the February meeting.

Jeff provided a brief history of ARUP's relationship with GHAD. Stating that the firm came on board when the District was looking at a 20+ Million seawall construction. The firm then looked at a risk assessment for the wall, and came up with a solution, at a reasonable cost, for on going inspections and maintenance as needed. The repair plan was submitted to the Coastal Commission, and the engineers have come up with a revised design.

The most recent seawall/river wall inspection/survey was performed August 7, 2014. Two staff worked to inspect the riverwall/seawall, taking photos and notes, up the length of Pajaro Dunes south, and prepared a report of the overall findings. Jeff stated that there was very little change from the inspections in 2012 and 2013. The seawall in 16 adjacent lots should be repaired in the next 3-5 years.

Regarding interactions with public agencies, there is a requirement for permitting with the California Coastal Commission (CCC). The State Park interaction would be the need to go across State Parks lands for the repairs. The Parks have been fairly cooperative, but have reminded the District that there is some buried riprap from 2004/2005 that still needs to be removed. The rock can then be used toward the repair project. The CCC asked that the District contact the Monterey Bay Marine Sanctuary to determine if the District project has any impact on the Sanctuary. Also, the CCC asked for State Lands contact to confirm that the District have no encroachment on State property. The CCC has been receptive to granting extensions for the permitting process.

Lots 97-99 looked to be most unstable or potentially unstable. Raul Deju, member, commented that while those are certain lots in front, but failure can impact the lots behind those lots. Bob Moore, board member, asked about the County. Jeff said that the County did provide comments but they don't have jurisdiction on the District. Jeff continued that in the course of comment from the County that they perceive the project to be a project to build a seawall, not a repair. President Bill Lyons commented

that the individual who made the comments perceived the submittal was the same as the request presented six years ago. Bill continued that he felt the County individual had not actually reviewed the proposal for the repair plan.

Per Jeff, after the submittal to the CCC for lots 97-99, they realized that it would be best to revise the application to add more lots, 16 total, with the application for the permit. By doing this the District would have more time to repair all lots as funds become available. Bill Lyons stated that he hoped the application to be submitted in the next 45 to 60 days the District will have the flexibility to do the repairs over time. Per Jeff, the design has been revised, and will be provided to the board for review. The revision to hopefully provide flexibility, and order for repair plan. The order takes into consideration the amount of activity on the individual segments, the slope, steepness, and the proximity to the homes to the activity. Lot 96, while circled in red on the site plan is not necessarily in need of repair. Jeff provided pictures of the damaged lots. Bill Lyons asked that there be a note on the type of rock used for the wall. Jeff provided images of the topographic surveys.

Jeff stated that they did not do analysis on all the lots. They came up with an order of repair, 1) lots 97-99, 2) lots 100-104, 3) lots 1,3 and 107, 4) Lots 6, 8 and 9, then 5) lots 95 and 95. Jeff discussed the composition of a Marine Cell Foundation, as a repair option. These are polyethylene is a very durable product that is filled with the rocks.

Steve Erickson, member, commented that he thought it was only 6 lots but now he realizes that 16 lots are actually being repaired. Steve asked what the cost is expected to be, and Jeff stated that it was estimated to be 2.13 million. Raul Deju commented that it was to be north of 2 million and south of 3 million. Bill Lyons said that the 2.13 did not include the compliance costs with the CCC and State Parks.

Member Peter Haunschild ask about the structural risk to the home and if there is a shift how does that get costed out? President Lyons commented that the project bid to require the contractors provide liability coverage for the work performed. Jeff comment that there would be language in the contract that the contractor would not damage the existing homes.

Carol Turley, commented that an individual from the Army Core had a requirement not to use any non-natural materials. Jeff, commented that the Army Core had no jurisdiction on the District project.

Steve Brock, member, commented, that the ARUP reports never refer to maintenance on the riverwall. He asked that the reports include the maintenance items be included in the ARUP reports.

## **J. CONTINUED PUBLIC HEARING**

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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.

President Bill Lyons presented the 218 draft budget, and that the assessments are an “up to” assessment, such that should the District’s future budgets not require the level of funding provided in the draft budgets, the annual assessment would be reduced in the budget year.

The membership requested that the maintenance and reserve budgets be separated from the administrative budgets. President Lyons commented that at the last meeting some members felt that the allocations between the two zones was not equitable.

Board member David Bower commented that the District wants to have the budgets as transparent as possible. David stated that there had been member comments that the District had not been as transparent as it should. The assessment split in the past had been 50/50 split. The committee decided to allocate the administrative and operating assessments be allocated on an equal allocation based on the number of units in each zone. The Operating expenses and reserves, the District would like to raise the 500k over three years for Zone 1. The line of credit borrowing authority expires in 2018, and why should the district borrow money at a cost to the District? While raising the funds would allow the District to make the repairs as needed.

President Lyons presented charts for the 218 funding. He commented that this process will take more funding than this board has right now to manage the District and the repair plan.

Raul Deju, member, commended the board for what has been done and felt that the budget is realistic and equitable. He felt that the administration costs should be set at an escalated variable, and the repair and maintenance cost be separated. He is encouraged by what has been done and what the board has done.

Peter Haunschild, member, asked about how the costs are being assessed and if they follow the engineer’s allocation.

District Attorney Mike Rodriquez commented that the District would be seeking the support of the engineer for the allocation of the administrative costs. The engineers report would need to state that there is not benefit for the allocation of the administrative costs does not benefit one home or the other. The proposition 218 process requires an engineer must provide a “blessing” on the cost allocation. The District cannot make a shift in cost allocations without the engineer’s report.

President Lyons stated that the information provided is a proposal and no decisions are being made today.

Steve Erickson, member, commented that an engineer is not qualified to give an opinion on the administrative costs. District Attorney Mike Rodriquez commented that the engineer does do that. Jeff Dunn, engineer, stated that the engineering firm does and is willing to sign off on the allocation.

Raul Deju, stated that the engineers does approve administrative allocations as a normal process.

President Lyons, commented that the District does not want to be in a position of not having the ability to have funds to assess if necessary to run the District, including the dealing with the Federal and State agency.

Fred Hodder, member, asked Mike Rodriguez, if the Pelicans are paying more that 10.18%. Fred questioned if there were to be two ballots, one for Zone 1 and one for Zone 2. Mike Rodriguez said yes that is correct.

Mike Rodriguez stated that there has not been an illegal collection of assessments, and that the assessments were recorded based on an engineer's report. David Bower, had a different way of looking at the assessments. Mike said that there may be a disagreement with how the assessments are allocated, but all has been legal.

#### **K. DIRECTORS COMMENTS**

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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.

#### **L. CLOSED SESSION**

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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.

No decisions were made.

#### **M. ADJOURNMENT**

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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 12:31 p.m.

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

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

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

**Saturday, January 17, 2015 2:00 p.m.**

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

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**Roll Call**

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

**B. MEMBER COMMENTS**

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

**C. PUBLIC HEARING**

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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 public hearing is a continuation of a public hearing that was opened and continued to this date by the Board at its meeting of January 10, 2015. The same public hearing has been opened, and comment received, at several previous meetings. President Bill Lyons will provide a brief summary of the draft budgets for proposed assessments, and thereafter, the hearing will be open for public/member comment. The Board may discuss and ask Staff questions concerning the budgets and involved assessment process, but will not be taking any formal action on this matter. After receipt of comment from members of the public and/or the Board, it is anticipated that the public hearing will be continued to the Board's next regular meeting, scheduled for February 14, 2015.

**Comments:**

**President Bill Lyons –**

Provided a brief history on the 218 process, including previous meetings. President Lyons stated that the graphs presented are draft only and today's meeting is a continuation for January 10<sup>th</sup> meeting. No action

will be taken today and will be brought back to the Board at the February 14, 2014, meeting. The general and administrative cost proposed to be allocated evenly between the 262 units. The cost proposed for the Clerk/Accountant and zone specific reserve and Operating costs for repairs and maintenance will be made based on the allocation that was done by the engineer. The future repair costs for the large repair project will also be allocated based on the allocation factors provided by the engineer.

The proposed budget for Zone 2, operating and reserve, takes in to account the approximate 100k that is in the Pelican Homeowners Association accounts for the riverwall repair and maintenance. Zone 2 budget for the operating and reserve is set at \$550 for the annual inspections. The \$5,000, for the reserve.

In prior meetings some members felt that the administrative assessments were too low, therefore the budget proposed was raised. Understanding that the proposed budget is a maximum, not what is expected be assessed every year, but will be evaluated annually at the time of budget to determine what the following year's costs will be, not to exceed the proposition 218 budget presently being proposed.

With respect to the large repair project Mr. Lyons gave a brief update on the permit status. The Engineers (ARUP) have identified approximately 16 lots that are in need of repair. The permit application is expected to cover the 16 lots, instead of going for permits each time the District is to engage in another phase of the repair process. By submitting one application, one permit, and if the environmental conditions allow, then the District might look to perform as work as possible, with the permit available.

The District is asking for a five year emergency permit.

Member Steve Brock questioned what the current administrative budget is. Clerk Wendy stated that the existing budget, excluding the clerk, is \$27,504, for both District's combined.

Member Mary Paige asked about the reserve funds on hand of 100k, we would need \$400k to come up with the \$500k of proposed reserves. Ms. Paige asked if the proposed repair cost for the 16 homes, were included in the operating reserve budget. Per Bill Lyons that repair costs for the 16 homes is not part of this 218 process.

Member Stacy Stillman explained that the budget proposed today, is only for operating and emergency repairs, not for the overall larger repair project.

Member Steve Brock questioned if the \$500k in the engineer's report for a historical riverwall cost was included in the budget. The board explained that the proposed budget did not anticipate building a reserve of \$500k, but only \$5k annually.

Member Steve Erickson stated that he had been to most meeting. Steve felt that the even allocation of administrative costs should be based on the engineers cost allocation, which should be followed. He felt that number of the cost are being shifted from the front row owners to the back row owners. Per Steve, the purpose of the GHAD is to benefit the front row owners. He stated that the front row should be based on the original allocation method.

Member, Dave Peoples, asked if the original seawall was to weather a long-term storm. Carol Turley stated that the original seawall was built to weather 30 year storm.

Member Peter Haunschild stated before 1983, there wasn't a rockwall. The prior engineer said that the seawall had only diminished only 1%. He wants to stay within the cost allocation model provided by the engineer.

Member, Roger McGomery, stated that the annual costs should be divided equally by all the members.

President Lyons commented that the cost of mailing an envelope to any one unit is the same costs as it would be to all. The engineer allocation for the reserve and operating costs should be allocated on the engineer report.

Member, Stacey Stillman, commented with respect to the operating budget, the allocation should follow the same allocation as provided by the engineer report.

Member, Steve Brock, requested that careful tracking of the administrative costs not include soft costs. If soft costs such as legal and administration, are for the maintenance and repair, be tracked accordingly and not for the administrative budget.

#### **D. DIRECTORS COMMENTS**

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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.

No comments were made

#### **E. ADJOURNMENT**

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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 3:336 p.m.

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

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

Pajaro Dunes Geologic Hazard Abatement District

Balance Sheet

As of January 31, 2015

	<u>Jan 31, 15</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
100000 · SCCB Zone 1 - 3957	49,260.38
100001 · SCCB Zone 2 - 3965	39,839.35
100002 · SCCB Z1 Emerg - 1877	102,205.09
100003 · SCCB LTD- 0208	36,997.02
100400 · Union Bank Bond Holding	<u>254,121.76</u>
<b>Total Checking/Savings</b>	482,423.60
<b>Accounts Receivable</b>	
120000 · Assessments Receivable	243,727.80
120500 · Assess. Rec. Delinquent	<u>11,246.53</u>
<b>Total Accounts Receivable</b>	254,974.33
<b>Other Current Assets</b>	
121500 · Prepaid Insurance	<u>2,708.00</u>
<b>Total Other Current Assets</b>	<u>2,708.00</u>
<b>Total Current Assets</b>	740,105.93
<b>Fixed Assets</b>	
150000 · Riverwall	3,000,000.00
160000 · Accumulated Depreciation	<u>-1,008,331.00</u>
<b>Total Fixed Assets</b>	<u>1,991,669.00</u>
<b>TOTAL ASSETS</b>	<u><u>2,731,774.93</u></u>

**Pajaro Dunes Geologic Hazard Abatement District**  
**Balance Sheet**  
As of January 31, 2015

Jan 31, 15

**LIABILITIES & EQUITY**

**Liabilities**

**Current Liabilities**

**Other Current Liabilities**

220000 · Accrued Interest 45,434.03

255000 · Unearned Revenue 46,315.00

**Total Other Current Liabilities** 91,749.03

**Total Current Liabilities** 91,749.03

**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 20,551.00

**Total Long Term Liabilities** 1,898,949.85

**Total Liabilities** 1,990,698.88

**Equity**

30000 · Opening Balance Equity 607,355.35

32000 · Retained Earnings 99,656.63

**Net Income** 34,064.07

**Total Equity** 741,076.05

**TOTAL LIABILITIES & EQUITY** 2,731,774.93

Note -The liability for the SBA Loan under the Pelican Homeowner Association for Zone 2 has a balance of \$760,648.38 as of January 31, 2015.

Pajaro Dunes Geologic Hazard Abatement District  
**Profit & Loss Budget vs. Actual**  
 July 2014 through January 2015

9:07 AM  
 02/10/15  
 Accrual Basis

	Zone 1			Zone 2			TOTAL		
	Actual	Budget	\$ Over Budget	Actual	Budget	\$ Over Budget	Actual	Budget	\$ Over Budget
Ordinary Income/Expense									
Income									
410000 · Assessment Income	113,057	113,064	(7)	144,711	144,712	(1)	257,768	257,776	(8)
<b>Total Income</b>	<b>113,057</b>	<b>113,064</b>	<b>(7)</b>	<b>144,711</b>	<b>144,712</b>	<b>(1)</b>	<b>257,768</b>	<b>257,776</b>	<b>(8)</b>
Expense									
610155 · Postage and Mailings	404	100	304	173	50	123	577	150	427
615115 · Office Expense	37	-	-	-	-	-	37	-	37
615140 · Audit Expense	2,500	5,225	(2,725)	2,500	2,275	225	5,000	7,500	(2,500)
615415 · Accounting/Clerk Expense	15,977	5,980	9,997	8,403	1,642	6,761	24,380	7,622	16,758
615650 · Officer Election	38	2,000	(1,963)	38	2,000	(1,963)	75	4,000	(3,925)
615655 · Dues	-	-	-	-	50	(50)	-	50	(50)
616500 · Legal Fees	4,175	1,124	3,051	4,175	250	3,925	8,350	1,374	6,976
616550 · Membership Dues	70	-	-	70	-	-	139	-	139
628500 · Insurance Expense	3,905	3,940	(35)	3,905	3,940	(35)	7,810	7,880	(70)
629030 · SBA Repayment to PHA Z2	-	-	-	54,166	54,166	-	54,166	54,166	-
629900 · Bond Fee Expense	-	-	-	-	600	(600)	-	600	(600)
650000 · Bank Service Charges	-	-	-	8	-	-	8	-	8
750000 · Depreciation Expense Z2	-	-	-	58,335	58,335	-	58,335	58,335	-
<b>Total Expense</b>	<b>27,105</b>	<b>18,369</b>	<b>8,736</b>	<b>131,771</b>	<b>123,308</b>	<b>8,463</b>	<b>158,876</b>	<b>141,677</b>	<b>17,199</b>
Net Ordinary Income	85,952	94,695	(8,743)	12,940	21,404	(8,464)	98,892	116,099	(17,207)
Other Income/Expense									
Other Income									
410070 · Interest Income	160	30	130	69	90	(21)	229	120	109
<b>Total Other Income</b>	<b>160</b>	<b>30</b>	<b>130</b>	<b>69</b>	<b>90</b>	<b>(21)</b>	<b>229</b>	<b>120</b>	<b>109</b>
Other Expense									
855000 · Interest Expense	14,886	14,885	1	47,719	47,719	(0)	62,604	62,604	0
955500 · Interest Bond Discount	-	-	-	1,218	1,218	-	1,218	1,218	-
<b>Total Other Expense</b>	<b>14,886</b>	<b>14,885</b>	<b>1</b>	<b>48,937</b>	<b>48,937</b>	<b>(0)</b>	<b>63,822</b>	<b>63,822</b>	<b>0</b>
Net Other Income	(14,726)	(14,855)	129	(48,867)	(48,847)	(20)	(63,594)	(63,702)	108
Net Income	71,226	79,840	(8,614)	(35,928)	(27,443)	(8,485)	35,298	52,397	(17,099)



**Pajaro Dunes Geologic Hazard Abatement District**

**Warrant Listing**

As of January 31, 2015

Type	Date	Num	Name	Credit
<b>100000 · SCCB Zone 1 - 3957</b>				
Bill Pmt -Check	12/08/2014	1204	Jarvis, Fay, Doporto & Gibson, LLP	340.00
Bill Pmt -Check	12/08/2014	1205	Pajaro Dunes Association	53.50
Bill Pmt -Check	12/08/2014	1206	Santa Cruz County Clerk	37.50
Bill Pmt -Check	12/08/2014	1207	Wendy L. Cumming, CPA	2,314.93
Bill Pmt -Check	12/30/2014	1208	Jarvis, Fay, Doporto & Gibson, LLP	1,620.00
Bill Pmt -Check	12/30/2014	1209	Wendy L. Cumming, CPA	620.00
Bill Pmt -Check	01/09/2015	1210	Hutchinson & Bloodgood	1,000.00
Bill Pmt -Check	01/09/2015	1211	Wendy L. Cumming, CPA	1,710.43
Bill Pmt -Check	01/17/2015	1212	Hutchinson & Bloodgood	1,500.00
Bill Pmt -Check	01/17/2015	1213	Jarvis, Fay, Doporto & Gibson, LLP	170.00
Bill Pmt -Check	01/17/2015	1214	Pajaro Dunes Association	37.19
Bill Pmt -Check	01/17/2015	1215	Wendy L. Cumming, CPA	1,088.10
Total 100000 · SCCB Zone 1 - 3957				<u>10,491.65</u>
<b>100001 · SCCB Zone 2 - 3965</b>				
Bill Pmt -Check	12/08/2014	1161	Jarvis, Fay, Doporto & Gibson, LLP	340.00
Bill Pmt -Check	12/08/2014	1162	Pajaro Dunes Association	53.50
Bill Pmt -Check	12/08/2014	1163	Pelican Home Owner's Association	15,476.00
Bill Pmt -Check	12/08/2014	1164	Santa Cruz County Clerk	37.50
Bill Pmt -Check	12/08/2014	1165	Wendy L. Cumming, CPA	1,418.83
Bill Pmt -Check	12/30/2014	1166	Jarvis, Fay, Doporto & Gibson, LLP	1,620.00
Bill Pmt -Check	12/30/2014	1167	Wendy L. Cumming, CPA	380.00
Bill Pmt -Check	01/09/2015	1168	Hutchinson & Bloodgood	1,000.00
Bill Pmt -Check	01/09/2015	1169	Pelican Home Owner's Association	7,738.00
Bill Pmt -Check	01/09/2015	1170	Wendy L. Cumming, CPA	1,048.33
Bill Pmt -Check	01/17/2015	1171	Hutchinson & Bloodgood	1,500.00
Bill Pmt -Check	01/17/2015	1172	Jarvis, Fay, Doporto & Gibson, LLP	170.00
Bill Pmt -Check	01/17/2015	1173	Wendy L. Cumming, CPA	666.90
Total 100001 · SCCB Zone 2 - 3965				<u>31,449.06</u>
<b>TOTAL</b>				<u><u>41,940.71</u></u>

**Pajaro Dunes Geologic Hazard Abatement District**

**Available Resources**

As of January 31, 2015

Cash in the bank	\$	126,097	
Emergency Funds		102,205	
General fund cash available		<u>          </u>	\$ 228,302
Line of credit, authorized		200,000	
Board authorized advanced ass <sup>t</sup>		<u>(96,596)</u>	
Available credit			103,404
Less: Accounts payable			<u>-</u>
Total current available resources			<u><u>\$ 331,706</u></u>

Note - The District has 200 tons of purchased rock, which Granite Rock stores on site. The storage agreement with Granite will expire in 2022, at that time unused rock will be forfeited.



**INSURANCE**  
1006 Freedom Blvd - PO Box 310  
Watsonville, CA 95077

**PHONE (831) 724-1085**  
**FAX (831) 724-1089**  
**CA LIC # 0426333**

February 11, 2015

Pajaro Dunes Geologic Hazard Abatement District  
c/o Wendy Cumming  
P.O. Box 1531  
Capitola, CA 95010-1531

Re: Directors and Officers through RSUI  
Policy No: NHP656416

Dear Board of Directors:

RSUI has offered you a **Directors and Officers** policy for an annual premium of **\$11,950**. A detailed copy of the renewal offer is enclosed for your review.

Please review this proposal, including exclusions and limitations. If there are changes to be made, please contact our office. Optional coverage and endorsements may be available, some for an additional charge, should insurance needs change. Higher limits may also be available. All coverages are subject to the insurance company's underwriting requirements and the placement of additional protection must be approved.

**It is required that you notify us of any additional entities or changes in your operations or exposures including any claims or potential claims. Failure to do so could jeopardize your coverage.**

Enclosed, please find the Application that you need to review, re-sign and re-date and return to our office if you would like to accept this offer.

In order to bind the above coverage, please issue a check payable to KBK Insurance Agency for the full-payment in the amount of **\$11,950** and mail it to our office along with the signed forms prior to 03/10/2015. **Please be advised, this quote and/or policy expire on 3/12/2015. If we do not hear back from you before then, we will close our file.**

Please do not hesitate to call if you have any questions.

Sincerely,

Sondra Carter  
Customer Service Representative



**INSURANCE**  
1006 Freedom Blvd - PO Box 310  
Watsonville, CA 95077

**PHONE (831) 724-1085**  
**FAX (831) 724-1089**  
**CA LIC # 0426333**

February 11, 2015

Pajaro Dunes Geologic Hazard Abatement District  
c/o Wendy Cumming  
P.O. Box 1531  
Capitola, CA 95010-1531

\*\*\*\*\***INVOICE**\*\*\*\*\*

<b>INSURED:</b>	Pajaro Dunes Geologic Hazard Abatement District
<b>PAYMENT FOR:</b>	Directors and Officers RSUI Policy #NHP656416
<b>ACCOUNT #:</b>	00004327
<b>EFFECTIVE:</b>	3/12/2015 - 3/12/2016
<b>DESCRIPTION:</b>	Renewal
<b>TOTAL:</b>	<b>\$11,950.00</b>

*This amount is immediately due.*

*Please make check payable to:  
KBK Insurance Agency*



Swett & Crawford  
Phillip Mazur  
One California Street  
Suite 1200  
San Francisco, CA 94111

**ATTENTION: LEE HUDKINS**

**RE: Directors and Officers Liability Quote**

**Submission Number:** 297039  
**Renewal of:** NHP656416  
**Company:** RSUI Indemnity Company - (Best rating: A+ XIII)  
**Insured:** Pajaro Dunes Geologic Hazard Abatement District  
Watsonville, CA

**Policy Dates:** March 12, 2015 - March 12, 2016

**Form:** RSG 211003 0609 Directors and Officers Liability Policy - Not For Profit Organization - 2009

**Limit:** \$5,000,000

**Retention (each loss):**

**Insuring Agreement A:** \$0  
**Insuring Agreement B:** \$15,000  
**Insuring Agreement C:** \$15,000  
**Employment Practices Claim:** \$15,000

**Policy Attachments**

- RSG 203005 0611 California Changes - Cancellation and Nonrenewal
- RSG 214038 0204 Coverage Extension - Public Officials
- RSG 204123 0315 Disclosure Pursuant to Terrorism Risk Insurance Act
- RSG 206070 0204 Exclusion - Prior and or Pending Litigation Backdated - Higher Limits - 03/12/2005 for \$1M, 03/12/2011 for \$4Mx\$1M
- RSG 204154 0509 HR Loss Prevention Services Notice
- Mailing/Physical Address
- RSG 204136 0606 Side A Non-Rescindable Coverage
- RSG 204153 0609 Sublimit - Defense Expenses - Wage and Hour Claims - \$100K/\$25K SIR
- RSG 204113 0210 Sublimit - Defense of Non - Monetary Damages - \$10K/\$30K Agg, \$15K SIR
- RSG 207002 0204 Three (3) Year Bilateral Discovery Period - 75%, 125%, 150%

**Additional Information Required**

**Premium is 25% fully earned and due within 20 days of the effective date.  
Swett & Crawford requires a Broker Fee of \$250.00  
Commission: 10%**

**Premium Amount**

<b>Premium:</b>	<b>\$11,700.00</b>
<b>Gross Premium:</b>	<b>\$11,700.00</b>

**Comments:**

This quotation for coverage is strictly conditioned upon no material change in the risk occurring between the date of this proposal and the inception date of the proposed policy. It is subject to modification or withdrawal by the Company if any new, corrected or updated information becomes known which relates to any proposed Insured's claims history or risk exposure or which could otherwise change the underwriting evaluation of any proposed Insured, and the Company, in its sole discretion, determines that the terms of this quotation are no longer appropriate.

Please read all terms and conditions shown above carefully as they may not conform to specifications shown on your submission.

This Quote is valid until 03/12/2015.

We greatly appreciate your business.

This quotation for coverage is subject to the terms and conditions of the specified insurance company forms currently in use including any listed amendatory endorsements. THIS QUOTATION FOR COVERAGE MAY NOT CONFORM TO THE TERMS AND CONDITIONS REQUESTED. Should a change in insurance company be involved, terms and conditions may vary from those currently in force. A copy of the form to be used is available upon request. You acknowledge that Swett & Crawford or one of its affiliates is acting as a wholesale insurance broker in connection with this placement. Specifically, it (1) is acting on your behalf (and you are transacting on behalf of the consumer), (2) is working as a wholesale broker to obtain appropriate quotes and/or placements on your behalf, (3) may be charging a broker fee for its services as set forth in the indication, quote and/or binder and (4) may be entitled to receive compensation from the insurer for the purchase of insurance. As the retail broker, if you choose to deliver documents electronically to the insured, you acknowledge that you have obtained the consent of the insured in accordance with applicable law.





RSUI Group, Inc.  
945 East Paces Ferry Road  
Suite 1800  
Atlanta, GA 30326-1160  
(404) 231-2366

## OFFER OF TERRORISM COVERAGE

In accordance with the Terrorism Risk Insurance Act, we are required to offer the insured coverage for losses resulting from an act of terrorism, not otherwise excluded by this policy and as covered by the Terrorism Risk Insurance Act. All other policy provisions will apply to coverage for such act of terrorism. The insured must choose whether or not to pay the premium described below under **DISCLOSURE OF PREMIUM** for coverage for acts of terrorism that are **certified by the Secretary of the Treasury** as covered acts under the Terrorism Risk Insurance Act, or not to pay the premium, and reject this offer of coverage at the time of binding.

**In any case, if the insured rejects terrorism coverage in any scheduled underlying policy, this policy is written to exclude terrorism.**

If the premium shown in the **DISCLOSURE OF PREMIUM** is not collected and the insured does not reject coverage for terrorism this policy will be issued excluding acts of terrorism.

## DISCLOSURE OF PREMIUM

If you accept this offer, the portion of your premium for the policy term attributable to coverage for all acts of terrorism covered under this policy including terrorist acts certified under the Act is  
\$ waived .

## DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

The United States Government, Department of Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention.

However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

## CAP INSURER PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and the Insurer has met our Insurer deductible under the Terrorism Risk Insurance Act, the Insurer will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of Treasury.



SINCE 1908

**INSURANCE**

1006 Freedom Blvd • P.O. Box 310  
Watsonville, CA 95077

PHONE (831) 724-1085  
FAX (831) 724-1089

January 15, 2015

Pajaro Dunes Geologic Hazard Abatement District  
c/o Wendy Cumming  
P.O. Box 1531  
Capitola, CA 95010-1531

Re: Package through Scottsdale Insurance  
Policy No: CPS1950786

Dear Board of Directors:

Scottsdale Insurance has offered you a **Package** policy for an annual premium of **\$3,188**. This amount includes our broker fee of \$100. A detailed copy of the renewal offer is enclosed for your review. Terrorism coverage is also available for an additional premium.

Please review this quote, including exclusions and limitations. If there are changes to be made, please contact our office. Optional coverage and endorsements may be available, some for an additional charge, should insurance needs change. Higher limits may also be available. All coverages are subject to the insurance company's underwriting requirements and the placement of additional protection must be approved.

**It is required that you notify us of any additional entities or changes in your operations or exposures. Failure to do so could jeopardize your coverage.**

Enclosed, please find the Terrorism disclosure, D-1 form, Brokerage Fee Disclosure and Application that you need to review, sign and return to our office if you would like to accept this offer. Please mark the terrorism form either accepting or rejecting the offer for coverage. Should you wish to accept the offer for terrorism coverage please contact me for the additional premium due.

In order to bind the above coverage, please issue a check payable to KBK Insurance Agency for the full-payment in the amount of **\$3,188** and mail it to our office along with the signed forms prior to 03/26/2015. **Please be advised, this quote and/or policy expire on 3/29/2015. If we do not hear back from you before then, we will close our file.**

Please do not hesitate to call if you have any questions.

Sincerely,

Sondra Carter  
Customer Service Representative







**INSURANCE**  
 1006 Freedom Blvd • P.O. Box 310  
 Watsonville, CA 95077

PHONE (831) 724-1085  
 FAX (831) 724-1089

SINCE 1908

January 15, 2015

Pajaro Dunes Geologic Hazard Abatement District  
 c/o Wendy Cumming  
 P.O. Box 1531  
 Capitola, CA 95010-1531

\*\*\*\*\*INVOICE\*\*\*\*\*

**INSURED:** Pajaro Dunes Geologic Hazard Abatement District

**PAYMENT FOR:** Package  
 Scottsdale Insurance  
 Policy #CPS1950786

**ACCOUNT #:** 00004327

**EFFECTIVE:** 3/29/2015 - 3/29/2016

**DESCRIPTION:** **Renewal**

**TOTAL:** **\$3,188.00**

*This amount is immediately due.*

*Please make check payable to:  
 KBK Insurance Agency*



UNION GENERAL INSURANCE SERVICES, INC.  
P.O. Box 6555  
Concord, CA 94524  
Phone: (925) 671-2128  
Fax: (925) 671-0171  
License # 0595325

Date: January 9, 2015  
Please be sure to visit our website  
at [www.uniongeneralinsurance.com](http://www.uniongeneralinsurance.com)  
for Commercial Applications

**RENEWAL INSURANCE QUOTE**  
**CPS1950786**  
**0021282**

**DATE ISSUED:** January 9, 2015

**PRODUCER:** Sondra Carter  
KBK Insurance Agency  
P.O. Box 310  
Watsonville, CA 95077-0310

**INSURED:** Pajaro Dunes Geologic Hazard Abatement District  
c/o Wendy Cumming  
P.O. Box 1531  
Capitola, CA 95010-1531

**INSURER:** Scottsdale Insurance Company  
**Non-Admitted, A+ XV**

**COVERAGE:** Commercial Package Policy

**POLICY PERIOD:** 3/29/2015 TO 3/29/2016  
**TERM:** 12 Months  
**12:01 A.M. STANDARD TIME AT THE LOCATION ADDRESS OF THE NAMED INSURED. THIS INSURANCE QUOTATION WILL BE TERMINATED AND SUPERSEDED UPON DELIVERY OF THE FORMAL POLICY(IES) ISSUED TO REPLACE IT.**

The following renewal quote is based upon the expiring policy's exposures and is subject to change upon receipt of the completed enclosed application. This quote is valid until 3/29/2015.

**LIMITS OF LIABILITY:**

\$3,000,000	General Aggregate
EXCLUDED	Products/Completed Ops.
EXCLUDED	Personal/Adv. Injury
\$3,000,000	Each Occurrence
\$100,000	Damage To Premises Rented To You
\$5,000	Medical Expense

SPECIAL FORM - R C  
\$10,000 Business Personal Property-Excluding Theft

**DEDUCTIBLE:** \$500 Per Claim BI/PD  
\$1,000 Business Personal Property

**COINSURANCE:** 90%

**POLICY FORM:** Occurrence

**PREMIUM, FEES & TAXES:**

	Without TRIA	With TRIA
Premium	\$2,750.00	\$2,888.00
Fees	Broker Fee \$250.00	Broker Fee \$250.00
Taxes	\$88.00	\$92.42
<b>Total</b>	<b>\$3,088.00</b>	<b>\$3,230.42</b>

The premium does include 1 additional insured. **Additional insureds are fully earned and must be included in the down payment.**

**TERMS / CONDITIONS:**

1. 25% Minimum Earned Premium At Inception.
2. **Primary Wording and Waiver of Subrogation For Additional Insureds Is Available upon request.**
3. Only The Policy Contains All Coverage Provisions, Conditions, Limitations And Exclusions. Review Carefully With Your Client.
4. Central Station Burglar Alarm Must Be Warranted For Theft Coverage.

**ENDORSEMENTS / NOTABLE EXCLUSIONS:**

Exclusions: Asbestos; Employee-Related Practices; Fungi or Bacteria; Lead Contamination; Medical Payments; Nuclear Energy Liability; Punitive or Exemplary Damage; War Liability; Coverage Limited To Designated Premises or Project; Exclusion - Products/Completed Operations; Exclusion - Personal & Advertising Injury; Exclusion - Professional Liability; Contractual Liability Limitation; Excludes Theft Coverage

**IN ORDER TO BIND COVERAGE, WE REQUIRE:**

1. Updated Acord Applications Signed By The Insured And The Agent.
2. Diligent Search Form SL-2 Fully Completed By Agent. D-1 Notice Signed By The Insured.
3. **Your Original Agency Trust Check OR Faxed Check with ACH Agreement** with Payment Plan Option (Below) Indicated.
  - (A) Payment In Full (You May Retain Your Commission).
  - (B) Budget Payment Plan: 50% of Premium + Add'l Insd + Taxes + Fees + \$15 Service Charge. Balance Is Due Within 30 Days (You May Retain Your Commission).
  - (C) Union General Financed: 25% Of Premium + Add'l Insd + Taxes + Fees (You May Retain Your Commission).
  - (D) Your Agency Finances: 25% Of Premium + Add'l Insd + Taxes + Fees. Please Send A Copy Of The Finance Agreement (You May Not Retain Your Commission).
4. Signed Terrorism Disclosure.

**IMPORTANT NOTICE**

**BIND DATE WILL BE ACCORDING TO FAX DATE, AS LONG AS POSTMARK MATCHES FAX DATE.**

**COMMISSION:** 10%

**QUOTE IS VALID UNTIL 3/29/2015**

**THE TERMS AND CONDITIONS OF THIS QUOTATION MAY VARY FROM THE SPECIFICATIONS SUBMITTED FOR CONSIDERATION. PLEASE READ THIS QUOTE CAREFULLY AND COMPARE IT AGAINST YOUR SPECIFICATIONS.**

**THIS QUOTE IS ISSUED BASED UPON THE INSURER'S AGREEMENT TO QUOTE AND IS ISSUED BY THE UNDERSIGNED WITHOUT ANY LIABILITY WHATSOEVER AS AN INSURER. THIS QUOTE MAY BE WITHDRAWN BY THE INSURER AT ANY TIME PRIOR TO BINDING.**

**AUTHORIZED REPRESENTATIVE**  
Eva Rodriguez, Commercial Underwriter  
evar@uniongeneral.com  
Phone: (925) 671-2128, Ext. 17



**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 2007, effective January 1, 2008 (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 concurrence with the Secretary of State, 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 events. Under the formula, the United States Government generally reimburses 85% of covered terrorism losses exceeding 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 2007 is scheduled to terminate at the end of December 31, 2014, 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, 2014, 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:**

I hereby elect to purchase certified terrorism coverage for a premium of **\$138.00 + \$4.42 Tax = \$142.42**. I understand that the federal Terrorism Risk Insurance Program Reauthorization Act of 2007 may terminate on December 31, 2014. Should that occur my coverage for terrorism as defined by the Act will also terminate.

I hereby reject the purchase of certified terrorism coverage.

_____	_____
Policyholder/Applicant's Signature	Name Insured/Firm
_____	_____
Print Name	Policy Number, if available
_____	
Date	

NOTS0164CW (1-08)

**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 FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357. 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 CONTACT THE NAIC'S INTERNET WEB SITE AT WWW.NAIC.ORG.**
- 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.**
- 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**

DISCLOSURE OF BROKERAGE FEE AND/OR COMMISSION

Name of Insured: / Pajaro Dunes Geologic Hazard Abatement District

Type of Insurance: Package

In addition to the premium to be charged by the insurer for the insurance listed above, KBK Insurance Agency will charge the Insured a brokerage fee of:

**ONE HUNDRED DOLLARS (\$100.00)**

The insured is informed that KBK Insurance Agency will receive a commission based upon a percentage of the premium from the Insurer with whom the insurance is placed. The amount and basis of calculation of such commission will be disclosed to the Insured upon request once it is known.

Insured acknowledges this agreement and agrees to pay the fee described above at such time as KBK Insurance Agency obtains for the Insured the insurance listed above. This fee is fully earned and not subject to refund.

\_\_\_\_\_  
Dated

\_\_\_\_\_  
(Insured's Signature)

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

\_\_\_\_\_  
(Title)



# COMMERCIAL INSURANCE APPLICATION

## APPLICANT INFORMATION SECTION

DATE (MM/DD/YYYY)  
1/15/2015

<p>AGENCY: KBK Insurance Agency 1006 Freedom Boulevard Watsonville CA 95076</p> <p>CONTACT NAME: Sondra Carter PHONE (A/C, No, Ext): (831) 724-1085 FAX (A/C, No): (831) 724-1089 E-MAIL ADDRESS: <a href="mailto:sondra@kbkinsurance.com">sondra@kbkinsurance.com</a> CODE: SUB CODE:</p> <p>AGENCY CUSTOMER ID: 00004327</p>	<p>CARRIER: Scottsdale Insurance</p> <p>UNDERWRITER: POLICIES OR PROGRAM REQUESTED</p> <p>UNDERWRITER OFFICE: POLICY NUMBER 2015 PKG</p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%;"> <p>INDICATE SECTIONS ATTACHED</p> <p><input type="checkbox"/> ACCOUNTS RECEIVABLE/ VALUABLE PAPERS</p> <p><input type="checkbox"/> BOILER &amp; MACHINERY</p> <p><input type="checkbox"/> BUSINESS AUTO</p> <p><input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY</p> <p><input type="checkbox"/> CRIME/MISCELLANEOUS CRIME</p> <p><input type="checkbox"/> DEALERS</p> <p><input type="checkbox"/> DRIVER INFO SCHEDULE</p> </td> <td style="width:50%;"> <p>ELECTRONIC DATA PROC</p> <p>EQUIPMENT FLOATER</p> <p>GARAGE AND DEALERS</p> <p>GLASS AND SIGN</p> <p>INSTALLATION/BUILDERS RISK</p> <p>OPEN CARGO</p> <p><input checked="" type="checkbox"/> PROPERTY</p> <p>TRANSPORTATION/ MOTOR TRUCK CARGO</p> </td> <td style="width:50%;"> <p>TRUCKERS/MOTOR CARRIER</p> <p>UMBRELLA</p> <p>VEHICLE SCHEDULE</p> <p>WORKERS COMPENSATION</p> <p>YACHT</p> </td> </tr> </table>	<p>INDICATE SECTIONS ATTACHED</p> <p><input type="checkbox"/> ACCOUNTS RECEIVABLE/ VALUABLE PAPERS</p> <p><input type="checkbox"/> BOILER &amp; MACHINERY</p> <p><input type="checkbox"/> BUSINESS AUTO</p> <p><input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY</p> <p><input type="checkbox"/> CRIME/MISCELLANEOUS CRIME</p> <p><input type="checkbox"/> DEALERS</p> <p><input type="checkbox"/> DRIVER INFO SCHEDULE</p>	<p>ELECTRONIC DATA PROC</p> <p>EQUIPMENT FLOATER</p> <p>GARAGE AND DEALERS</p> <p>GLASS AND SIGN</p> <p>INSTALLATION/BUILDERS RISK</p> <p>OPEN CARGO</p> <p><input checked="" type="checkbox"/> PROPERTY</p> <p>TRANSPORTATION/ MOTOR TRUCK CARGO</p>	<p>TRUCKERS/MOTOR CARRIER</p> <p>UMBRELLA</p> <p>VEHICLE SCHEDULE</p> <p>WORKERS COMPENSATION</p> <p>YACHT</p>
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STATUS OF TRANSACTION				PACKAGE POLICY INFORMATION						
<input checked="" type="checkbox"/> QUOTE	<input type="checkbox"/> ISSUE POLICY	<input type="checkbox"/> RENEW	ENTER THIS INFORMATION WHEN COMMON DATES AND TERMS APPLY TO SEVERAL LINES, OR FOR MONOLINE POLICIES							
<input type="checkbox"/> BOUND (Give Date and/or Attach Copy)	CHANGE DATE TIME		<input checked="" type="checkbox"/> AM	PROPOSED EFF DATE	PROPOSED EXP DATE	BILLING PLAN	PAYMENT PLAN		AUDIT	
<input type="checkbox"/> CANCEL	3/29/2015 12:01		PM	3/29/2015	3/29/2016	<input checked="" type="checkbox"/> DIRECT BILL				
						<input checked="" type="checkbox"/> AGENCY BILL	PACKAGE POLICY PREMIUM: \$	0.00		

<p>APPLICANT INFORMATION</p> <p>NAME (First Named Insured &amp; Other Named Insureds): Pajaro Dunes Geologic Hazard Abatement District</p>				<p>MAILING ADDRESS INCL ZIP+4 (of First Named Insured): P.O. Box 1531 Capitola CA 95010-1531</p>					
<p>FEIN OR SOC SEC # (of First Named Insured):</p> <p>E-MAIL ADDRESS(ES): <a href="mailto:wendyc@cummingcpa.com">wendyc@cummingcpa.com</a></p>		<p>PHONE (A/C, No, Ext): (831) 475-5550</p>		<p>WEBSITE ADDRESS(ES):</p>			<p>CR BUREAU NAME:</p>	<p>DATE BUS STARTED</p>	
<p>INDIVIDUAL <input type="checkbox"/> CORPORATION <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> JOINT VENTURE <input type="checkbox"/></p>		<p>SUBCHAPTER "S" CORPORATION <input type="checkbox"/> NOT FOR PROFIT ORG <input type="checkbox"/></p>		<p>LLC <input type="checkbox"/></p>	<p>NO OF MEMBERS AND MANAGERS</p>	<p>ID NUMBER:</p>		<p></p>	
<p>INSPECTION CONTACT: Wendy Cumming PHONE (A/C, No, Ext): 831-475-5550 E-MAIL ADDRESS: <a href="mailto:wendycummingcpa.com">wendycummingcpa.com</a></p>				<p>ACCOUNTING RECORDS CONTACT: PHONE (A/C, No, Ext): 831-475-5550 E-MAIL ADDRESS: <a href="mailto:wendycummingcpa.com">wendycummingcpa.com</a></p>					



PREMISES INFORMATION		ACORD 823 attached for additional premises									
LOC #	BLD #	STREET, CITY, COUNTY, STATE, ZIP+4				CITY LIMITS	INTEREST	YR BUILT	# EMPLOYEES	ANNUAL REVENUES	% OCCUPIED
1	1	2661 Beach Road Watsonville CA 95076				X	INSIDE X OWNER OUTSIDE TENANT	1978	0		100%
						INSIDE OUTSIDE	OWNER TENANT				
						INSIDE OUTSIDE	OWNER TENANT				
						INSIDE OUTSIDE	OWNER TENANT				

**NATURE OF BUSINESS/DESCRIPTION OF OPERATIONS BY PREMISE(S)**

Insured is a non-profit organization made up of property owners. The insured collects grants and tax money to use for community projects within the association of property owners. The insured has a current Directors and Officers Liability with \$5,000,000 limit that covers their officers and directors and is looking for property and liability to cover any other exposure that could arise. The insured does not do any outside fundraising or hold special events.

GENERAL INFORMATION

AGENCY CUSTOMER ID: 00004327

EXPLAIN	RESPONSES	Y/N
1a	IS THE APPLICANT A SUBSIDIARY OF ANOTHER ENTITY?	N
1b	DOES THE APPLICANT HAVE ANY SUBSIDIARIES?	N
2	IS A FORMAL SAFETY PROGRAM IN OPERATION?	N
3	ANY EXPOSURE TO FLAMMABLES, EXPLOSIVES, CHEMICALS?	N
4	ANY CATASTROPHE EXPOSURE?	N
5	ANY OTHER INSURANCE WITH THIS COMPANY OR BEING SUBMITTED?	N
6	ANY POLICY OR COVERAGE DECLINED, CANCELLED OR NON-RENEWED DURING THE PRIOR THREE (3) YEARS? (Not applicable in MO)	N
7	ANY PAST LOSSES OR CLAIMS RELATING TO SEXUAL ABUSE OR MOLESTATION ALLEGATIONS, DISCRIMINATION OR NEGLIGENT HIRING?	N
8	DURING THE LAST FIVE YEARS (TEN IN RI), HAS ANY APPLICANT BEEN INDICTED FOR OR CONVICTED OF ANY DEGREE OF THE CRIME OF FRAUD, BRIBERY, ARSON OR ANY OTHER ARSON-RELATED CRIME IN CONNECTION WITH THIS OR ANY OTHER PROPERTY? <small>(In RI, this question must be answered by any applicant for property insurance. Failure to disclose the existence of an arson conviction is a misdemeanor punishable by a sentence of up to one year of imprisonment.)</small>	N
9	ANY UNCORRECTED FIRE CODE VIOLATIONS?	N
10	ANY BANKRUPTCIES, TAX OR CREDIT LIENS AGAINST THE APPLICANT IN THE PAST FIVE (5) YEARS?	N
11	HAS BUSINESS BEEN PLACED IN A TRUST? IF "YES", NAME OF TRUST:	N
12	ANY FOREIGN OPERATIONS, FOREIGN PRODUCTS DISTRIBUTED IN USA, OR US PRODUCTS SOLD/DISTRIBUTED IN FOREIGN COUNTRIES? <small>(If "YES" attach ACORD 815 for Liability Exposure and/or ACORD 816 for Property Exposure)</small>	N
REMARKS/PROCESSING INSTRUCTIONS (Attach additional sheets if more space is required)		
COPY OF THE NOTICE OF INFORMATION PRACTICES (PRIVACY) HAS BEEN GIVEN TO THE APPLICANT. (Not applicable in all states, consult your agent or broker for your state's requirements.)		
NOTICE OF INSURANCE INFORMATION PRACTICES - PERSONAL INFORMATION ABOUT YOU, INCLUDING INFORMATION FROM A CREDIT REPORT, MAY BE COLLECTED FROM PERSONS OTHER THAN YOU IN CONNECTION WITH THIS APPLICATION FOR INSURANCE AND SUBSEQUENT POLICY RENEWALS. SUCH INFORMATION AS WELL AS OTHER PERSONAL AND PRIVILEGED INFORMATION COLLECTED BY US OR OUR AGENTS MAY IN CERTAIN CIRCUMSTANCES BE DISCLOSED TO THIRD PARTIES WITHOUT YOUR AUTHORIZATION. YOU HAVE THE RIGHT TO REVIEW YOUR PERSONAL INFORMATION IN OUR FILES AND CAN REQUEST CORRECTION OF ANY INACCURACIES. A MORE DETAILED DESCRIPTION OF YOUR RIGHTS AND OUR PRACTICES REGARDING SUCH INFORMATION IS AVAILABLE UPON REQUEST. CONTACT YOUR AGENT OR BROKER FOR INSTRUCTIONS ON HOW TO SUBMIT A REQUEST TO US.		
ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS THE PERSON TO CRIMINAL AND [NY: SUBSTANTIAL] CIVIL PENALTIES. (Not applicable in CO, FL, HI, MA, NE, OH, OK, OR, or VT, in DC, LA, ME, TN, VA and WA, insurance benefits may also be denied) IN FLORIDA, ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD, OR DECEIVE ANY INSURER FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE, INCOMPLETE, OR MISLEADING INFORMATION IS GUILTY OF A FELONY OF THE THIRD DEGREE.		
THE UNDERSIGNED IS AN AUTHORIZED REPRESENTATIVE OF THE APPLICANT AND REPRESENTS THAT REASONABLE ENQUIRY HAS BEEN MADE TO OBTAIN THE ANSWERS TO QUESTIONS ON THIS APPLICATION. HE/SHE REPRESENTS THAT THE ANSWERS ARE TRUE, CORRECT AND COMPLETE TO THE BEST OF HIS/HER KNOWLEDGE.		
PRODUCER'S SIGNATURE	PRODUCER'S NAME (Please Print)	NATIONAL PRODUCER NUMBER
	Sondra Carter/SONDRA	
APPLICANT'S SIGNATURE		DATE
		



PRIOR CARRIER INFORMATION

AGENCY CUSTOMER ID: 00004327

LINE	CATEGORY	Scottsdale Ins.											
GENERAL COMMER CIAL LIAB ILIT Y	CARRIER	CPS1950786											
	POLICY NUMBER												
	POLICY TYPE		CLAIMS MADE	X	OCCURRENCE	CLAIMS MADE	OCCURRENCE	CLAIMS MADE	OCCURRENCE	CLAIMS MADE	OCCURRENCE	CLAIMS MADE	OCCURRENCE
	RETRO DATE												
	EFF-EXP DATE	03/29/2014	03/29/2015										
	GENERAL AGGREGATE	3,000,000											
	PRODUCTS COMP OP AGGREGATE	EXCLUDED											
	PERSONAL & ADV INJ	EXCLUDED											
	EACH OCCURRENCE	3,000,000											
	FIRE DAMAGE	100,000											
	MEDICAL EXPENSE	5,000											
	BODILY OCCURRENCE INJURY AGGREGATE												
	PROPERTY OCCURRENCE DAMAGE AGGREGATE												
	COMBINED SINGLE LIMIT												
	MODIFICATION FACTOR												
TOTAL PREMIUM													
A U T O M O B I L I T Y	CARRIER												
	POLICY NUMBER												
	POLICY TYPE												
	EFF-EXP DATE												
	COMBINED SINGLE LIMIT												
	BODILY EA PERSON INJURY EA ACCIDENT												
	PROPERTY DAMAGE												
	MODIFICATION FACTOR												
	TOTAL PREMIUM												
	P R O P E R T Y	CARRIER											
POLICY NUMBER													
POLICY TYPE													
EFF-EXP DATE													
BUILDING AMT PERS PROP AMT													
MODIFICATION FACTOR													
TOTAL PREMIUM													
	CARRIER												
	POLICY NUMBER												
	POLICY TYPE												
	EFF-EXP DATE												
	LIMIT												
	MODIFICATION FACTOR												
	TOTAL PREMIUM												3188

LOSS HISTORY

ENTER ALL CLAIMS OR LOSSES (REGARDLESS OF FAULT AND WHETHER OR NOT INSURED) OR OCCURRENCES THAT MAY GIVE RISE TO CLAIMS FOR THE PRIOR 5 YEARS (3 YEARS IN KS & NY)  CHK HERE IF NONE SEE ATTACHED LOSS SUMMARY

DATE OF OCCURRENCE	LINE	TYPE/DESCRIPTION OF OCCURRENCE OR CLAIM	DATE OF CLAIM	AMOUNT PAID	AMOUNT RESERVED	CLAIM STATUS OPEN CLSD

REMARKS NOTE: FIDELITY REQUIRES A FIVE YEAR LOSS HISTORY ATTACHMENTS STATE SUPPLEMENT(S) (if applicable)

Resolution No. \_\_\_\_\_

**RESOLUTION ORDERING AN ELECTION,  
REQUESTING COUNTY ELECTIONS TO CONDUCT THE ELECTION,  
AND REQUESTING CONSOLIDATION OF THE ELECTION**

**Pajaro Dunes Geologic Hazard Abatement District**

Name of City or Special District  
EXACTLY AS IT WILL APPEAR ON THE BALLOT

**WHEREAS**, pursuant to Elections Code Section 10002, the governing body of any city or district may by resolution request the Board of Supervisors of the county to permit the county elections official to render specified services to the city or district relating to the conduct of an election; and

**WHEREAS**, the resolution of the governing body of the city or district shall specify the services requested; and

**WHEREAS**, pursuant to Elections Code Section 10002, the city or district shall reimburse the county in full for the services performed upon presentation of a bill to the city or district; and

**WHEREAS**, pursuant to Elections Code Section 10400, whenever two or more elections, including bond elections, of any legislative or congressional district, public district, city, county, or other political subdivision are called to be held on the same day, in the same territory, or in territory that is in part the same, they may be consolidated upon the order of the governing body or bodies or officer or officers calling the elections; and

**WHEREAS**, pursuant to Elections Code Section 10400, such election for cities and special districts may be either completely or partially consolidated; and

**WHEREAS**, pursuant to Elections Code Section 10403, whenever an election called by a district, city or other political subdivision for the submission of any question, proposition, or office to be filled is to be consolidated with a statewide election, and the question, proposition, or office to be filled is to appear upon the same ballot as that provided for that statewide election, the district, city or other political subdivision shall, at least 88 days prior to the date of the election, file with the board of supervisors, and a copy with the elections official, a resolution of its governing board requesting the consolidation, and setting forth the exact form of any question, proposition, or office to be voted upon at the election, as it is to appear on the ballot. Upon such request, the Board of Supervisors may order the consolidation; and

**WHEREAS**, pursuant to Elections Code Section 10403, whenever an election called by a district, city or other political subdivision for the submission of any question, proposition, or office to be filled is to be consolidated with a statewide election, and the question, proposition, or office to be filled is to appear upon the same ballot as that provided for that statewide election, the district, city or other political subdivision shall, at least 88 days prior to the date of the election, file with the board of supervisors, and a copy with the elections official, a resolution of its governing board requesting the consolidation, and setting forth the exact form of any question, proposition, or office to be voted upon at the election, as it is to appear on the ballot, acknowledging that the consolidation election will be held and conducted in the manner prescribed in Section 10418. Upon such request, the Board of Supervisors may order the consolidation; and

**WHEREAS**, the resolution requesting the consolidation shall be adopted and filed at the same time as the adoption of the ordinance, resolution, or order calling the election; and

**WHEREAS**, various district, county, state and other political subdivision elections may be or have been called to be held on June 2, 2015;

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED THAT THE** governing body of the

Pajaro Dunes Geologic Hazard Abatement District

hereby orders an election be called and consolidated with any and all elections also called to be held on June 2, 2015 insofar as said elections are to be held in the same territory or in territory that is in part the same as the territory of the Pajaro Dunes Geologic Hazard Abatement District requests the Board of Supervisors of the County of Santa Cruz to order such consolidation under Elections Code Section 10402 and 10403.

**BE IT FURTHER RESOLVED AND ORDERED** that said governing body hereby requests the Board of Supervisors to permit the Santa Cruz County Elections Department to provide any and all services necessary for conducting the election and agrees to pay for said services, and

**Check the following that apply:**

**X BE IT FURTHER RESOLVED AND ORDERED** that the Santa Cruz County Elections Department conduct the election for the following offices on the June 2, 2015 ballot:

<u>SEATS OPEN</u>	<u>OFFICE</u>	<u>TERM</u>	<u>DIST/DIV (if app.)</u>
Vacancy	Director	2 years	

**BE IT FURTHER RESOLVED AND ORDERED** that the Santa Cruz County Elections Department shall conduct the election for the following MEASURE(S) to be voted on at the June 2, 2015 election:  
(Insert 75-word ballot question here or attach)

**BE IT FURTHER RESOLVED AND ORDERED THAT** the Santa Cruz County Elections Department is requested to: [Check one of the following]

- Print the attached measure text exactly as filed or indicated on the filed document in the Voter's Information Pamphlet section of the Sample Ballot for the June 2, 2015 election. Cost of printing and distribution of the measure text will be paid for by the city/district.
- Not print the measure text in the Voter's Information Pamphlet of the Sample Ballot but send a copy to voters upon request at the cost of said city/district.

**PASSED AND ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2015 by the following vote:

**AYES:**

**NOES:**

**ABSTENTIONS:**

**ABSENT:**

\_\_\_\_\_  
Chairperson of said Governing Board

Attested: \_\_\_\_\_  
Secretary

## 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>Zone 1</u>	<u>Zone 2</u>
<b>Administrative and Operating Expenses:</b>	(A)		
<b>General and Administrative</b>		\$ 27,225	\$ -
<b>Professional/Clerk/Accountant/Admin. Services</b>		74,650	2,640
<b>Special District Compliance Costs</b>		4,675	-
<b>Total Administrative and Operating Expenses</b>		106,550	2,640
<b>Capital Repair Expenses and Reserve</b>	(B)	199,450	4,910
<b>Total proposed budgets</b>		\$ 306,000	\$ 7,550

**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.**

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

**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>Zone 1</u>	<u>Zone 2</u>
<b>General and Administrative Expenses</b>			
Printing and mailings	(A)	\$ 7,425	\$ -
Communications and Website maintenance	(B)	5,400	-
Office Supplies	(C)	550	-
Advertising	(D)	2,200	-
Insurance	(E)	10,000	-
Membership Dues	(F)	1,650	-
<b>Total General and Administrative Expenses</b>		<b>27,225</b>	<b>-</b>
<b>Professional Services</b>			
Legal Consultant	(G)	18,000	-
Contract costs for Assessment calculations	(H)	9,900	-
Audit Fees	(I)	8,250	-
Accountant & Clerk Contract/Admin. & Outreach	(J)	38,500	2,640
<b>Total Professional Services</b>		<b>74,650</b>	<b>2,640</b>
<b>Special District Compliance Costs</b>			
Elections	(K)	2,475	-
Board and Clerk Training	(L)	2,200	-
<b>Total Special District Compliance Costs</b>		<b>4,675</b>	<b>-</b>
<b>Capital Repair Expenses and Reserve</b>			
Seawall and River Wall Annual Inspection	(M)	24,450	550
Capital Repair Costs/Expenses and Reserve	(N)	175,000	4,360
<b>Total Capital Repair and Expense Reserve</b>		<b>199,450</b>	<b>4,910</b>
<b>Total Proposed Budgets</b>		<b>\$ 306,000</b>	<b>\$ 7,550</b>

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.

- (A) 8 mailings per year, 262 properties, 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) Current insurance policy cost.
- (F) Annual dues to California Special District Association, California GHAD Association.
- (G) Legal costs for District council at meetings and for consultations. Estimate \$1,500 per month.
- (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) Contract for Accountant/Clerk, secretarial services, to include accounting, audit support, budgets preparation, administration, outreach and additional requests. Estimate 25 hours per month at \$135.00 per hour.
- (K) Santa Cruz County Annual Election Costs \$2,475, based on an election held every 2 years at \$4,950.
- (L) Mandatory compliance training and consultation as required by the State. Estimate \$2,200 per year.
- (M) Consulting Engineering inspection, to include annual inspection, survey work, presentations, and minor consultations. Estimated at \$25,000 per year.
- (N) **Capital Repair Costs/Expenses and Reserve Fund** include rock purchase and storage; emergency event response; major event repairs; legal support; insurance increases; penalties; mitigation; repair, permit costs (consultants, surveying, application and compliance costs, seawall repairs, negotiations, and project management), administrative overhead costs associated with capital repairs, and project costs (contractors, materials, construction management).

Regarding the reserve fund unused monies will be set aside for future emergency events and corresponding expenses. The goal is to maintain a minimum of \$500,000, for such events and expenses.

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

Pajaro Dunes Geologic Hazard Abatement District  
 Proposed 218 Budget  
 Proportional Benefit Allocation Charts

<b>Proposed GHAD Budget by Benefit Category</b>				<b>Zone 1 Annual Budget:</b>		<b>\$ 306,000.00</b>
<b>Category</b>	<b>Proportional Benefit</b>	<b>Assessment Amount</b>	<b>No. of Units</b>	<b>Annual Payment</b>	<b>Monthly Payment</b>	
Row 1 Houses	64.12%	\$ 196,204.14	67	\$ 2,928.42	\$ 244.04	
Row 2 Houses	7.57%	\$ 23,158.08	44	\$ 526.32	\$ 43.86	
Row 3,4 & 5 Houses	3.76%	\$ 11,505.60	40	\$ 287.64	\$ 23.97	
Cypress Townhomes	11.85%	\$ 36,245.70	23	\$ 1,575.90	\$ 131.33	
Pelican Condominiums	10.18%	\$ 31,147.74	87	\$ 358.02	\$ 29.84	
PDA Stairs	2.53%	\$ 7,738.74	1	\$ 7,738.74	\$ 644.90	
<b>Total:</b>		<b>\$ 306,000.00</b>	<b>262</b>			

<b>Proposed GHAD Budget by Benefit Category</b>				<b>Zone 2 Annual Budget:</b>		<b>\$ 7,550.00</b>
<b>Category</b>	<b>Proportional Benefit</b>	<b>Administration Assessment Amount</b>	<b>No. of Units</b>	<b>Annual Payment</b>	<b>Monthly Payment</b>	
Pelican Condominiums	99.47%	\$ 7,509.99	87	\$ 86.32	\$ 7.19	
PDA Stairs	0.53%	\$ 40.01	1	\$ 40.01	\$ 3.33	
<b>Total:</b>		<b>\$ 7,550.00</b>	<b>88</b>			

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