



**REGULAR MEETING MINUTES
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

Roll Call

Bill Lyons (H40) President (Present)	Jim Griffin (Director) (P9) Offsite – 39199 Paseo Padre Parkway, Fremont, CA (510)792-6515, ext. 109 (Present)
Bob Moore (P45) Vice President (Absent)	David Bower (Director) (P48) (Present)
Wendy Cumming, Clerk/Accountant/Secretary (Present)	

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

President Lyons commented

- there is still an open position on the board. The action to fill the position be discussed later in the meeting.
- the Clerk and Carol Turley are working on the emergency action plan and phone tree list.
- asked council Mike Rodriguez to draft a resolution on the actions to be taken in an emergency that authorizes certain individuals to for a state of emergency and to take action.
- The California Coast Commission submittal by ARPUP will be submitting the application the first week of March.
- The PDA and GHAD have been working on a website, expecting the content to be updated within about 10 days.

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.

Member comments:

Member Steve Brock (P10), commented on the website that there are two distinctive website the GHAD site name is pdghad.org.

Stacey Stillman (H84), discussed that she was on the agenda that for the County Board of Supervisors and that she was withdrawn from the agenda. Stacy asked attorney Mike Rodriguez how the board can continue to run as a board when there is not a full board.

Per President Bill Lyons he did submit the information by a deadline and was not contacted. He stated that he announced at the meeting that there was two individuals interested and he had not been contacted. He mentioned no names. He heard from Stacy via text after the meeting that she was interested. He stated that Stacy sent him an email that it went to the wrong address. Bill stated that he felt it was his responsibility not to add his name to the board of supervisors when he did not know if she was interested as she stated that she was on the fence. Bill stated that he had a deadline and had not heard.

Tony Silvera asked who would be maintaining the website and keeping it up to date. Wendy Cumming will be maintaining the website.

Fred Hodder commented regarding a letter that went out in February stated that he was opposing the GHAD operating budget and the reallocation of the Seawall cost being passed on totally to the front row owners. His only goal was that 20 years of inequities be corrected. And, he would like every Pelican owner to strongly support the GHAD. He strongly supports the seawall program not getting involved

Mary Paige, commented on the emergency response plan and questioned if Mike Rodriguez would be involved with the plan. Bill Lyons. commented that the District is desiring to have a plan in place to call for an emergency event where the board is out of the county and cannot be reached.

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 January 10, and 17, 2015

Motion by David Bower Seconded by Jim Griffin, approved by all.

E. TREASURER'S REPORT

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

Motion for approval by David Bower second by Jim Griffin, approved by all.

F. COMMITTEE REPORTS

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.

Finance and Budget committee – No meetings

Community Membership and Relations Committee – No meetings. President Lyons commented that the committee expects to meet with Granite Rock to keep a dialogue. Jim Griffin asked if he could attend. David Bower offered to go to the site with Bob Moore, and Bill Lyons would not attend. Fred Hodder stated that the rocks purchased with Granite contract the District is a first priority from them due to the contract negotiation. David Bower stated that the contract allows us to purchase 1,726 tons at \$43, and the deliver is around \$11 per ton. Steve Brock commented that at the time the rock was purchased they did a lot of investigation of the where to store the rock. The District had to pick an offsite location, which was with Pavex. Further the purchase of the rock was crucial to have the rock local.

Seawall Application and Repair Committee - No meetings.

Meetings attended by Directors at the District's expense – No meetings

G. NEW BUSINESS

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

Motion by David Bower, and seconded by Jim Griffin, approved by all.

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

Clerk gave brief presentation on the audit stating that it was a clean opinion.

Motioned by David Bower, second by Jim Griffin, approved by all.

9. ITEM – Consider adopting resolution 01-2015 to hold a special election June 2, 105 to fill the open position on the District’s board.

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

Clerk stated that the window of opportunity to file paperwork is set to expire March 6th and if anyone is interested please see the County Clerk prior to March 6th.

Motioned to adopt resolution 01-2015 to hold a special election June 2nd. Motion by David Bower, second by Jim Griffin, approved by all.

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

President Lyons gave a brief presentation on the history of the Prop. 218. Pres. Lyons commented that there have been several meetings and there have been several revisions and the District is presently on revision 10. There have been a few different committees working on the budget. The District has received good comment from the membership. The staff direction would be from the board to move forward with the proposal at the March 14th meeting. The 218 process would provide funds that this board would need to operate. The proposed 218 budget is a maximum budget and each year the membership would have the opportunity to set the budget in the next year. Approximately 65% of the budget would go into a Capital Repair and reserve, and 35% would be for administrative cost. The District would not be allowed to go over the adopted budget. Zone 2’s budget has been reduced to \$7,550, \$2,640 for general and administrative costs and \$4,910 for capital repair and reserve.

At the request of a member, the Board gave a brief bio for each board member.

Board member David Bower presented the 218 proposal. David commented the PHA has \$111k in funds for riverwall maintenance. The District is currently in noncompliance with the State on the rocks that are on the beach. The State will work with the District as long as progress is being made on the

repairs and maintenance of the wall. Bill Lyons commented that the purpose of this meeting is to direct staff to move forward at the March meeting to have the authority to provide the

Roy Lave asked about the rocks on the beach. Carol Turley stated that the rocks are in one place on the beach, a total of 230 tons of rock on the State Beach. David Bower stated that the penalty is significant and is daily. The District must show the State that the District is taking action to remove the rock with the understanding is that the penalty would abated.

President Lyons commented on the application to the Coastal Commission. The Board submitted an application for the 16 sites that need repair, so that if there is a window of opportunity the District could move forward without having to go back to get another permit. This is an emergency repair application, which would give the District the authority to move on to the beach to repair the 16 sites as needed.

President Lyons commented that initially, approx. 10 years ago, the original repair proposal was 20-30 million. The Board hired another engineer and that firm determined with a strong repair and maintenance program the District could obtain 85% of the repair coverage at 20% of the cost.

Stacey Stillman commented that the proposal for the cost allocation is to be greatly opposed. The repair and maintenance plan should be help front row owners.

Tony Silvera, commented that he purchased in 1973, and in the first storm created a 30 ft shear wall. The rocks were then brought in and the front row paid for them. He doesn't want to pay for 16 properties who chose to purchase their homes.

David Bower, continued that the committee came up with a budget with two components. The first with the administrative costs, the second with a repair/maintenance and capital reserve fund. The capital repair and reserve costs would be used to build a repair fund so as to not have to do emergency loans saving the District interest and debt costs. Historically, zone 1 and zone 2 shared the administrative costs. Under the proposed 218 budget the administrative costs to zone 2 have been greatly reduced.

David Bower, presented the graphs to the membership, and walked through them. He stated that the cost allocation was directly based on the direct benefit allocation chart.

Bob Scranton commented that he does not want to pay repairs for the front row houses. He chose to purchase a second row house to stay away from the beach.

Janet Peoples commented that her home is one of the homes to be repaired and she is willing to pay her costs. She asked if the allocation goes to the Coastal Commission (CCC) application. Bill Lyons commented that the submittal will go to the CCC the first week in March. The application will take time and money to process the submittal to have the tools available we will need a budget like the 218 budget to move forward.

Stacey Stillman commented that once the engineer report is filed the allocation is locked in. President Lyons stated the District's prior engineer of record established the benefit analysis that was filed with the County. President Lyons stated that in a number of meetings the board heard back that the membership wants to stay with the historical allocation. The current revision (number 10), keeps the historical percentage in place, and the District looks at the budget annually to determine

Dianne McDonnell stated that she was here during the storm and there was one lot during the storm that the couple did not pay for the damage. She also felt that everyone should share the cost.

Martha Dias stated that she voted for the allocation and wondered if the Board can change the percentage allocation and if the Board makes the changes would that be illegal? Pres. Lyons stated that the board held many meetings and at those meetings the membership made it known that the board should stick with the allocations formula established, which the District is doing in revision 10 budget proposal.

David Bower commented that the proposed budget follows the benefit allocations provided by the engineers.

Bill Lyons commented that the Board has had a series of meetings and we are now on revision 10, and we are now using the engineer benefit formula.

John Cullen Once the board takes action to begin the election process there will be ballots mailed out to the owners of the property.

Peter Haunschild commented that in 1999 the District held an election on the cost allocation and was voted on.

John Bruel, commented that his family is opposed assessment due to the lack of communication. He is here because some other homeowners have asked that for him to be at the meeting. He is opposed to moving forward due to lack of communication. He feels this process should be held off form more public comment.

Fred Hodder commented that there are so many pieces to the matter. He stated that the CCC was dealt with for 5.5 years. The District dealt with six state agencies on the permit. The 3.6 million riverwall was 1.5 million construction 75 days 5.5 years to get a permit, and another 4 years to close it out. In his experience the soft costs exceed the hard construction costs. The District is following the law the assessment allocations on direct benefit. He feels that GHAD is really making a strong effort to make the permit process happen. He felt that the board a very equitable job in preparing the reports.

Roger Montgomery commented he has seen the board position change a number of times. The current board has taken an excellent position by going with the engineer cost allocation formula. The CCC will not allow individual homes to be reconstructed if there more than a 50% breach the property cannot be reconstructed.

Bill Lyons stated that the Board has taken a significant amount of input and that this particular proposal now address the number of concerns by the membership. He further stated that the community is lucky

to be one entity and if a homeowner had to take on the CCC the costs would be significantly higher. He also stated that the funds built up in the account could potentially help with future repairs.

Steve Erickson thanked everyone in the room who showed up and thanked the board. Stated that this is a proposal for an assessment. If he was a front row owner he would be very concerned. Steve stated that the assessment should be on one side of the table and see if the front row owners pay for their share.

Janet Peoples does not want to go to the CCC on her own is willing to pay for her share of the costs.

David Bower commented that he counted the number of homeowners in attendance today, and it is only 9% of the membership. If the measure does not pass then the District will not be able to move forward.

Mary Paige commented that initially the Board was trying to obtain a permit for 16 lots. David Bower stated that the permit is a time permit to conduct the repairs on the homes that ARUP demonstrated needed to be done now. Mary commented that the costs are going up substantially for the repair and maintenance costs. David Bower commented that the District does not know what the costs would be until we get the permit form the CCC. The District would like to have the opportunity to fix as much as possible in the time permitted by the CCC. Bill Lyons commented that if it takes a long time to get the funding the District may have funds built up to cover the costs.

Mary Adriani would like to know where the funds would come from to remove the rocks off the beach. David Bower commented that the District would first need to get permission for the CCC before they could remove the rocks.

Stacey Stillman, commented that she appreciates the work done by the board. She commented that it's uncontroversial that we need a GHAD. She felt that in order to get the assessment passed then she feels the repair and maintenance and reserve costs should be removed from the assessment. The operating budget should be done based on the historical engineer percentages. On the repair/reserve budget the owners who want to be a part of the repair plan have an "opt-in" option and not have the costs be allocated to all the owners in the allocation factors.

Bill Lyons stated the board has made changes to the reports based on the feedback of the membership.

Steve Brock recommends that the Board allow anyone that wants to select an opposition to the vote by one page letter to the board, in favor or against.

Mary Paige commented that if the emergency repair costs would be reduced then she would be more likely to support the budget. She questioned if the fund reaches to 500k would the assessments decrease.

Mike Rodriquez commented to the board to direct staff to prepare the necessary documents for the next meeting to start the process to hold an election. The other option would be to delay taking actions, hold another session to address some of the comments from this morning, and move the next meeting. He further stated that the District would need a period a 45 days plus 10 days to administer the election. The final process for the 218 is for the board to move to hold the election.

Jim Griffin commented he is delighted that the GHAD moved away from the large 20 million project. He is in favor of moving forward.

David Bower expressed concern about the delay in the process and not moving forward and missing the deadline of August.

Jim Griffin, is concerned about soft costs and the growing costs and that the District.

David Bower commented that the Board can vote to not impose the assessment for the repair and maintenance annually.

Motion to staff to prepare the necessary documentation to take action on the 218 budgets at the next meeting.

Motion by Jim Griffin, second by David Bower, approved by all.

H. DIRECTORS COMMENTS

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.

I. ADJOURNMENT

Motion to adjourn by David Bower seconded by Jim Griffin

There being no further business to come before the Board, the meeting was adjourned at 11:59 a.m.

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