



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

Saturday, March 14, 2015 9:00 a.m.

Start Time 9:01

A. OPEN SESSION CALL TO ORDER – PLEDGE OF ALLEGIANCE

Roll Call

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

C. MEMBER COMMENTS

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

Stacy Stillman asked a question regarding a member being able to withdrawal from the GHAD participation.

Raul Deju made comment about the application and the need to support the permit application, and hopes that the membership support.

D. NEW BUSINESS

7. ITEM – Further consideration and direction to Staff concerning the District's Administrative budgets for inclusion in the pending Prop. 218 assessment process and procedures
- a. Staff report
 - b. Public comment
 - c. Board discussion
 - d. Board action

President Bill Lyons provided a brief history on the GHAD. GHAD was formed to protect the seawall. Bill stated that the Board has worked on the prop. 218 budget and is now on version 10, and that there has been many member comments that have been taken into consideration. He stated that any action taken would be at the board meeting in April, not at this meeting. Property owners will be able to take action through their vote.

Director David Bower, provided a presentation on the proposition 218 budget. The budget provides for an administrative budget and a capital reserve budget. The administrative costs move forward and are necessary to run the District. David Bower reviewed the spreadsheets for the members. David presented a new chart which demonstrates the amount accumulated over time for reserves.

President Lyons briefly went through the monthly impact to each home type, such as row 1, 2, back row. Bill discussed that once the reserve has been met the District would stop assessing unless the reserve was used. Also, the prop. 218 budget is a maximum budget and the District would review the budget annually and determine what would be needed in the next year.

Raul Deju commented on the line of credit rate that he helped establish. He commented that the District cannot extend or borrow more without another election.

Steve Erickson made comment regarding the damage that was incurred during a storm episode, and that it was not a house but a vacant lot.

Steve Erickson questioned why the permit costs are not included in the 218 budget, President Lyons stated that funding for the seawall repairs and maintenance are a different financing project. The District is in the processes of trying to obtain a permit to do the repair work. The 218 budget is for the operation and administration, and a reserve only.

President Lyons provided a brief History on the seawall permit and how the project initially be expensive, and the District in working with the engineer of record to bring the cost down significantly by focusing only 19 lots and not replacing the wall.

President Lyons discussed that the District gave direction to the engineer to apply for a permit to cover more lots for repair under one permit, so as to be able have a period of time to make the repairs.

Raul Deju commented that the board is looking to have a budget to run the GHAD and build a reserve. The Coastal Commission will provide a repair permit that will include the removal of the rocks. After the GHAD knows how much will be needed there will be another election for funding the project, which will likely be higher than the 1.8 million initial estimate.

Stacey Stillman questioned about the emergency repair fund and the amount that would be capped over time. Bill Lyons said that the budget is to not tie the hands of future boards and memberships in what the reserve fund should be. He further commented that the costs of the reserve may need to be higher in the future.

Mary Paige asked if there would be a length of time that the reserve will be built. Bill Lyons said that the engineer might say that the reserve needs to be higher.

Raul Deju suggested that the election should be for a capped amount for repairs. In addition the administrative budget be separated.

Steve Brock commented on that the repair job would really vary depending on what the Coastal Commission requires for mitigation. He stated that the budget is for the operating the GHAD. Mike Rodriguez commented that if the budget does not pass the District would be stuck with the original budget.

Bill Lyons stated that the former GHAD board was to be a volunteers based. Over time more legal advice, compliance, for a governmental entity.

Stacey Stillman stated that she wants a firewall around the reserves and does not want the funds to be used for the repair of the 19 lots. Stacy stated that the front row owners should pay for the repair and maintenance of the front row owners.

Counsel Mike Rodriguez stated that the firewall is that we need to identify for how those assessments are to be used. If there is an emergency it may be part of the 19 lots.

Raul Deju stated that there should be an authorization for administrative budget and one for capital reserve separate.

David Bower made a motion to direct staff to prepare documents to separate the administrative budget be separated from the capital reserve. The Capital reserve account be capped at \$500k and the annual reserve fund be at \$175k, until the \$500k is reached. The ongoing administrative budget have an escalator clause for a consumer price index. Seconded by Bob Moore.

Approved by all, except Jim Griffin who was absent

I. ADJOURNMENT

Motion to adjourn by Bob Moore seconded by David Bower

There being no further business to come before the Board, the meeting was adjourned at 10:27 a.m.

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