



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

**Saturday, August 13, 2016 9:00 a.m.**

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

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**Roll Call**

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

Jim Griffin (P9) Director  
David Bower (P48) Director  
Raul Deju (CY4) Director

**B. MEMBER COMMENTS**

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

**C. PRESIDENT’S REMARKS**

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The President will use this opportunity to inform the public of issues affecting the District and other items of a general nature not otherwise provided for on this agenda.

- Update on the Coastal Commission application, and Santa Cruz County interaction
- Economic Impact report update
- FEMA
- Meeting Calendar
- Subcommittee on assessment election
- PDA/Design Review Committee Request

**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 May 21, 2016 and June 18, 2016

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

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2. Financial Reports
  - Year ended June 30, 2016
  - Warrant listing
  - 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 nomination for Board Treasurer
  - a. Board report
  - b. Public comment
  - c. Board discussion
  - d. Board action
  
8. ITEM – Consider taking action to provide direction to the Seawall Application and Repair Committee to work with staff to prepare documents for Assessment Election
  - a. Board report
  - b. Public comment
  - c. Board discussion
  - d. Board action
  
9. ITEM – Consider adopting resolution 01-2017, for Special Assessment, for general and administrative budgets for the fiscal year ended June 30, 2017.
  - a. Board report
  - b. Public comment
  - c. Board discussion
  - d. Board action

## **H. DIRECTORS COMMENTS AND CONCERNS**

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Members of the Board of Directors may address items of concern at this time, and may request that items be placed on future agendas in accordance with the By-laws of the Board.

## **I. ADJOURNMENT**

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The next Regular Meeting of the Board of Directors is scheduled for November 12, 2016, 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.

**PDA / GHAD**  
**PROCESS FOR REQUESTS THAT COULD AFFECT THE SEAWALL**  
**Draft July 26, 2016**

1. **PURPOSE** – The purpose of this policy is to create a process between Pajaro Dunes Association (PDA) and Pajaro Dunes Geologic Hazard Abatement District (GHAD) to ensure that any work approved by the PDA Design Committee will not adversely affect the integrity of the seawall.
2. **WHEN APPLICABLE** – This policy is applicable when the following work is requested: move sand from or to the seawall or adjacent area, construct or reconstruct an adjacent retaining wall, construct anything above the rock wall such as a deck that is not cantilevered.
3. **PROCESS**
  - A. **SUBMISSION**- A homeowner submits a request to the Design Committee (DC), including a plan drawn by a coastal engineer, with a letter detailing whether or not the work will affect the integrity of the seawall or safety of any home. The DC reviews the submitted documents and if ascertained acceptable, forwards the plan to the GHAD clerk along with a check from the unit owner made out to the Pajaro Dunes Geological Hazard Abatement District.
  - B. **GHAD CLERK** - The GHAD clerk forwards the submission to the GHAD Board and GHAD Engineer and deposits the check.
  - C. **NOTIFICATION OF NEIGHBORS** - Adjacent unit owners will be advised of the submission and copies of the plan will be provided upon request.
  - D. **ENGINEER REVIEW** - The GHAD Engineer reviews the submission and renders an opinion which the GHAD Clerk forwards to the GHAD Board and DC. If at any time the GHAD Engineer determines his/her review will cost more than \$ 600, the GHAD Clerk will notify the PDA Manager who will advise the unit owner that additional funds will be required prior to processing the request.
  - E. **DESIGN COMMITTEE REVIEW OF GHAD/INPUT** – The DC will review correspondence from GHAD. If the GHAD Engineer has no issues, preliminary approval will be granted. If the GHAD Engineer states that the planned work will create issues, the request will be denied. Final approval will be granted after the unit owner submits either a permit with a set of plans stamped by the county or Coastal Commission, or a statement from the regulatory agency that a permit from the County or Coastal Commission is not required. The stamped set of plans will highlight anything that changed between the preliminary approval and the County/Coastal final.
  - F. **DESIGN COMMITTEE REVIEW** – The final set of plans will be provided to the DC architect. If he/she determines there are no significant changes, then the submission will be approved. If there are significant changes, the process will start again from section 3B of this document.

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

Saturday, May 21, 2016 9:00 a.m.

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

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Roll Call

Bill Lyons (President) (H40) - Present

Jim Griffin (Director) P9) – Absent

Bob Moore (P45) Vice President – Present

Wendy Cumming, Clerk/Accountant/Secretary – Absent

Michael Rodriguez General Counsel – Present

David Bower (Director) (P48) – Present

Raul Deju (Director) (CY4) – Present

\*Minutes recorded by President Lyons

**B. PUBLIC COMMENTS – None**

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**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.

President Bill Lyons commented as follows regarding the California Coastal Commission (CCC) application. ARUP is continuing to communicate and work with the CCC and trying to address/answer their questions. He reported that he, Director Deju, General Counsel Michael Rodriguez and our Engineer of Record (ARUP/Jeff Dunn) met with Santa Cruz County staff and that the meeting was friendly and cordial. He reported that the GHAD team was frustrated by the interpretation of the application as a major project by County staff and not the minor repair/maintenance and removal of rock from the State Beach project.

County staff believes the project needs to be processed through the Planning Commission and a CEQA analysis performed. Director Deju strongly pointed out this was in his opinion a small project consisting of minor repair/maintenance and removal of the rock from the State Beach.

Attached to these minutes is a May 17<sup>th</sup> memo from Michael Rodriguez (District Counsel) which reflects the tone and overall outcome of the meeting.

**ECONOMIC IMPACT REPORT** – Report should be finalized in the next 30 to 45 days.

**SAND REMOVAL** – Neighbor dispute

President Lyons reported that PDA was the lead. Director Moore indicated that the dispute had been resolved.

**FEMA** – Reported that ARUP had provided documents through Wendy to be transmitted to Carol Turley (PDA) and Bob Scranton, a homeowner who is coordinating efforts to communicate concerns to FEMA.

**MEETING CALENDAR** – The Board felt that the District should try and coordinate the dates of its meetings with PDA Board meeting dates which would benefit members and the public. It was also acknowledged that Board members were very busy with their families and personal lives. President Lyons will work with Wendy on calendar.

**SUBCOMMITTEE ON ASSESSMENT ELECTION** – Stated that the Committee will need to gear back up and that the item was going to be discussed later in the agenda.

**ATTORNEY FEES** – President Lyons read the following into the record as a statement from the Clerk of the Board, Wendy Cumming:” There was an invoice paid in November that was coded as a Zone 2 expense, but paid out of Zone funds. That expense has been corrected. Attorney expenses are allocated 78% to Zone 1 and 22% to Zone 2. The allocated is based on the adopted budgets.

In 2014/2015, there was a minor error in the recording of attorney fees to Zone 2, for \$1,550. Staff recommends that Zone 1, transfer to Zone 2’s bank account the \$1,550.

#### **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 March 12, 2016  
Minor discussion – nonpublic comment

Motion by Bob Moore, seconded by Raul Deju, approved by a 4-0 vote. Director Griffin absent.

#### **E. TREASURER’S REPORT**

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2. Financial Reports – President Lyons read the following statement as provided by the Clerk of the Board:

- Ten-month period ended April 30, 2016

The financial report contains the District’s balance sheet, profit and loss statement, as compared to budget, and the bank account activity.

There are no significant changes to the balance sheet from the prior period, outside of an interest payment made on the bond in March for \$38k.

On the profit and loss, budget vs. actual, the District’s revenues are in line with budget. Zone 1 expenses are higher than budgeted by \$50k. This variance is largely due to unbudgeted technical costs.

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Director Deju requested that the Clerk of the Board and General Counsel review the line of credit relationship with the bank and clarify the remaining funds available. Also, the Directors discussed the ability to extend the line of credit and requested staff/Directors Lyons and Deju to meet with bank.

Motion by Director Deju, seconded by Director Bower to accept the Treasurer’s Report with a 4 – 0 vote. Director Griffin absent.

Minor comment by Director Deju pointed out we “own” rock, not “owes” rock.

## **F. COMMITTEE REPORTS**

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Finance and Budget Committee – No report

Community Membership and Relations Committee – Director Lyons reported he attended the North/South Pajaro Dunes Committee meeting on May 19<sup>th</sup> and described it as very active on Beach Road repairs, sandbar breaching, flooding issues, and Fire Department budget.

Seawall Committee – No report

Meeting attended – No report

## **G. NEW BUSINESS**

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7. Item Audit Services – The Board received two proposals to perform an audit on GHAD...Hutchinson and Bloodgood, \$7,700 and Bryant J. Jolley, \$8,000. The Clerk of the Board felt very comfortable with either C.P.A. firm performing the audit. In a general discussion by the Board it was expressed to remain with Hutchinson/Bloodgood C.P.A.’s to perform the audit primarily due to the impact on time and cost to coordinate the transition between the Clerk of the Board and a new auditor.

Public Comment – If it isn’t broke, don’t fix it.

Director Deju moved to retain Hutchinson/Bloodgood, seconded by Director Bower, passed 4 – 0, Director Griffin absent

8. Item – Draft Budget

Director Lyons provided the following comments from the Clerk of the Board:

The draft budgets for 2016/2017, are the same as the prior year budget, but include a CPI of 2.25%. Which is derived from the Bureau of Labor Statistics, All Bay Area Consumers – CPI change from the prior year.

Zone 1’s budget for General and Administrative expenses is \$58,790. The Zone 1 debt service budget for 2016/2017 is \$118,306. The debt service is less than last year by \$23,404, as one of the loans will be paid off in September 2016. The total proposed budget is \$177,096.

Zone 2’s budget for General and Administrative expenses is \$12,328. The Zone 2 debt service budget for 2016/2017, which is unchanged from the prior year, is \$235,376. The total proposed budget is \$247,704.

Board discussion revolved around why adopt a draft budget? It was clarified by District Counsel it was a requirement for processing and considering a final budget.

Director Deju stated he may not be able to attend the special meeting to consider the budget.

Public Comment – no reportable comment provided.

Director Bower made a motion to accept the draft budget, seconded by Director Moore, passed 3-0-1, Director Deju abstained, Director Griffin absent.

9. Item – Seawall Application and Repair Committee to work with staff

General Discussion to continue item to allow staff to bring additional information to the Board and public. Some discussion on the appropriate party to act as lead agency in the event CEQA analysis of the project is necessary. Item was continued to the next regularly scheduled meeting on a 4-0 vote.

**H. DIRECTORS COMMENTS AND CONCERNS**

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Director Deju requested that staff begin to prepare a request for a six-month extension to the California Coastal Commission regarding GHAD’s seawall application. President Lyons will work with the Engineer of Record and District Counsel on the extension.

**I. ADJOURNMENT**

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There being no further business to come before the Board, the meeting was adjourned at 10:10 a.m.

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

Bill Lyons  
President  
Pajaro Dunes Geologic Hazard  
Abatement District





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

**Saturday, June 18, 2016 8:30 a.m.**

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

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**Prior to roll call president Lyons as council Mike Rodriquez to make a comment on the noticing of the meeting. The special meeting requirements under the Brown Act requires a 24 hours in advance. The District actually over notices the meeting. The 8:30 time was set to allow for members to attend the PDA meeting, which is at 9:30. The District’s intent was to arrange a meeting to be near the PDA meetings so members can attend both. When we have significant compliance with the Brown Act then we are not in violation. M. R. advices**

**Roll Call**

Bill Lyons (H40) President (Present)	Jim Griffin (P9) Director (Present)
Bob Moore (P45) Vice President (Present)	David Bower (P48) Director (Present)
Wendy Cumming, Clerk/Accountant/Secretary (Present)	Raul Deju (CY4) Director (Call In 5 Hastings Ct. Moraga, CA Phone (925) 376-9542 (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.

A Bob Scranton, PDA board member, gave comments on the FEMA map. Mr. Scranton discussed that the County of Santa Cruz does not have an appeal. Mr. Scranton provided a narrative on the FEMA map appeal, which states the FEMA remap has giant implications for insurance and renovation in Pajaro Dunes.

Mr. Scranton asked the board if we have a FEMA certified seawall. President Lyons stated that the District does not know, but Monday morning he’ll send an email to the District’s engineer of record and ask him. Director Bob Moore also suggested that President Lyons contact Haro, Kasunich, the prior engineers of record, to see if the wall is certified.

There was further discussion on how the wall could be certified and that the engineers will need to do the certification.

## G. NEW BUSINESS

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7. ITEM – Consider adopting Resolution No. XX-16 Ordering an Election, Requesting County Elections to Conduct the Election, and Requesting Consolidation of the Election.

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

Council, Mike Rodriguez, commented that the District needs to adopt this resolution when there is an election where the County of Santa Cruz will be conducting an election on behalf of the District.

Motion by David Bower to adopt the resolution, second by Bob Moore. Roll call vote- yes all.

8. ITEM – Consider adopting final budget for the fiscal period July 1, 2016 through June 30, 2017

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

Accountant, Wendy Cumming, gave a brief presentation on the proposed budget. The budget was increased by a CPI of 2.25%. Zone 1's increase is \$1,290, and Zone 2's increase is \$271.

Raul Deju suggested that the District take a minimalist approach to the administrative budget. He asked about how the engineer costs are to be covered. President Lyons commented that in order to cover the engineer and permit costs we'll need to go out to an assessment election.

There was discussion on the expiration of the line of credit, which expires in September 2016.

Fred Hodder commented on Zone 2 operating costs. He said that in the 2015 audit the insurance was split between both zones. He also commented that the totals paid by zone 2 in 2015 was 42% of the total, plus 10.18% of zone 1.

President Lyons commented that years ago the costs were determined to be allocated 50/50 between the 2 zones.

David Bower motioned, under Zone 2's budget, all items go to zero and only the Accountant/Clerk contract \$2,640, also leave in the \$1,000 for assessment administration, leaving \$3,640 for total budget. There would not be a change to the debt service of \$235,376, for Zone 2.

Fred Hodder thanked the board for considering the change. President Lyons commented that we are on the path for correcting cost allocations.

Jim Griffin commented that if there was an incident to the riverwall how would that be addressed? Would that mean that 10.18% of Zone 1 would take care of it? Per David Bower, the Pelican Homeowners Association has 100k available for the maintenance of the riverwall. Once that amount is paid down, then GHAD would need to add the maintenance costs to the budget.

President Lyons requested the PHA board to provide a broad view of what he 100k would be allowed to be used for.

Motion by David Bower, second by Bob Moore, to make the reallocation from Zone 2 to Zone 1, of all costs except \$2,640 for the Clerk costs, and \$1,000 for assessment administrative costs.

Approved by roll call. 5 yes, 0 no.

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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.

Raul request of Clerk to send information on how he and Jim Griffin will need to file for the upcoming election.

President Lyons commented that we will need to begin revisiting the assessment election that we did not complete out of the abundance of caution.

## **I. ADJOURNMENT**

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Motion for adjournment by Bob Moore seconded by David Bower, approved by all, except Jim Griffin.

There being no further business to come before the Board, the meeting was adjourned at 9:48 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 June 30, 2016

Jun 30, 16

**ASSETS**

**Current Assets**

**Checking/Savings**

100000 · SCCB Zone 1 - 3957	37,180.75
100001 · SCCB Zone 2 - 3965	79,020.97
100002 · SCCB Z1 Emerg - 1877	-17.05
100003 · SCCB LTD- 0208	108,271.84
100400 · Union Bank Bond Holding	358,822.03

**Total Checking/Savings** 583,278.54

**Accounts Receivable**

120000 · Assessments Receivable	6,240.49
120500 · Assess. Rec. Delinquent	9,626.62

**Total Accounts Receivable** 15,867.11

**Other Current Assets**

121500 · Prepaid Insurance	13,554.00
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**Total Other Current Assets** 13,554.00

**Total Current Assets** 612,699.65

**Fixed Assets**

150000 · Riverwall	3,000,000.00
160000 · Accumulated Depreciation	-1,149,996.00

**Total Fixed Assets** 1,850,004.00

**TOTAL ASSETS** 2,462,703.65

**LIABILITIES & EQUITY**

**Liabilities**

**Current Liabilities**

**Accounts Payable**

200000 · Accounts Payable	6,257.50
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**Total Accounts Payable** 6,257.50

**Other Current Liabilities**

220000 · Accrued Interest	32,925.69
255000 · Unearned Revenue	39,187.00

**Total Other Current Liabilities** 72,112.69

**Total Current Liabilities** 78,370.19

**Long Term Liabilities**

260000 · NP SCCB (439k) Loan	170,279.44
261000 · NP SCCB (198k) Loan	46,154.81
263000 · SCCB Emergency Loan Z1	21,433.69
285000 · Bonds Payable Z2	1,445,000.00
286000 · Bonds Payable Discount Z2	-52,250.00
286500 · Amort. Bond Discount Z2	23,509.00

**Total Long Term Liabilities** 1,654,126.94

**Total Liabilities** 1,732,497.13

**Equity**

30000 · Opening Balance Equity	607,355.35
32000 · Retained Earnings	89,202.21
Net Income	33,648.96

**Total Equity** 730,206.52

**TOTAL LIABILITIES & EQUITY** 2,462,703.65

Note: GHAD owns \$15k in rock that is held at Granite Rock for future use.

**Pajaro Dunes Geologic Hazard Abatement District  
Profit & Loss Budget vs. Actual**

July 2015 through June 2016

	Zone 1			Zone 2		
	Jul '15 - Jun 16	Budget	\$ Over Budget	Jul '15 - Jun 16	Budget	\$ Over Budget
<b>Ordinary Income/Expense</b>						
<b>Income</b>						
410000 · Assessment Income	193,369.00	193,369.00	0.00	245,791.00	245,791.00	0.00
410050 · Assess. Income PDA Stairs	5,787.23	5,787.00	0.23	1,969.00	1,969.00	0.00
<b>Total Income</b>	<u>199,156.23</u>	<u>199,156.00</u>	<u>0.23</u>	<u>247,760.00</u>	<u>247,760.00</u>	<u>0.00</u>
<b>Expense</b>						
610155 · Postage and Mailings	26.35	300.00	-273.65	4.65	250.00	-245.35
615115 · Office Expense	4.58	700.00	-695.42	0.00		
615140 · Audit Expense	7,650.00	6,500.00	1,150.00	50.00	50.00	0.00
615415 · Accounting/Clerk Expense	23,312.43	29,000.00	-5,687.57	4,629.03	4,732.00	-102.97
615617 · Website Maintenance	3,000.00	3,000.00	0.00	0.00		
615650 · Officer Election	150.00	1,000.00	-850.00	150.00	1,000.00	-850.00
615655 · Dues	149.00			0.00	25.00	-25.00
615656 · Board/Clerk Education	0.00	1,000.00	-1,000.00	0.00		
616500 · Legal Fees	18,708.30	7,000.00	11,708.30	5,276.70	2,000.00	3,276.70
616525 · Econ. Study	3,000.00			0.00		
619010 · Technical Consulting Costs	43,892.97			0.00		
628500 · Insurance Expense	9,000.00	9,000.00	0.00	3,996.00	4,000.00	-4.00
629030 · SBA Repayment to PHA Z2	0.00			92,856.00	92,856.00	0.00
629900 · Bond Fee Expense	0.00			635.00		
650000 · Bank Service Charges	18.00			0.00		
750000 · Depreciation Expense Z2	0.00			99,996.00	100,000.00	-4.00
<b>Total Expense</b>	<u>108,911.63</u>	<u>57,500.00</u>	<u>51,411.63</u>	<u>207,593.38</u>	<u>204,913.00</u>	<u>2,680.38</u>
<b>Net Ordinary Income</b>	<u>90,244.60</u>	<u>141,656.00</u>	<u>-51,411.40</u>	<u>40,166.62</u>	<u>42,847.00</u>	<u>-2,680.38</u>
<b>Other Income/Expense</b>						
<b>Other Income</b>						
410070 · Interest Income	291.17	50.00	241.17	730.57	150.00	580.57
<b>Total Other Income</b>	<u>291.17</u>	<u>50.00</u>	<u>241.17</u>	<u>730.57</u>	<u>150.00</u>	<u>580.57</u>
<b>Other Expense</b>						
855000 · Interest Expense	18,176.00	18,176.00	0.00	77,520.00	77,520.00	0.00
955500 · Interest Bond Discount	0.00			2,088.00	2,088.00	0.00
<b>Total Other Expense</b>	<u>18,176.00</u>	<u>18,176.00</u>	<u>0.00</u>	<u>79,608.00</u>	<u>79,608.00</u>	<u>0.00</u>
<b>Net Other Income</b>	<u>-17,884.83</u>	<u>-18,126.00</u>	<u>241.17</u>	<u>-78,877.43</u>	<u>-79,458.00</u>	<u>580.57</u>
<b>Net Income</b>	<u><u>72,359.77</u></u>	<u><u>123,530.00</u></u>	<u><u>-51,170.23</u></u>	<u><u>-38,710.81</u></u>	<u><u>-36,611.00</u></u>	<u><u>-2,099.81</u></u>

**Pajaro Dunes Geologic Hazard Abatement District  
Profit & Loss Budget vs. Actual**

July 2015 through June 2016

	TOTAL		
	Jul '15 - Jun 16	Budget	\$ Over Budget
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
410000 · Assessment Income	439,160.00	439,160.00	0.00
410050 · Assess. Income PDA Stairs	7,756.23	7,756.00	0.23
<b>Total Income</b>	<u>446,916.23</u>	<u>446,916.00</u>	<u>0.23</u>
<b>Expense</b>			
610155 · Postage and Mailings	31.00	550.00	-519.00
615115 · Office Expense	4.58	700.00	-695.42
615140 · Audit Expense	7,700.00	6,550.00	1,150.00
615415 · Accounting/Clerk Expense	27,941.46	33,732.00	-5,790.54
615617 · Website Maintenance	3,000.00	3,000.00	0.00
615650 · Officer Election	300.00	2,000.00	-1,700.00
615655 · Dues	149.00	25.00	124.00
615656 · Board/Clerk Education	0.00	1,000.00	-1,000.00
616500 · Legal Fees	23,985.00	9,000.00	14,985.00
616525 · Econ. Study	3,000.00	0.00	3,000.00
619010 · Technical Consulting Costs	43,892.97	0.00	43,892.97
628500 · Insurance Expense	12,996.00	13,000.00	-4.00
629030 · SBA Repayment to PHA Z2	92,856.00	92,856.00	0.00
629900 · Bond Fee Expense	635.00	0.00	635.00
650000 · Bank Service Charges	18.00	0.00	18.00
750000 · Depreciation Expense Z2	99,996.00	100,000.00	-4.00
<b>Total Expense</b>	<u>316,505.01</u>	<u>262,413.00</u>	<u>54,092.01</u>
<b>Net Ordinary Income</b>	130,411.22	184,503.00	-54,091.78
<b>Other Income/Expense</b>			
<b>Other Income</b>			
410070 · Interest Income	1,021.74	200.00	821.74
<b>Total Other Income</b>	<u>1,021.74</u>	<u>200.00</u>	<u>821.74</u>
<b>Other Expense</b>			
855000 · Interest Expense	95,696.00	95,696.00	0.00
955500 · Interest Bond Discount	2,088.00	2,088.00	0.00
<b>Total Other Expense</b>	<u>97,784.00</u>	<u>97,784.00</u>	<u>0.00</u>
<b>Net Other Income</b>	<u>-96,762.26</u>	<u>-97,584.00</u>	<u>821.74</u>
<b>Net Income</b>	<u><u>33,648.96</u></u>	<u><u>86,919.00</u></u>	<u><u>-53,270.04</u></u>

**Pajaro Dunes Geologic Hazard Abatement District**  
**Bank Account Activity**  
As of June 30, 2016

Type	Date	Num	Name	Debit	Credit	Balance
<b>100000 - SCCB Zone 1 - 3957</b>						<b>1,300.99</b>
Bill Pmt -Check	05/04/2016	1260	Jarvis, Fay, Doportto & Gibson, LLP		1,809.60	-508.61
Bill Pmt -Check	05/04/2016	1259	Wendy L. Cumming, CPA		1,807.32	-2,315.93
Deposit	06/16/2016			20,596.87		18,280.94
Deposit	06/16/2016			67.08		18,348.02
Deposit	06/16/2016			58.00		18,406.02
Transfer	06/16/2016			23,223.17		41,629.19
Bill Pmt -Check	06/17/2016	1261	Jarvis, Fay, Doportto & Gibson, LLP		1,357.20	40,271.99
Bill Pmt -Check	06/17/2016	1262	Wendy L. Cumming, CPA		3,091.24	37,180.75
Total 100000 - SCCB Zone 1 - 3957				43,945.12	8,065.36	37,180.75
<b>100001 - SCCB Zone 2 - 3965</b>						<b>62,089.78</b>
Bill Pmt -Check	05/04/2016	1227	Jarvis, Fay, Doportto & Gibson, LLP		510.40	61,579.38
Bill Pmt -Check	05/04/2016	1228	Pelican Home Owner's Association		15,476.00	46,103.38
Bill Pmt -Check	05/04/2016	1229	Wendy L. Cumming, CPA		318.94	45,784.44
Deposit	06/16/2016			98,972.75		144,757.19
Deposit	06/16/2016			1,997.47		146,754.66
Deposit	06/16/2016			46.47		146,801.13
Bill Pmt -Check	06/17/2016	1230	Jarvis, Fay, Doportto & Gibson, LLP		382.80	146,418.33
Bill Pmt -Check	06/17/2016	1231	Pajaro Dunes Geologic Abatement District		58,478.85	87,939.48
Bill Pmt -Check	06/17/2016	1232	Pelican Home Owner's Association		7,738.00	80,201.48
Bill Pmt -Check	06/17/2016	1233	Union Bank		635.00	79,566.48
Bill Pmt -Check	06/17/2016	1234	Wendy L. Cumming, CPA		545.51	79,020.97
Total 100001 - SCCB Zone 2 - 3965				101,016.69	84,085.50	79,020.97
<b>100002 - SCCB Z1 Emerg - 1877</b>						<b>23,219.30</b>
Deposit	04/30/2016			1.90		23,221.20
Deposit	05/31/2016			1.97		23,223.17
Transfer	06/16/2016				23,223.17	0.00
Check	06/30/2016				18.00	-18.00
Deposit	06/30/2016			0.95		-17.05
Total 100002 - SCCB Z1 Emerg - 1877				4.82	23,241.17	-17.05
<b>100003 - SCCB LTD- 0208</b>						<b>57,373.98</b>
Deposit	04/30/2016			4.70		57,378.68
Deposit	05/31/2016			4.86		57,383.54
Deposit	06/16/2016			50,747.63		108,131.17
Deposit	06/16/2016			131.66		108,262.83
Deposit	06/30/2016			9.01		108,271.84
Total 100003 - SCCB LTD- 0208				50,897.86	0.00	108,271.84
<b>100400 - Union Bank Bond Holding</b>						<b>300,343.18</b>
Bill	06/16/2016		Pajaro Dunes Geologic Abatement District	58,478.85		358,822.03
Total 100400 - Union Bank Bond Holding				58,478.85	0.00	358,822.03
<b>TOTAL</b>				<b>254,343.34</b>	<b>115,392.03</b>	<b>583,278.54</b>

**RESOLUTION NO. 2017-**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PAJARO DUNES  
GEOLOGIC HAZARD ABATEMENT DISTRICT LEVYING ANNUAL ASSESSMENTS  
FOR FISCAL YEAR 2016-2017**

**WHEREAS**, pursuant to District Resolution No. 24-99 and an election undertaken in 2009, the District assesses property owners in Zones 1 and 2 for District annual operating costs, as determined by the District's budget; and

**WHEREAS**, the District also assesses property owners in Zones 1 and/or 2 for debt related to a SBA loan obtained by the Pelican Homeowners' Association, a line of credit obtained in 2001, a loan obtained in 2004, and a loan obtained in 2009, all of which were approved by property owner election, and for which the Debt Service Schedules and attendant assessments were approved and restated by Resolution No. 003-12- "Resolution Approving Assessment Rolls and Related Debt Service Schedules;" adopted by the Board on June 30, 2012; and

**WHEREAS**, on or about May 27, 2016, District Staff presented the Board of Directors of the Pajaro Dunes Geologic Hazard Abatement District with the draft annual operations budget for Zones 1 and 2 for Fiscal Year 2016-2017 at a noticed meeting, and after Board discussion, and consideration of all oral and written statements, protests and communications made or filed by interested persons regarding such matters, the Fiscal Year 2016-2017 annual budget, as set forth in Exhibit "A" hereto, was approved.

**NOW THEREFORE, BE IT HEREBY RESOLVED** by the Board of Directors of the Pajaro Dunes Geologic Hazard Abatement District, that annual assessments made pursuant to previously approved Debt Service Schedules, and assessments for the District's annual and general budget, in accordance with the charts set forth in Exhibit "B," attached hereto and by this reference incorporated herein, are hereby confirmed and ordered to be levied on Properties located within District Zones 1 and 2. All amounts to be assessed upon the lands within District Zones 1 and 2 for Fiscal Year 2016-2017 are in accordance with and apportioned by a formula and method which fairly distributes the net amount among all eligible parcels in proportion to the estimated benefits to be received by each parcel from the related improvements and services, including administrative services.

**BE IT FURTHER RESOLVED**, that the assessments confirmed hereby shall be collected at the same time and in the same manner as county taxes are collected and all laws providing for the collection and enforcement of county taxes shall apply to the collection and enforcement of assessments. Such funds are ordered to be used for the maintenance, operation and servicing of improvements under the District's jurisdiction, and any and all other items of work necessary and incidental to the proper maintenance and operation thereof, including administrative costs.

**BE IT FURTHER RESOLVED** that the District Clerk is hereby authorized and directed to file a copy of this resolution and the involved assessments, based on the charts set forth in



Exhibit B, with the County Auditor of Santa Cruz, who shall thereafter enter upon the county assessment roll opposite each lot or parcel of land the amount assessed thereupon.

**PASSED AND ADOPTED** at a regular meeting of the Board of Directors of the Pajaro Dunes Geologic Hazard Abatement District held on the 13<sup>th</sup> day of August, 2016, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

---

Bill Lyons, President

**ATTEST:**

---

Wendy Cumming, District Clerk

I, the undersigned District Clerk, hereby certify that the foregoing resolution was duly and regularly adopted and passed by the Board of Directors of the Pajaro Dunes Geologic Hazard Abatement District, Santa Cruz County, California, at a regular meeting thereof held on the 13<sup>th</sup> day of August, 2016, by the above-stated vote of the members thereof, a majority being present.

Dated:

---

Wendy Cumming, District Clerk

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

**BUDGET FOR FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>County Object Number</u>		
	<u>404823</u>	<u>404830</u>	<u>404847</u>
	<b>Operating Assessment</b>	<b>Ln. 1&amp;2 Assess.</b>	<b>Ln. 3,4,LOC Assess.</b>
<b>FUNDING SOURCES FOR ZONE 1</b>			
Property Assessments:	\$ 185,734		
From Members	180,249		
From PDA for Stairways	5,485		
Interest income	50		
	<hr/>		
<b>Total Revenue for Zone 1</b>	<b>185,784</b>		
<b>EXPENDITURES FOR ZONE 1</b>			
Insurance	13,000	13,000	
Legal Consultant	9,000	9,000	
Website maintenance/annual fee	3,090	3,090	
Postage/shipping/office supplies	1,275	1,275	
Officer election	2,000	2,000	
Audit Fees	7,750	7,750	
Assessment Administration	8,000	8,000	
Accounting/Clerk Contract	22,363	22,363	
Board and Clerk training	1,000	1,000	
	<hr/>	<hr/>	
<b>Total Administrative Costs</b>	<b>67,478</b>	<b>67,478</b>	
<b>Debt Service:</b>			
Loan payments (\$198,000 to year 2017)	32,516	32,516	
Loan payment (\$439,000 to year 2019)	62,386		62,386
Loan payment (\$200,000 to year 2016)	23,404		23,404
Sub Total	<hr/>		
	118,306		
	<hr/>		
<b>Total Expenditures for Zone 1</b>	<b>185,784</b>	<hr/>	<hr/>
		67,478	32,516
		<hr/>	85,790
		<hr/>	<hr/>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>		
	<hr/>		

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

**BUDGET FOR FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**REVENUE FOR ZONE 2**

Property Assessments	238,866
Pelican	236,985
Total PDA for stairway	1,881
Interest	150
<b><i>Total Revenue for Zone 2</i></b>	<b><u>239,016</u></b>

**EXPENDITURES FOR ZONE 2**

***Administrative Costs***

Insurance	-
Legal Consultant	-
Officer Election	-
Postage/office supplies	-
Dues and subscriptions	-
Audit Fees	-
Contract for Assessment Administration	1,000
Accountant/Clerk Contract	2,640
<b><i>Total Administrative Costs</i></b>	<b><u>3,640</u></b>

***Loan Payments***

SBA Loan Payment	92,856
Payment on bond issue (82 members)	142,520
<b><i>Total loan payments</i></b>	<b><u>235,376</u></b>

<b><i>Total Expenditures for Zone 2</i></b>	<b><u>239,016</u></b>
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<b>Net Change in Fund Balance</b>	<b><u>-</u></b>
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**ATTACHMENT 1**  
**TABLE 1(B) - ASSESSMENTS FOR ALL ZONE 1 PROPERTIES FOR FY2016/17**

	A	B	C	D	E	F
1	<b>The Zone 1 total assessment 2016/17 \$185,784</b>			<b>Zone 1 assessment operating \$67,478</b>		
2			<b>Object 404823</b>			
3	<b>Category</b>	<b>Zone 1 cost</b>	<b>Assessment</b>	<b>No. of</b>	<b>Total</b>	
4		<b>per \$1000</b>	<b>for FY2016/17</b>	<b>Units</b>		
5						
6			<b>Must use even numbers to the County</b>			
7	<b>Row 1 houses</b>	<b>8.51 to 17.14</b>	<b>574.24 to 1,156.56</b>	<b>67</b>	<b>43,266.16</b>	
8						
9	<b>Row 2 houses</b>	<b>1.72</b>	<b>116.06</b>	<b>44</b>	<b>5,106.74</b>	
10						
11	<b>Rows 3, 4 &amp; 5</b>	<b>0.94</b>	<b>63.42</b>	<b>40</b>	<b>2,536.77</b>	
12						
13	<b>Cypress</b>	<b>5.15</b>	<b>347.50</b>	<b>23</b>	<b>7,992.54</b>	
14						
15	<b>Pelicans</b>	<b>1.17</b>	<b>78.94</b>	<b>87</b>	<b>6,867.72</b>	
16						
17	<b>Stairways (PDA)</b>	<b>0.0969</b>	<b>6.54</b>	<b>261</b>	<b>1,706.58</b>	
18						
19	<b>Total</b>				<b>67,476.50</b>	
20						
21		<b>TAX ROLL</b>				
22	<b>Less stairways</b>				<b>-1,706.58</b>	
23	<b>Less 4 of 5 common parcels</b>				<b>-253.68</b>	
24						
25					<b>65,516.25</b>	

**ATTACHMENT 2**

**TABLE 1(B) - ASSESSMENTS FOR ALL ZONE 1 PROPERTIES FOR FY2015/16**

	A	B	C	D	E
1	<b>The Zone 1 total assessment for FY2016/2017 is \$185,784</b>				
2			<b>BREAK OUT LOANS 1 &amp; 2 \$32,516</b>		
3	<b>Category</b>	<b>Zone 1 cost</b>	<b>Assessment</b>	<b>No. of</b>	<b>Total</b>
4		<b>per \$1000</b>	<b>for FY2016/17</b>	<b>Units</b>	
5			<b>Object 404830</b>		
6			<b>Must use even numbers to the County</b>		
7	<b>Row 1 houses</b>	<b>8.51 to 17.14</b>	<b>276.72 - 557.32</b>	<b>67</b>	<b>20,845.45</b>
8					
9	<b>Row 2 houses</b>	<b>1.72</b>	<b>55.94</b>	<b>44</b>	<b>2,461.25</b>
10					
11	<b>Rows 3, 4 &amp; 5</b>	<b>0.94</b>	<b>30.58</b>	<b>40</b>	<b>1,223.00</b>
12					
13	<b>Cypress</b>	<b>5.15</b>	<b>167.46</b>	<b>23</b>	<b>3,851.52</b>
14					
15	<b>Pelicans</b>	<b>1.17</b>	<b>38.04</b>	<b>87</b>	<b>3,309.80</b>
16					
17	<b>Stairways (PDA)</b>	<b>0.0969</b>	<b>3.16</b>	<b>261</b>	<b>824.97</b>
18					
19	<b>Total</b>				<b>32,516.00</b>
20					
21					
22		<b>TAX ROLL</b>			
23	<b>Less stairways</b>				<b>-824.97</b>
24	<b>Less 4 of the 5 common parcels</b>				<b>-122.30</b>
25					
26					<b>31,568.73</b>
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					

**ATTACHMENT 3**

**TABLE 1(B) - ASSESSMENTS FOR ALL ZONE 1 PROPERTIES FOR FY2016/17**

	A	B	C	D	E
1	<b>The Zone 1 total assessment for FY2016/17 is \$185,784</b>				
2	<b>BREAK OUT LOAN 3 &amp; 4 \$85,790</b>				
3	<b>Category</b>	<b>Zone 1 cost</b>	<b>Assessment</b>	<b>No. of</b>	<b>Total</b>
4		<b>per \$1000</b>		<b>Units</b>	
5					
6	<b>Must use even numbers to the County</b>				
7	<b>Row 1 houses</b>	<b>8.51 to 17.14</b>	<b>730.08 - 1,470.44</b>	<b>67</b>	<b>55,004.13</b>
8					
9	<b>Row 2 houses</b>	<b>1.72</b>	<b>147.56</b>	<b>44</b>	<b>6,492.59</b>
10					
11	<b>Rows 3, 4 &amp; 5</b>	<b>0.94</b>	<b>80.64</b>	<b>40</b>	<b>3,225.70</b>
12					
13	<b>Cypress</b>	<b>5.15</b>	<b>441.82</b>	<b>23</b>	<b>10,161.83</b>
14					
15	<b>Pelicans</b>	<b>1.17</b>	<b>100.38</b>	<b>87</b>	<b>8,733.43</b>
16					
17	<b>Stairways (PDA)</b>	<b>0.0969</b>	<b>8.32</b>	<b>261</b>	<b>2,172.32</b>
18					
19	<b>Total</b>				<b>85,790.00</b>
20					
21					
22		<b>TAX ROLL</b>			
23	<b>Less stairways</b>				<b>-2,172.32</b>
24	<b>Less 4 of the 5 common area parcels</b>				<b>-322.57</b>
25					
26					<b>83,295.11</b>
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					

**ATTACHMENT 4**  
**TABLE 2 - MAXIMUM ASSESSMENTS ALL ZONE 2 PROPERTIES**  
**FOR FY2016/2017**

	A	B	C	D	E	F
2						
3		Zone 2 cost	Assessment	No. of	Total	
4		per \$1000	for Each Unit	Units		
5						
6	<b>PART A</b>					
7						
8	The administrative budget for Zone 2 for FY2016/2017 is \$3,640					
9						<b>Object Number</b>
10	Pelican	11.40	26.87	87	2,338	<b>404824</b>
11						
12	PDA for Stairway				66	
13						
14	Interest				150	
15						
16	Stair Income from bond				1,142	
17						
18				Subtotal	3,696	
19						
20						
21	<b>PART B &amp; C</b>					
22						
23	The budget to continue payments on an increase of \$917,000 in the SBA loan in 2016/2017					
24	is a total fo \$92.856					
25	Pelican	11.40	1,058.56	87	92,095	<b>404824</b>
26						
27	PDA for stairway				761	
28						
29				Subtotal	92,856	
30						
31	<b>PART D</b>					
32						
33	The budget to make payments on the bond issue by 82 Pelican owners is \$143,143					
34						
35	Pelican		1,745.65	82	143,143	<b>404834</b>
36						
37	PDA for stairway payment related to the bond issue				1,142	
38	Other PDA payments for stairs				827	
39	Total PDA payments for stairs				1,969	
40						
41	* Note: It was decided to leave the assessment for each unit at \$1,770.06, the number given by					
42	Marc Stocks, the bond issuer, rather than reduce it to account for the stairway as was done in					
43	Parts A, B, and C. The stairway contribution by PDA was calaulated as follows:					
44	145,145/52,128 x 410 = 1,142. In Part D, the stairway contributionby PDA will not be used to make					
45	loan payments as in Parts B & C. It will be used as a Zone 2 contingency fund.					
46						
47						

**ATTACHMENT 4**  
**TABLE 2 - MAXIMUM ASSESSMENTS ALL ZONE 2 PROPERTIES**  
**FOR FY2016/2017**

	A	B	C	D	E	F
48						
49						
50						
51						
52						
53	<b>TOTAL FOR PARTS A, B, C AND D</b>					
54						
55	Total annual assessment for t		2,831.07	82	232,148	
56	82 owners making annual					
57	payments on the bonds.					
58						
59	Total annual assessment for t		1,085.43	5	5,427	
60	5 owners who have paid off					
61	their bonds					
62						
63	Total annual assessment				237,575	
64	from Pelican owners					
65						
66	Total from PDA for Stairways				1,969	
67	Interest				150	
68						
69				Total	239,694	
70						
71						
72	Assessments	Operating			3,696	
73		Less PDA stairs			-66	
74		Less Interest			-150	
75		Less Stairs for Bond			-1,142	
76						
77		SBA			92,856	
78		Less Stairs			-761	
79		Net Operating and SBA			94,432	
80						
81		Bond			143,143	
82						
83						
84						
85						
86						
87						
88						
89						
90						
91						
92						
93						



**ATTACHMENT 4**  
**TABLE 2 - MAXIMUM ASSESSMENTS ALL ZONE 2 PROPERTIES**  
**FOR FY2016/2017**

	A	B	C	D	E	F
94						
95						
96						
97						
98						
99						
100						
101						
102						
103						
104						
105						
106						