



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

**Saturday, August 1, 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	Raul Deju (Director)(CY4)

**B. 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 (a); (d)(2) and is hereby of the opinion that a significant exposure to litigation exists.

Public comment limited to the identified closed session item will be accepted before the Board recesses.

**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. 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.

**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.

## **E. NEW BUSINESS**

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8. ITEM – Consider adopting a Resolution Rescinding Resolution 02-2015 and Vacating the Fiscal Year 2015-2016 Assessment Ballot Election Proceedings for a New Assessment for Administrative and Operating Budgets for Zones 1 and 2

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

9. ITEM –

A. Consider adoption of a Resolution to Accept Election Results and Making Findings and Providing Direction Associated with the Zone 1 Annual Administrative and Operating Budget Assessment

- a. Staff Report
- b. Open Public Hearing
- c. Close Public Hearing
- d. Board Discussion
- e. Board Action

B. Consider adoption of a Resolution to Accept Election Results and Making findings and Providing Direction Associated with the Zone 2 Annual Administrative and Operating Budget Assessment

- a. Staff Report
- b. Open Public Hearing
- c. Close Public Hearing
- d. Board Discussion
- e. Board Action

10. ITEM – Consider adopting the final budget for the fiscal year July 1, 2015 through June 30, 2016

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

## **F. 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.

## **G. ADJOURNMENT**

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The next Special Meeting of the Board of Directors is scheduled for November 14, 2015, at 9:00 a.m. at the offices of the Pajaro Dunes Geologic Hazard Abatement District, Board Room, Pajaro Dunes, 2661 Beach Road, Watsonville, CA 95076. Individuals who require special accommodations are requested to contact the District Clerk by calling (831) 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.

TO: Pajaro Dunes Board of Directors  
FROM: Mike Rodriguez - District Counsel  
RE: Recommendation to Vacate Assessment Ballot Proceedings.

After significant consideration and consultation with Bill Lyons, Wendy Cumming and Engineer Jeff Dunn, Staff is strongly recommending that the Board vacate its 218 election ballot proceedings for the new "Assessment and Operating Budgets for Zones 1 and 2," as presented at the Board's regular meeting of June 13, 2015. Given the amount of effort that has been put into these assessment ballot proceedings, and the stage at which we are at in the assessment process, this recommendation is not given lightly.

Over the past several weeks, the District has received a number of communications that have included objections to or concerns about a variety of issues associated with the proposed assessment. While not every communication had merit, in exercising its due diligence to review and consider all comments, Staff determined that several issues involved with cost allocation and perhaps an attendant need to enhance or expand the scope of the engineer's report require further analysis.

While Staff considered every available option to correct, amend or adequately address the above-referenced issues so as to allow the assessment ballot election to continue, we believe that the involved issues may require modifications to the assessment election documents that would trigger the need to recommence the entire process. As such, out of an abundance of caution, we are recommending that the Board adopt Resolution     -2015 which will serve to vacate the process for owner consideration by ballot of the "Assessment and Operating Budgets for Zone 1 and 2." The Resolution also contains a provision directing that all ballots received to date be stored and/or destroyed without opening in accordance with applicable law.

The Board will still have the opportunity to approve the Budgets and attendant assessments for the upcoming Fiscal 2015-2016 year in the manner that said assessments have been approved on an annual basis since the District's formation. The preliminary budgets were agendaized and given preliminary approval at the Board's meeting of June 13, 2015, and are up for consideration at today's meeting.

Once Staff has completed its review and reconsideration of the proposed budget and emergency funds assessment, nothing prevents the Board from taking the opportunity to revisit the issue of modification of the current assessments and to place the same before the homeowners for an assessment ballot election prior to Fiscal Year 2016-2017.

**BOARD OF DIRECTORS  
PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT**

**Resolution Rescinding Resolution 02-2015 and Vacating the Fiscal Year 2015-2016  
Assessment Ballot Election Proceedings for a New Assessment for Administrative and  
Operating Budgets for Zones 1 and 2**

**RESOLUTION No. \_\_\_\_-2015**

**WHEREAS**, The Board of the Pajaro Dunes Geologic Hazard Abatement District, at its regular meeting of June 13, 2015, adopted Resolution 02-2015 and attendant resolutions, which initiated the process for an assessment ballot election pursuant to the provisions of Section 4 of Article XIII D of the California Constitution (Proposition 218); and

**WHEREAS**, in exercising its due diligence to review and consider comments received during the voting period (which commenced with the distribution of election ballots on or around June 15, 2015), Staff has determined that several issues associated with the proposed new election, including cost allocation and provisions within the engineer's report, require further analysis and possible modification; and

**WHEREAS**, as a result of the need for potential modification of the assessment ballot election documents, Staff is recommending that the Board vacate the election ballot proceedings initiated by Resolution 02-2015.

**NOW THEREFORE, BE IT HEREBY RESOLVED** by the Board of Directors of the Pajaro Dunes Geologic Hazard Abatement District, that Resolution 02-2015 is hereby rescinded, and the assessment ballot election proceedings that were initiated pursuant to the adoption of said resolution are hereby vacated.

**BE IT FURTHER RESOLVED** that the Board finds that all sealed assessment ballots and the envelopes in which they are contained are not public records pursuant to Government Code Section 6254 ( c) and any other applicable law, and that the unopened ballots shall be delivered to District Counsel for storage or destruction in accordance with the law or regular and routine practice in order to prevent potential unwarranted invasions of the submitters' privacy and to protect the integrity of the balloting process.

**PASSED AND ADOPTED** by the Board of Directors of the Pajaro Dunes Geologic Hazard Abatement District of the County of Santa Cruz, State of California, at a special meeting of the Board this 1<sup>st</sup> day of August, 2015, by the following vote:

AYES  
NOES  
ABSENT

ABSTAIN

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President, Board of Directors

ATTEST: \_\_\_\_\_  
Clerk of the Board

**BOARD OF DIRECTORS  
PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT**

**Resolution to Accept Election Results and Making Findings and Providing Direction  
Associated with the Zone 1 Annual Administrative and Operating Budget Assessment**

**RESOLUTION No. 2015- \_\_\_\_\_**

**WHEREAS**, Article XIII, Section 4 of the California Constitution (Proposition 218) requires that proposed new assessments for the Pajaro Dunes Geologic Hazard Abatement District (“PDGHAD” or “District”) be put to a vote of the members of the District by ballot; and

**WHEREAS**, on June 13, 2015, the District Board adopted Resolution 02-2015, and accompanying resolutions, declaring its intention to authorize and levy an assessment for the Zone 1 and 2 Annual Administrative and Operating Budgets, based on information contained in an Engineer’s Report prepared by Arup North America Ltd., which was incorporated in its entirety by reference, and further directing District Staff to conduct a ballot election seeking approval of the proposed new assessments; and

**WHEREAS**, pursuant to District Board direction, Staff has conducted a ballot election to approve or deny authorization for the Zone 1 Administrative and Operating Budget; and

**WHEREAS**, District Zone 1 members were provided with 45 days in which to cast a ballot; and

**WHEREAS**, a noticed public hearing was held on August 1, 2015, to hear and consider protests to the new assessments; and

**WHEREAS**, per the direction of the District Board President, the results of the weighed ballots cast and signed by District members have been tabulated by an independent party, and the election results, as set forth in an “Elections Report,” have been presented to the Board for consideration.

**NOW THEREFORE, BE IT RESOLVED** that the Board of Directors of the Pajaro Dunes Geologic Hazard Abatement District hereby accepts the Zone 1 assessment ballot elections results, which were \_\_\_\_ for and \_\_\_ against, and based thereon, hereby determines that the assessment for the Annual Administrative and Operating Budget for Zone 1, as set forth in Table 1 of the Engineer’s Report, has been approved.

**BE IT FURTHER RESOLVED THAT** the assessments confirmed by the District Board on June 13, 2015, and approved by the District members 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. All such funds collected are ordered to be used for the purposes set forth and/or as otherwise described in the Engineer’s Report.

**BE IT FURTHER RESOLVED THAT** the Clerk of the Board is hereby authorized and directed to file a certified copy of the assessments for the Zone 1 Annual Administrative and Operating Budget for Fiscal Year 2015-2016 with the County Auditor of Santa Cruz County by no later than August 5, 2015, who shall thereafter enter upon the county assessment roll opposite each parcel of land the amount assessed thereon, as shown in the assessments.

**PASSED AND ADOPTED BY THE** Board of Directors of the Pajaro Dunes Geologic Hazard Abatement District of the County of Santa Cruz, State of California, this 1st day of August, 2015, by the following vote:

AYES:	Directors
NOES:	Directors
ABSENT:	Directors
ABSTAIN	Directors

\_\_\_\_\_  
President, Board of Directors

ATTEST: \_\_\_\_\_  
Clerk of the Board

**BOARD OF DIRECTORS  
PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT**

**Resolution to Accept Election Results and Making Findings and Providing Direction  
Associated with the Zone 2 Annual Administrative and Operating Budget Assessment**

**RESOLUTION No. 2015- \_\_\_\_\_**

**WHEREAS**, Article XIII, Section 4 of the California Constitution (Proposition 218) requires that proposed new assessments for the Pajaro Dunes Geologic Hazard Abatement District (“PDGHAD” or “District”) be put to a vote of the members of the District by ballot; and

**WHEREAS**, on June 13, 2015, the District Board adopted Resolution 02-2015, and accompanying resolutions, declaring its intention to authorize and levy an assessment for the Zone 1 and 2 Annual Administrative and Operating Budgets, based on information contained in an Engineer’s Report prepared by Arup North America Ltd., which was incorporated in its entirety by reference, and further directing District Staff to conduct a ballot election seeking approval of the proposed new assessments; and

**WHEREAS**, pursuant to District Board direction, Staff has conducted a ballot election to approve or deny authorization for the Zone 2 Administrative and Operating Budget; and

**WHEREAS**, District Zone 2 members were provided with 45 days in which to cast a ballot; and

**WHEREAS**, a noticed public hearing was held on August 1, 2015, to hear and consider protests to the new assessments; and

**WHEREAS**, per the direction of the District Board President, the results of the weighed ballots cast and signed by District members have been tabulated by an independent party, and the election results, as set forth in an “Elections Report,” have been presented to the Board for consideration.

**NOW THEREFORE, BE IT RESOLVED** that the Board of Directors of the Pajaro Dunes Geologic Hazard Abatement District hereby accepts the Zone 2 assessment ballot elections results, which were \_\_\_\_\_ for and \_\_\_ against, and based thereon, hereby determines that the assessment for the Annual Administrative and Operating Budget for Zone 2, as set forth in Table 1 of the Engineer’s Report, has been approved.

**BE IT FURTHER RESOLVED THAT** the assessments confirmed by the District Board on June 13, 2015, and approved by the District members 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. All such funds collected are ordered to be used for the purposes set forth and/or as otherwise described in the Engineer’s Report.

**BE IT FURTHER RESOLVED THAT** the Clerk of the Board is hereby authorized and directed to file a certified copy of the assessments for the Zone 2 Annual Administrative and Operating Budget for Fiscal Year 2015-2016 with the County Auditor of Santa Cruz County by no later than August 5, 2015, who shall thereafter enter upon the county assessment roll opposite each parcel of land the amount assessed thereon, as shown in the assessments.

**PASSED AND ADOPTED BY THE** Board of Directors of the Pajaro Dunes Geologic Hazard Abatement District of the County of Santa Cruz, State of California, this 1st day of August, 2015, by the following vote:

AYES:	Directors
NOES:	Directors
ABSENT:	Directors
ABSTAIN	Directors

\_\_\_\_\_  
President, Board of Directors

ATTEST: \_\_\_\_\_  
Clerk of the Board

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

**BUDGET FOR FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

		<u>County Object Number</u>		
		<u>404823</u>	<u>404830</u>	<u>404847</u>
		<b>Operating</b>	<b>Ln. 1&amp;2</b>	<b>Ln. 3,4,LOC</b>
		<b>Assessment</b>	<b>Assess.</b>	<b>Assess.</b>
<b>FUNDING SOURCES FOR ZONE 1</b>				
Property Assessments:	\$ 199,160			
From Members	193,279			
From PDA for Stairways	5,881			
Interest income	50			
	<u>199,210</u>			
<b>Total Revenue for Zone 1</b>				
 <b>EXPENDITURES FOR ZONE 1</b>				
Insurance	8,000	8,000		
Legal Consultant	7,000	7,000		
Website maintenance/annual fee	4,000	4,000		
Postage/shipping/office supplies	1,000	1,000		
Officer election	1,000	1,000		
Audit Fees	3,500	3,500		
Contract for Assessment Administration	8,000	8,000		
Accounting/Clerk Contract	21,000	21,000		
Board and Clerk training	4,000	4,000		
	<u>57,500</u>	<u>57,500</u>		
<b>Total Administrative Costs</b>				
<b>Debt Service:</b>				
Loan payments (\$250,000 to year 2014)	-		-	
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)	46,808			46,808
	<u>141,710</u>			
<b>Sub Total</b>				
<b>Total Expenditures for Zone 1</b>	<u>199,210</u>	<u>57,500</u>	<u>32,516</u>	<u>109,194</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>			

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

**PRELIMINARY BUDGET FOR  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**REVENUE FOR ZONE 2**

Property Assessments	254,733
Pelican	252,727
Total PDA for stairway	2,006
Interest	150
<b><i>Total Revenue for Zone 2</i></b>	<b><u>254,883</u></b>

**EXPENDITURES FOR ZONE 2**

***Administrative Costs***

Insurance	8,000
Legal Consultant	2,000
Officer Election	1,000
Postage/office supplies	250
Dues and subscriptions	25
Audit Fees	3,500
Contract for Assessment Administration	1,000
Accountant/Clerk Contract	3,732
<b><i>Total Administrative Costs</i></b>	<b><u>19,507</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>254,883</u></b>
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<b>Net Change in Fund Balance</b>	<b><u>-</u></b>
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