



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

Saturday, February 10, 2018 9:00 a.m.

A. OPEN SESSION CALL TO ORDER – PLEDGE OF ALLEGIANCE

Roll Call

Bob Moore, President
Jim Griffin, Director
John Cullen, Director

David Ferrari, Director
Robert Allen, Director
Sarah Mansergh, Clerk

B. 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.

C. PRESIDENT’S REMARKS

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

- Update on working with the County for seawall repairs
- Upcoming Regular Meeting Calendar:
April 14th, May 12th, August 11th, November 10th, and December 8th.

Mike gave an update about previous County interactions. Has tried reaching out to the County but current contact information hasn’t returned any phone calls or given a response. May need to move to higher political actions to get the conversation going again concerning permits.

D. CONSENT CALENDAR

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

1. Approval of minutes December 9, 2017

Board formed in 1998 per George one of the first board members. Bob M. puts forward motion to approve minutes as they are. Seconded by David F. All approve

E. TREASURER'S REPORT

2. Financial Reports
 - Financial Report July 1-December 31st, 2017
 - Warrant listing

Wendy provided an update on the financials from July 1 to end of 2017.

John moves to accept financial report Rob A-seconds. All approve

F. MEETING reports

3. 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

4. ITEM – Consider approving renewal of insurance through KBK insurance with a new underwriter
 - a. Board report
 - b. Public comment
 - c. Board discussion
 - d. Board action

Rob Allen puts forward -Motion to approve renewing both insurance policies brokered through KBK insurance John C. seconds All approve.

5. ITEM – Consider approving renewal of membership in California Special District's Association (CSDA).
 - a. Board report
 - b. Public comment
 - c. Board discussion
 - d. Board action

Wendy: training is discounted through this association and seems a valuable association to be involved in.

David F. Jim Griffins seconds. All approve

6. ITEM – Review PDA response to request for co-signing for a line of credit and consider District response.

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

Bob- We received a letter from PDA-seems to be a vote of no confidence. Looks like they are not supporting the GHAD. Handed out notes from the discussion at the PDA September meeting from Drew, the letter and the items we sent to the PDA board. Contacted everyone and there is a possibility that they may change their decision? Last page outlines what may happen if GHAD fails.

Rob Allen-I have a differing view that the PDAs response may be more of a strategic action. Is the likelihood of prevailing in a 218 election increased if we do not have the letter of credit in hand.

Cheryl-I am on the PDA board-you have hit on one of the feelings of the board. There was a discussion of what would be the best strategy to get front row homeowners to approve the assessment. I would like to hear from the GHAD what would be a good strategy from our perspective. How do we work together to pass this assessment.

Rob A. I am a front row homeowner and there has been much discussion of the weighting. As I understand it if an event happens then PDA would pay and then all homeowners would have to pay back equally.

David F-was one of the issues not having enough detail on how the funds would be used?

Cheryl (PDA Board)-That was discussed and we want to be fiscally responsible so clarity is important and we don't know how much is at stake. Maybe we should wait and just deal with (approve) a line of credit at the time.

David F-We came up with the number based on information from our engineers. It's a security blanket, not an open check.

Rob A-Does the line of credit enhance or impede passage of the assessment?

John C-An issue with looking at this strategically if we say that the PDA will be responsible if we don't get the letter of credit. But then the entire community is affected by something that is only occurring at 1 or 2 houses. Not having a letter of credit does appear to give a

Rob A-If we had the letter of credit, then some people would just say well they already have money so why do we need to give them more money.

Cheryl-Yes this was part of the discussion. \$600,000 was also daunting.

David-What is the strategic benefit.

Cheryl-It wasn't all strategic. There was a combination of issues-guaranteeing this loan when there isn't an event, the amount was large and we might

Carol-For Martin (engineer) what is the likelihood of an event in the rest of this season?

Martin-We cannot predict that.

Bob M-Our last line of credit was for \$400,000 about 4 years ago. We don't anticipate drawing down the full amount (\$600,000).

John C-Should we just ask for less?

Sarah-We need to remember that the line of credit needs to cover us through at least 2 seasons (this year and 2018/19) before we begin bringing in money from the next assessment.

Mike- We will also only be collecting a third of the funds each year.

Jim-When will funds be available? Mike-February 2019. So we need to not divide the community over this issue. We should discuss this with the PDA board and answer any questions.

John C-Is this agendized? Cheryl-no but can be. One of the issues that wasn't discussed is if GHAD disbands. What would happen to the rocks etc. And what is the best strategy to get this assessment approved.

Carol-Would SCC Bank approve a line of credit after an assessment election is passed?

Wendy-yes. Carol-Could you just wait for that before asking for a line of credit?

Patricia-What are the consequences-does PDA board understand what they will need to take on? Do they understand what 20 years of effort will be coming back to the board. Cheryl-We are partially aware.

John C-Our documents outlined clearly that the funds are for emergency funds only. Do we need to clarify that with the PDA?

Rob A-I wasn't advocating for not receiving the line of credit. I believe we should approach the PDA board again and present with a lower amount and they should support us. I just wanted to make sure.

David-Are there fees associated with getting the line of credit? I don't want to pay a full amount if a short duration-3 months so maybe a little longer.

Bob M-should we lower the amount to \$300,000 and ask the PDA again and a duration until October 1st.

John C-so we would have from August through October to obtain our own line of credit.

Motion to seek reconsideration from PDA board now through Oct. 2018

Second by David F. All approve. Mike-you are giving Bob authority to go to PDA. David F and Bob M will attend the PDA meeting on March 10th.

Mike-I can prepare something for the PDA board meeting explaining what would happen if there was no PDA. Also-we should make sure we can get PDA support for the assessment.

How do we address the front row homeowners and getting them on board. The \$800,000 fine that is looming over us may be a good incentive. How would they feel about dividing that equally between the homeowners?

7. ITEM – Consider approving the budget for the Fiscal Year 2018-2019 for inclusion in the 2018 assessment election

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

Jim G-motion to approve budget. Rob A-second. All approve.

8. ITEM – Review and provide direction on Draft Engineer’s Report for Fiscal Year 2018-2019.

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

Mike-This is similar, we have just updated the numbers.

Rob A-Are these accurate numbers?

Wendy –there are pennies different but no significant changes.

John C-I have some questions and comments. There are a couple of places where it talks about the costs estimates-page 42 exhibit A has the same language as what is in the engineer’s report. Starting second paragraph-“assessed funds will be used for...and contingency ...That makes it sound like Zone 2 is also participating-needs to be clarified.

Mike-To clarify Zone 1 and Zone 2-yes both will have an assessment but Zone 2 is only the admin budget.

9. ITEM – Review proposed ballots and balloting procedures for the 2018 assessment election.

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

Sarah-Want to code the ballots, add a drop box at the front desk.

John C-Why do Zone 2 folks get 2 ballots? Do they have a fiscal stake in the vote? There is a lot of redundancy in the language so how will we be able to make it clear which ballot is for which

Wendy-explained the numbers of how much is for the Zone 2 (Pelicans)

Mike-board advise us to update ballots and ballot procedures. An outside party can do the tabulations.

Wendy-Lynn Myers can probably do that

10. ITEM – Consider and provide direction on assessment outreach efforts.

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

Mike-Passed around a draft of the FAQ sheet. It's long and we can edit. Please review and make updates and get back to Mike in the next couple of weeks.

You as individuals can voice your opinion but no expenditures can be made on behalf of the board so just be careful in your wording when discussions.

Rob A-If PDA is supportive we should include in a mailing from PDA-newsletter etc.

Mike-we also have the April meeting to answer questions as an opportunity to clarify answers to questions. Just insure that you are not representing GHAD when voicing your own opinion. Ensure not to have a quorum of GHAD members at the PDA meetings.

Sarah-will create web page for 218 process-FAQs

Mike-One of the FAQs pertains to the why are we doing this again? We have updated the language to ensure we are only assessing Zone 1.

Motion to adjourn John C. David seconds. All approve.

H. DIRECTORS COMMENTS AND CONCERNS

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

I. ADJOURNMENT

The next Regular Meeting of the Board of Directors is scheduled for April 14, 2018, 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.

Attest:

A handwritten signature in black ink that reads "Sarah Mansergh". The signature is written in a cursive, flowing style.

Sarah Mansergh
Clerk of the Board
Pajaro Dunes Geologic Hazard
Abatement District