



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

**Saturday, April 13th, 2019 9:00 a.m.**

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

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**Roll Call**

Robert Moore, President  
John Cullen, Secretary  
David Ferrari, Community Liaison

Jim Griffin, Director  
Jack Feinstein, Director  
Sarah Mansergh, Clerk

**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.

- Tentative Meeting Calendar 2019
  - May 11<sup>th</sup> -verify attendance
  - August 10<sup>th</sup>
  - November 9<sup>th</sup>
  - December 14<sup>th</sup>

**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 February 2nd, 2019

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

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2. Financial Reports
  - Financial Report through March 31<sup>st</sup>, 2019
  - Warrant listing

## **F. MEETING reports**

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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**

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4. ITEM-Review accounting firm proposals for 2018/19 audit
  - a. Board report
  - b. Public comment
  - c. Board discussion
  - d. Board action /direction
  
5. ITEM – Resolution to approve new contract for engineering services and designating a new engineer of record.
  - a. Board report
  - b. Public comment
  - c. Board discussion
  - d. Board action /direction
  
6. ITEM – Discussion about 2018/19 financial projections and preparation of 2019/2020 budget
  - a. Board report
  - b. Public comment
  - c. Board discussion
  - d. Board action /direction
  
7. ITEM – Update on Local Coastal Plan amendment process and meetings.
  - a. Board report
  - b. Public comment
  - c. Board discussion
  - d. Board action /direction
  
8. ITEM – Review and seek retroactive approval for insurance policy renewals
  - a. Board report
  - b. Public comment
  - c. Board discussion
  - d. Board action /direction

## **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 Meeting of the Board of Directors is scheduled for May 11th, 2019, 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) 818-9253, 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.

# PDGHAD

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

**Saturday, February 2nd, 2018 9:00 a.m.**

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

---

**Roll Call**

Robert Moore, President-not present  
John Cullen, Secretary-Present  
David Ferrari, Community Liaison  
Jim Griffin, Director –present  
Sarah Mansergh, Clerk-present

Steve Ericksson  
Jack Feinstein  
Carol Turley

**Meeting was called to order  
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.

- Tentative Meeting Calendar 2019  
April 13<sup>th</sup>  
May 11<sup>th</sup> **Move to May 18<sup>th</sup>**  
August 10<sup>th</sup>  
November 9<sup>th</sup>  
December 14<sup>th</sup>

**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 8<sup>th</sup>, 2018

**Jim G. moves to approve. David F. seconds. All approve**

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

---

2. Financial Reports
  - Financial Report through December 31st, 2018
  - Warrant listing

**Direct Sarah to set up David F. and John C. with a profile at SCCB.**

## **F. MEETING reports**

---

2. 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.

**Meetings attended by John C. and David F. on Dec. 11<sup>th</sup> with SC County to talk about impact of LCP on GHAD's seawall plan. January 18<sup>th</sup> Coastal Plan work group (HOAs that have come together to discuss this topic). A brief overview was given of the meetings.**

## **G. NEW BUSINESS**

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4. ITEM-Appoint New Director(s)
  - a. Board report
  - b. Public comment
  - c. Board discussion
  - d. Board action /direction

**Jack Feinstein is put forward as a candidate for the open position vacated by Robert Allen.**

**Jim G moves to appoint Jack Feinstein as a Director on the Board.**

5. ITEM – Welcome and Swearing in of Directors
  - a. Board report
  - b. Public comment
  - c. Board discussion
  - d. Board action /direction

**Sarah administered the Oath of Office to John Cullen, David Ferrari and newly appointed Director Jack Feinstein.**

6. ITEM – Review the Mission of the PDGHAD
- a. Board report
  - b. Public comment
  - c. Board discussion
  - d. Board action /direction

**The Board reviewed the Bylaws, including the purpose of the PDGHAD.  
Sarah will send the Pelican/GHAD riverwall agreement to all of the Directors.**

**Jim put forward a draft mission statement for review by the Board.**

**Board directs to bring back the draft submitted by Jim G. and compare it to the statements made for the Q and A from the assessment election.**

7. ITEM – Update on Local Coastal Plan amendment process and meetings.
- a. Board report
  - b. Public comment
  - c. Board discussion
  - d. Board action /direction

**John C and David F. attended meeting with the County to discuss the permitting process moving forward and next steps in evaluating the proposed maintenance plan. The results were:**

- 1) Resubmit Coastal Application to Coastal Commission**
- 2) Engineer reexamine plan submission for updates**
- 3) Establish an account with Santa Cruz County to start the permitting process (\$1,000 already sent to the County)**
- 4) Suggest a liaison who is familiar with the County's application process assist us in moving it forward.**

**Create a summary-what is proposed and a brief overview of the plan.  
Have Engineer update plan**

**Need to determine costs-especially for initial phase**

**County suggested \$25,000 go into the account for permitting moving forward. Find out how much to start?**

**Get estimate from ARUP for summary costs (Mike). Also contact Dan Peluso for interest in reviewing (Sarah).**

8. ITEM – Seawall/Riverwall inspection scheduling and costs
  - a. Board report
  - b. Public comment
  - c. Board discussion
  - d. Board action /direction

**Board directs Sarah to contact ARUP for possible scheduling for the seawall and detailed estimate for costs.**

9. ITEM – Website archive-how many years of documents do you want accessible on-line
  - a. Board report
  - b. Public comment
  - c. Board discussion
  - d. Board action /direction

**Board directs to include 5 years online.**

## **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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John C adjourns the meeting at 10:40am.

**Pajaro Dunes Geologic Hazard Abatement District**

**Balance Sheet**

As of March 31, 2019

Mar 31, 19

**ASSETS**

**Current Assets**

**Checking/Savings**

100000 · SCCB Zone 1 - 3957	168,085
100001 · SCCB Zone 2 - 3965	130,204
100003 · SCCB LTD- 0208	49,089
100400 · Union Bank Bond Holding	227,034

**Total Checking/Savings** 574,413

**Accounts Receivable**

120000 · Assessments Receivable	124,635
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**Total Accounts Receivable** 124,635

**Other Current Assets**

121500 · Prepaid Insurance	18,691
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**Total Other Current Assets** 18,691

**Total Current Assets** 717,740

**Fixed Assets**

150000 · Riverwall	3,000,000
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160000 · Accumulated Depreciation	<u>(1,424,997)</u>
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**Total Fixed Assets** 1,575,003

**TOTAL ASSETS** 2,292,743

**LIABILITIES & EQUITY**

**Liabilities**

**Current Liabilities**

**Accounts Payable**

200000 · Accounts Payable	<u>(6,253)</u>
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**Total Accounts Payable** (6,253)

**Other Current Liabilities**

220000 · Accrued Interest	7,240
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255000 · Unearned Revenue	17,803
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**Total Other Current Liabilities** 25,043

**Total Current Liabilities** 18,790

**Long Term Liabilities**

285000 · Bonds Payable Z2	1,240,000
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286000 · Bonds Payable Discount Z2	(52,250)
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286500 · Amort. Bond Discount Z2	29,251
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**Total Long Term Liabilities** 1,217,001

**Total Liabilities** 1,235,791

**Equity**

30000 · Opening Balance Equity	608,448
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32000 · Retained Earnings	242,054
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Net Income	206,449
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**Total Equity** 1,056,951

**TOTAL LIABILITIES & EQUITY** 2,292,743



**Pajaro Dunes Geologic Hazard Abatement District**  
**Profit & Loss Budget vs. Actual**  
 July 2018 through March 2019

	Zone 1			Zone 2		
	Jul '18 - Mar 19	Budget	\$ Over Budget	Jul '18 - Mar 19	Budget	\$ Over Budget
<b>Ordinary Income/Expense</b>						
<b>Income</b>						
410000 · Assessment Income	136,891	136,891	(0)	175,341	175,341	-
410020 · Emergency Reserve Fund	132,824	132,824	(0)	-	-	-
410050 · Assess. Income PDA Stairs	3,930	3,930	-	1,246	1,246	0
<b>Total Income</b>	<u>273,645</u>	<u>273,645</u>	<u>(0)</u>	<u>176,587</u>	<u>176,587</u>	<u>0</u>
<b>Expense</b>						
610155 · Postage and Mailings	360	4,500	(4,140)	-	-	-
61510 · Advertising	-	1,350	(1,350)	-	-	-
615115 · Office Expense	197	450	(253)	197	-	-
615140 · Audit Expense	7,900	10,000	(2,100)	-	-	-
61518 · Clerk	2,324	6,300	(3,976)	599	1,875	(1,276)
615415 · Accounting	6,675	13,736	(7,061)	-	-	-
615416 · Assessment Admin. Expense	5,936	8,000	(2,064)	754	1,000	(246)
615617 · Website Maintenance	165	4,050	(3,885)	-	-	-
615650 · Officer Election	-	2,475	(2,475)	-	-	-
615655 · Dues	-	1,650	(1,650)	-	-	-
615656 · Board/Clerk Education	-	2,200	(2,200)	-	-	-
616500 · Legal Fees	10,200	13,500	(3,300)	-	-	-
617250 · Seawall Inspections	-	24,450	(24,450)	-	-	-
617255 · Permits	1,000	-	-	-	-	-
617350 · Riverwall inspection	-	-	-	-	550	(550)
619010 · Technical Consulting Costs	-	12,000	(12,000)	-	-	-
628500 · Insurance Expense	7,499	7,500	(1)	-	-	-
629030 · SBA Repayment to PHA Z2	-	-	-	69,642	69,642	-
650000 · Bank Service Charges	9	-	-	265	-	-
750000 · Depreciation Expense Z2	-	-	-	74,997	74,997	-
<b>Total Expense</b>	<u>42,266</u>	<u>112,161</u>	<u>(69,895)</u>	<u>146,453</u>	<u>148,064</u>	<u>(1,611)</u>
<b>Net Ordinary Income</b>	<u>231,379</u>	<u>161,484</u>	<u>69,894</u>	<u>30,135</u>	<u>28,523</u>	<u>1,612</u>
<b>Other Income/Expense</b>						
<b>Other Income</b>						
410070 · Interest & Penalty Income	383	37	346	327	113	215
<b>Total Other Income</b>	<u>383</u>	<u>37</u>	<u>346</u>	<u>327</u>	<u>113</u>	<u>215</u>
<b>Other Expense</b>						
855000 · Interest Expense	3,001	1,976	1,025	51,208	51,208	-
955500 · Interest Bond Discount	-	-	-	1,566	1,566	-
<b>Total Other Expense</b>	<u>3,001</u>	<u>1,976</u>	<u>1,025</u>	<u>52,774</u>	<u>52,774</u>	<u>-</u>
<b>Net Other Income</b>	<u>(2,617)</u>	<u>(1,938)</u>	<u>(679)</u>	<u>(52,447)</u>	<u>(52,662)</u>	<u>215</u>
<b>Net Income</b>	<u><u>228,762</u></u>	<u><u>159,546</u></u>	<u><u>69,215</u></u>	<u><u>(22,313)</u></u>	<u><u>(24,139)</u></u>	<u><u>1,826</u></u>

**Pajaro Dunes Geologic Hazard Abatement District**  
**Profit & Loss Budget vs. Actual**  
July 2018 through March 2019

	TOTAL		
	Jul '18 - Mar 19	Budget	\$ Over Budget
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
410000 · Assessment Income	312,232	312,232	(0)
410020 · Emergency Reserve Fund	132,824	132,824	(0)
410050 · Assess. Income PDA Stairs	5,176	5,176	0
<b>Total Income</b>	<u>450,233</u>	<u>450,232</u>	<u>0</u>
<b>Expense</b>			
610155 · Postage and Mailings	360	4,500	(4,140)
61510 · Advertising	-	1,350	(1,350)
615115 · Office Expense	394	450	(56)
615140 · Audit Expense	7,900	10,000	(2,100)
61518 · Clerk	2,923	8,175	(5,252)
615415 · Accounting	6,675	13,736	(7,061)
615416 · Assessment Admin. Expense	6,690	9,000	(2,310)
615617 · Website Maintenance	165	4,050	(3,885)
615650 · Officer Election	-	2,475	(2,475)
615655 · Dues	-	1,650	(1,650)
615656 · Board/Clerk Education	-	2,200	(2,200)
616500 · Legal Fees	10,200	13,500	(3,300)
617250 · Seawall Inspections	-	24,450	(24,450)
617255 · Permits	1,000	-	1,000
617350 · Riverwall inspection	-	550	(550)
619010 · Technical Consulting Costs	-	12,000	(12,000)
628500 · Insurance Expense	7,499	7,500	(1)
629030 · SBA Repayment to PHA Z2	69,642	69,642	-
650000 · Bank Service Charges	274	-	274
750000 · Depreciation Expense Z2	74,997	74,997	-
<b>Total Expense</b>	<u>188,719</u>	<u>260,225</u>	<u>(71,506)</u>
<b>Net Ordinary Income</b>	<u>261,513</u>	<u>190,007</u>	<u>71,506</u>
<b>Other Income/Expense</b>			
<b>Other Income</b>			
410070 · Interest & Penalty Income	711	150	561
<b>Total Other Income</b>	<u>711</u>	<u>150</u>	<u>561</u>
<b>Other Expense</b>			
855000 · Interest Expense	54,209	53,184	1,025
955500 · Interest Bond Discount	1,566	1,566	-
<b>Total Other Expense</b>	<u>55,775</u>	<u>54,750</u>	<u>1,025</u>
<b>Net Other Income</b>	<u>(55,064)</u>	<u>(54,600)</u>	<u>(464)</u>
<b>Net Income</b>	<u><u>206,449</u></u>	<u><u>135,407</u></u>	<u><u>71,042</u></u>

**Pajaro Dunes Geologic Hazard Abatement District  
Bank Account Activity**

As of March 31, 2019

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Debit</u>	<u>Credit</u>	<u>Balance</u>
<b>100000 · SCCB Zone 1 - 3957</b>						<b>6,175.08</b>
Bill Pmt -Check	01/31/2019	1348	Jarvis, Fay, Doport & Gibson, LLP		4,540.00	1,635.08
Bill Pmt -Check	01/31/2019	1349	Sarah Mansergh		498.13	1,136.95
Bill Pmt -Check	01/31/2019	1350	Wendy L. Cumming, CPA		948.75	188.20
Bill Pmt -Check	03/14/2019	1351	County Clerk		75.00	113.20
Bill Pmt -Check	03/14/2019	1352	KBK Insurance		14,954.68	-14,841.48
Deposit	03/14/2019			182,935.55		168,094.07
Check	03/31/2019		SCCB service charge		9.00	168,085.07
Total 100000 · SCCB Zone 1 - 3957				182,935.55	21,025.56	168,085.07
<b>100001 · SCCB Zone 2 - 3965</b>						<b>20,862.71</b>
Bill Pmt -Check	01/31/2019	1305	Pelican Home Owner's Association		15,476.00	5,386.71
Bill Pmt -Check	01/31/2019	1306	Sarah Mansergh		148.79	5,237.92
Bill Pmt -Check	03/14/2019	1307	Pelican Home Owner's Association		7,738.00	-2,500.08
Deposit	03/14/2019			132,704.45		130,204.37
Total 100001 · SCCB Zone 2 - 3965				132,704.45	23,362.79	130,204.37
<b>100003 · SCCB LTD- 0208</b>						<b>80,133.32</b>
Deposit	01/31/2019		Interest	10.21		80,143.53
Deposit	02/28/2019		Interest	9.22		80,152.75
Check	03/14/2019	atm	Santa Cruz County Bank		31,070.11	49,082.64
Deposit	03/31/2019		Interest	6.70		49,089.34
Total 100003 · SCCB LTD- 0208				26.13	31,070.11	49,089.34
<b>100400 · Union Bank Bond Holding</b>						<b>260,049.48</b>
Check	01/31/2019	atm	Union Bank Bond Holding		32,972.50	227,076.98
Check	01/31/2019		Bank service charge		31.58	227,045.40
Deposit	01/31/2019		Interest	11.33		227,056.73
Check	02/28/2019		Bank service charge		31.58	227,025.15
Deposit	02/28/2019		Interest	8.71		227,033.86
Total 100400 · Union Bank Bond Holding				20.04	33,035.66	227,033.86
<b>TOTAL</b>				<b>315,686.17</b>	<b>108,494.12</b>	<b>574,412.64</b>



April 8, 2019

Board of Directors  
Pajaro Dunes Geologic Hazard Abatement District  
Watsonville, California 95076

Dear Members of the board:

Thank you for the opportunity to present Hutchinson and Bloodgood LLP's qualifications to serve as auditors for Pajaro Dunes Geologic Hazard Abatement District (the "District"). The services you have requested are an annual audit of the financial statements for the year ending June 30, 2019, in accordance with generally accepted auditing standards.

We operate in a paperless environment, and set up a secure file sharing site to exchange client data. Our typical audit begins with a client interview and documentation of internal controls. While we do not test controls, we perform "walkthroughs" of those controls to determine if they are operating as planned, and in order to plan our substantive audit procedures. Due to our use of technology and paperless environment, we generally find that we can perform audit procedures in our office, including sample selections and audit confirmations.

We reach out to the board members during the planning/fieldwork to see if there are any concerns, and will meet with them again once the draft financial statements are prepared to review results and discuss any issues that may have arisen during the audit.

We have estimated that our audit fee will range from \$7,900 - \$9,000, based on our past experience with the District. Our fees are billed at our standard hourly rates, which range from \$125 for staff accountants, roughly \$200 for managers, and \$300 for partners.

We have no known relationships and/or conflicts of interest with respect to Pajaro Dunes Geologic Hazard Abatement District.

Thank you again for considering Hutchinson and Bloodgood LLP. Please feel free to contact me for any additional information that may help you in your decision process. You may also view our website at: [www.hblp.com](http://www.hblp.com).

Regards,

HUTCHINSON AND BLOODGOOD LLP

Karen Semingson, CPA  
Partner



**PROPOSAL TO PROVIDE  
PROFESSIONAL AUDITING SERVICES**

**Pajaro Dunes Geologic Hazard Abatement District**



**Bryant L. Jolley, CPA**

**901 "N" Street, Suite 104  
Firebaugh, Ca 93622  
Phone: (559) 659-3045  
Fax: (559) 659-0615  
FID #94-2706107**

**April 8, 2019**

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April 8, 2019

Pajaro Dunes Geologic Hazard Abatement District

We are pleased to provide this response to the Pajaro Dunes Geologic Hazard Abatement District (the "District"), request for proposal for an independent accounting firm to provide audit and related financial services for the fiscal year ending June 30, 2019. The all-inclusive fee for June 30, 2019 is \$8,000. (see Exhibit A for detail of all inclusive fee).

We understand the scope of work will include Audited Financial Statements, the Annual Financial Transaction Report, and a Management Report. We also understand the audit and reports are to be conducted in accordance with generally accepted auditing standards (GAAS) as set forth by the American Institute of Certified Public Accountants (AICPA), generally accepted government auditing standards (GAGAS) as set forth by the General Accounting Office's (GAO) Government Auditing Standards, U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations, and State of California Controller's Minimum Audit Requirements for California Special Districts. Finally, we understand the objective of the services to be performed and commit to performing those services within the time period specified by the Pajaro Dunes Geologic Hazard Abatement District.

We have specialized in the auditing of cities, special districts and companies over the past 40 years and have performed over 700 such audits. Our firm consists of three CPA's who have over sixty years combined auditing experience making us premier auditors.

We seek to conduct the District audit because we feel our experience and expertise with auditing makes us a perfect fit for the engagement. We can provide value to the District through the quality of our work, the timeliness of our performance, our knowledge of governments, team consistency, and, most important, a strong relationship among the people on our team.

In the following proposal, you will see that our firm is capable of consistently delivering high levels of value to the District. You will work with an auditor that is stable and responsive. You will receive accurate, reliable, and timely service that is fairly priced. And you will have continual access to senior-level team members who are knowledgeable, qualified, and consistent. Unlike other firms, our Partners participate in all parts of the audit engagement.

Bryant L. Jolley, CPA will serve as the principle contact authorized to make representations on behalf of this bid. This proposal is firm and irrevocable offer for 60 days. He can be reached by phone at 559-659-3045, by e-mail at [jollmann@sbcglobal.net](mailto:jollmann@sbcglobal.net), or by mail at 901 "N" Street, Suite 104, Firebaugh, CA 93622.

We are eager to work with the District and look forward to demonstrating to your Board of Directors our commitment to providing a cost-effective, high-quality audit of the District. We look forward to your response. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bryant L. Jolley', written in a cursive style.

Bryant L. Jolley, CPA



## TECHNICAL PROPOSAL

Our firm is independent of the Pajaro Dunes Geologic Hazard Abatement District as defined by the U.S. General Accounting Office's Government Auditing Standards. Our firm is licensed to operate as a certified public accounting firm by the State of California. All professional staff is properly licensed to practice in California.

Our firm consists of three CPA's and two other professionals who have over sixty years combined auditing experience making us premier auditors of local governments. Our firm performs approximately 45 governmental audits annually. Because of the size of our firm and the experience of the individuals, all members of our firm will be involved in this engagement. Our office is located Firebaugh, CA and this office will be responsible for the audit.

Our firm is in compliance with all GAO standards for continuing education and we recently completed a peer-review of our work, which included government engagements, by an independent CPA firm. The review resulted in a qualified opinion on our system of quality control.

The people who serve you today will be the people who serve you tomorrow. **Our firm's turnover rate is 0%, which ensures continuity on your engagement. Our firm only consists of senior level members who have significant years of auditing experience.** Your engagement team will not contain staff accountants nor will you have to train new audit team members in succeeding years. We highly emphasize senior level involvement because these are the team members who know the most about you and your operations. Their involvement assures quick resolution of issues, better job management, closer supervision, and expeditious review of work papers. These are the people who will remain consistently committed to your engagement.

The following information outlines the qualifications and experience of the individuals who would be assigned to the engagement.

## QUALIFICATIONS OF YOUR AUDIT TEAM

### **BRYANT JOLLEY, CPA**

#### *AUDIT ROLE: CLIENT SERVICE PARTNER/ENGAGEMENT REVIEWER*

Bryant Jolley will be the in-charge person for the District audit. He has been a licensed CPA since 1976 and has operated his own firm since 1980. He graduated from Brigham Young University in 1974 and did graduate accounting studies at the University of Southern California. His initial training as an auditor was with Deloitte Touche, an international CPA firm. The first governmental audit he performed was in 1979 and he has been extensively engaged in governmental accounting since that date. He is the in charge person on an average of thirty city or special district audits each year. This experience allows him to have a unique understanding of the accounting and fiscal problems facing governmental units and provide concrete recommendations to improve overall efficiencies. He has received over 80 hours of government-specific continuing professional education over the last two years and is a member of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants.

### **RYAN JOLLEY, CPA**

#### **AUDIT ROLE: ENGAGEMENT PARTNER**

Ryan Jolley is a licensed certified public accountant who joined our firm in 2004. He graduated with an undergraduate degree in accounting in 2002 and entered the Masters program in accounting at San Diego State University the same year. During this period he started work as a staff auditor with Moss Adams LLP, a large national CPA firm. He interned with our firm for several summers during college and worked on numerous governmental audits. He was the primary senior non-profit/governmental auditor for the Moss Adams San Diego office. Since then he has worked extensively with several cities helping them with the GASB 34 conversion process. He has over 10 years of experience with auditing municipalities, colleges, and commercial entities as well as conducting Single Audits under OMB Circular A-133 standards.

### **DARRYL SMITH, CPA**

#### **AUDIT ROLE: ENGAGEMENT SENIOR MANAGER**

Darryl Smith is a licensed certified public accountant who joined the firm in 1982. Since that time he has worked closely with Bryant Jolley on all audit engagements including approximately 200 governmental audits. Additionally, he has helped many cities and districts with temporary accounting projects or other operational emergencies. This has provided him with extensive working knowledge of the commonly used governmental accounting software programs and allows him to be available for normal accounting questions or assistance throughout the year. He is a member of the American Institute of Certified Public Accountants.

## **OUR EXPERIENCE AUDITING ENTITIES**

### **Moss Landing Harbor District**

**Principal Contacts:** Director of Admin. Services (831-633-5417)

**Engagement Dates:** June 30, 2018

**Approximate Staff Hours Expended:** 150 hours

**Scope of Work:** Audited Financial Statements

### **City of San Juan Bautista**

**Principal Contacts:** City Manager (831-623-4661)

**Engagement Dates:** June 30, 2018

**Approximate Staff Hours Expended:** 120 hours

**Scope of Work:** Audited Financial Statements, Annual Financial Transaction Report

### **Second Harvest Food Bank Santa Cruz County**

**Principal Contacts:** Finance Director (831-722-7110 x207)

**Engagement Dates:** June 30, 2018

**Approximate Staff Hours Expended:** 150 hours

**Scope of Work:** Audited Financial Statements

## **Chowchilla Water District**

**Principal Contacts:** Lela Beatty, Treasurer (559-665-3747)

**Engagement Dates:** December 31, 2018

**Approximate Staff Hours Expended:** 80 hours

**Scope of Work:** Audited Financial Statements, Annual Financial Transaction Report

## **San Luis Water District**

**Principal Contacts:** Finance Officer (209-826-4043)

**Engagement Dates:** February 29, 2018

**Approximate Staff Hours Expended:** 100 hours

**Scope of Work:** Audited Financial Statements, Annual Financial Transaction Report

## **HOW WE APPROACH YOUR AUDIT**

Our effective and efficient audit approach combines knowledge of governmental accounting and auditing with an understanding of the associated risks. We are value-driven and seek to maximize the return on your investment in the audit process through in-depth analysis of your financial statements and your internal controls. Throughout the engagement, our team will collaborate with your staff whenever possible to minimize costs and improve efficiencies. Of course, we will need assistance with preparing schedules, finding documents, explaining processes, and providing sample documentation, budget related materials, organizational charts, and manuals.

### **Audit Standards**

The auditor's opinion will be directed toward the fairness of presentation of the financial statements in accordance with Generally Accepted Auditing Standards (GAAS), generally accepted government auditing standards (GAGAS), and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations. We will prepare the Annual Financial Report in conformity with Government Code Section 26909, Generally Accepted Accounting Principles (GAAP), and Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States General Accounting Office.

### **Pre-Audit**

We are very familiar with the audit issues facing the District. We have adjusted our audit services to incorporate these specialized areas and approach the audit from the following aspects:

- ◆ Where are the District's greatest exposures?
- ◆ How does the District safeguard against risks?
- ◆ How does the District internally evaluate its organization?
- ◆ What are the controls used by the District to measure accountability?

Our approach to the District audit is truly a design that will be as unique as the entity itself and is based on the areas we find to be the most vulnerable. Our focus includes evaluating internal controls that ensure adherence to applicable federal and state laws and regulations. We place a substantial amount of our time reviewing and assessing such high-risk areas during our evaluation. This risk-based approach focuses our efforts on what is important to you and your stakeholders and enables us to present you with meaningful suggestions.

We monitor our performance using a variety of qualitative and quantitative measures. First and foremost, we honor our agreement with you, completing the engagement on-time and on-budget. When you talk to our references, you will find that this sets us apart from most regional and national CPA firms. Typically in a first year audit engagement, we invest additional time in your audit, which is **not** billed to you as cost over-runs. Rather, we view it as an investment in our long-term professional relationship.

We measure our audit performance in the response we receive from the entity and its staff. In addition, we report directly to management and the Board in face-to-face meetings, providing meaningful information and answering questions directly.

### Segmentation of the Audit

Our audit involves a logical sequence of five steps that ensures compliance with the applicable professional standards and the expeditious completion of the audit. We will tailor our audit to the needs and complexity of the District.

1. **Planning** – First, we learn everything we can about the District and its related organizations - from organizational structure to policies and procedures. We read meeting minutes, review budgets, assess manuals and programs, hold discussions with key management staff, and evaluate management information systems. Based on what we learn, we develop our expectations regarding current year results, and then compare our expectations to actual results. This helps us develop risk assessments for each audit segment to determine what level of control testing and/or substantive testing is necessary to address the assessed risk. We then design our audit program accordingly.
2. **Control Testing** – Depending on our risk assessments, we determine specific audit cycles to test for internal controls and we evaluate the results. Based on the results against our expectations, we then determine if any modification is necessary to our planned substantive audit procedures on ending account balances and transactions. Based on the information we have obtained to date, we plan to test controls to obtain moderate to substantial reliance over cash and investments, revenues and related receivables, expenses and related payables, capital outlay, and long-term debt. This is subject to change once we gather more information as part of our audit planning procedures.
3. **Substantive Testing** – Our overall objective is to achieve a low level of risk of error in ending account balances. After we have performed our preliminary analytical and internal control tests and evaluated the results, we determine the nature, timing, and extent of detailed audit procedures on ending account balances and transactions necessary to achieve a low level of risk that errors could be present without detection.

4. **Compliance Testing** – The State requires testing organizational compliance with certain laws and regulations. In addition, we will test your compliance with federal laws. We have specially-designed audit programs that ensure we adequately address both areas.

5. **Report Writing and Review** – After all the fieldwork is complete, we draft our opinions and other reports. As part of our firm’s quality control process, Bryant Jolley is required to review our audit files and audit report to improve the quality of our audits and to ensure optimum quality. We have a requirement that only personnel involved in our audit service team can be involved in the review of our work. This ensures that our clients are served with professionals trained in auditing and accounting standards.

6. **Statistical Sampling** - Sampling to be used during our audit will include random sampling methods for tests of controls and for substantive tests of details. Sampling will be used throughout the engagement to test most financial statement balances.

We will select the most appropriate sampling technique for a given compliance test, tailored to the type and nature of the test.

7. **Analytical Procedures** - Analytical procedures are generally performed throughout the audit engagement, and result in substantial discussion with management. Initially, at the planning phase of the audit, comparisons are made between current and prior year results, actual and budgetary information, and to industry benchmarks. We use common size financial statements and trend and ratio analyses to aid us in developing our audit plan and programs. Non-financial data and external information are incorporated in our procedures to enhance their validity, and information is disaggregated as much as possible to improve precision.

During our substantive testing of balances, we typically analyze the detail of changes to certain accounts. For example, this approach is often used with sampling in our testing of capital asset, long-term debt and investment accounts.

At the conclusion of the audit, we again employ analytical procedures similar to those used at the planning phase. The audit team takes a holistic view of the financial statements in light of the results of all other auditing procedures performed. We discuss our observations with management and provide information to the Board as part of our audit result presentation. Our clients find this to be the most important value of their annual audit process. It produces beneficial information far beyond the audit of the financial statements they initially expect.

#### **AUDIT: Documenting internal control structure**

- ◆ Obtain copies of all available system and policy/procedure documentation from the District finance, treasury, human resources, information technology, grant management, budget department, and personnel. This will include organization charts, narratives and flowcharts. Copies will be retained in our permanent working paper file. This documentation will be updated annually for any changes.
- ◆ Review the above-described documentation and meet with the District personnel to make inquiries about, and discuss questions that arise from, our review.
- ◆ Document and assess the adequacy of internal controls over the various systems, and develop preliminary risk assessments for each of them. As mentioned earlier in our discussion of audit approach, the framework of this system incorporates the requirements of auditing standards related to internal control and fraud detection.

At the planning phase of our audit and in accordance with Statement on Auditing Standards (SAS) 99, *Consideration of Fraud in a Financial Statement Audit*, we will hold a brainstorming meeting to discuss fraud risks related to the District and design the audit to take those risks into account. Provisions of this new and important auditing standard will be incorporated throughout our audit.

# EXHIBIT A

## TOTAL MAXIMUM PRICE – RESPONSE TO DISTRICT RFP

	2019 Total
District Audit	\$ 7,500
State Controller Report, if assistance is needed	\$ 500
<b>Grand Total</b>	<b>\$ 8,000</b>

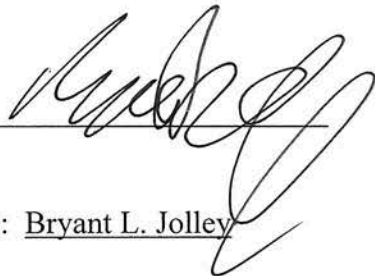
**\*\*There will be no additional out-of-pocket expenses. Total all-inclusive hours is expected to be approximately 45 hours.**

Submitted By:

Firm Name: Bryant L. Jolley, CPA

I hereby certify that the undersigned is authorized to represent the firm stated above, and empowered to submit this bid, and if selected authorized to sign a contract with the District, for the services identified in the Request For Proposal.

Signature: \_\_\_\_\_



Printed Name: Bryant L. Jolley

Date: April 8, 2019

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

**Resolution Authorizing the Board President to Execute an Agreement for  
Engineering Services and Designating a New Engineer of Record**

**Resolution No. 2019-01**

**WHEREAS**, in order to fulfill the District's primary obligation to provide and maintain structures that protect homes and property within the District from impacts associated with proximity to natural sources of water, the District has an ongoing need for engineering services; and

**WHEREAS**, the District currently has a non-exclusive contract for such services with ARUP; and

**WHEREAS**, procuring the services of an engineering firm with local contacts and with knowledge of the approval procedures imposed by local entities with jurisdiction over the District's activities is important to the District's prospective efforts; and

**WHEREAS**, Dan Peluso, principal engineer for Cal Engineering & Geology, Inc., who was previously involved in ARUP's preparation of various revetment plans for the District's Seawall, and who has had previous experience with Santa Cruz County Planning and the California Coastal Commission, has indicated a willingness to provide engineering services for the District.

**NOW THEREFORE, BE IT HEREBY RESOLVED** that the Board of Directors of the Pajaro Dunes Geologic Hazard Abatement District authorizes its President to execute a contract with Cal Engineering & Geology, Inc. for engineering services, on a task order basis, in a form to be prepared and/or approved by District Counsel.

**BE IT FURTHER RESOLVED** that the Board hereby designates Cal Engineering & Geology, Inc. as its Engineer of Record and directs staff to take any and all efforts necessary to formally establish and memorialize this designation.

**BE IT FURTHER RESOLVED** that the Board hereby directs Staff to take any and all efforts necessary to terminate the District's contract for services with ARUP, including preparation of a letter expressing the District's gratitude for years of good service.

**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 13<sup>th</sup> day of April, 2019, by the following vote:



**AYES:**  
**NOES:**  
**ABSENT:**  
**ABSTAIN:**

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

ATTEST \_\_\_\_\_  
Sarah Mansergh, Clerk of the Board



SINCE 1908

**INSURANCE**

1006 Freedom Blvd • P.O. Box 310  
Watsonville, CA 95077

PHONE (831) 724-1085  
FAX (831) 724-1089  
www.kbkinsurance.com

March 7, 2019

Pajaro Dunes Geologic Hazard Abatement District  
c/o Sarah Mansergh  
134 Landis Ave.  
Freedom, CA 95019

Re: Directors and Officers through Indian Harbor Insurance Co.  
Policy No: POL0952899

Dear Board of Directors:

Indian Harbor Insurance Co. has offered you a **Directors and Officers** policy for an annual premium of **\$11,841.68**. This amount includes our broker fee of \$250. A detailed copy of their renewal offer is enclosed for your review. This renewal offer was released as an indication because the requested renewal application was not received for formal review. The insurance carrier is requiring that we provide them with the completed application and latest 12 month financial statement for their review prior to coverage being bound. The offer and pricing could be subject to change after review of the requested information.

Please review this proposal, including exclusions and limitations. If there are changes to be made, please contact our office. Optional coverage and endorsements may be available, some for an additional charge, should insurance needs change. Higher limits may also be available. All coverages are subject to the insurance company's underwriting requirements and the placement of additional protection must be approved.

**It is required that you notify us of any additional entities or changes in your operations or exposures including any claims or potential claims. Failure to do so could jeopardize your coverage.**

Enclosed, please find the D-1 form, Brokerage Fee Disclosure and Application that you need to review, complete, sign and return to our office if you would like to accept this offer.

In order to bind the above coverage, please issue a check payable to KBK Insurance Agency for the full-payment in the amount of **\$11,841.68** and mail it to our office along with the signed forms and requested documentation prior to 03/11/2019. **Please be advised, this quote and/or policy expire on 3/12/2019. If we do not hear back from you before then, we will close our file.**

Please do not hesitate to call if you have any questions.

Sincerely,

Sondra Carter  
Customer Service Representative





**INSURANCE**  
1006 Freedom Blvd • P.O. Box 310  
Watsonville, CA 95077

PHONE (831) 724-1085  
FAX (831) 724-1089  
www.kbkinsurance.com

SINCE 1908

March 7, 2019

Pajaro Dunes Geologic Hazard Abatement District  
c/o Sarah Mansergh  
134 Landis Ave.  
Freedom, CA 95019

\*\*\*\*\*INVOICE\*\*\*\*\*

<b>INSURED:</b>	Pajaro Dunes Geologic Hazard Abatement District
<b>PAYMENT FOR:</b>	Directors and Officers Indian Harbor Insurance Co. Policy #POL0952899
<b>ACCOUNT #:</b>	00004327
<b>EFFECTIVE:</b>	3/12/2019 - 3/12/2020
<b>DESCRIPTION:</b>	Renewal
<b>TOTAL:</b>	\$11,841.68

*This amount is immediately due.*

*Please make check payable to:  
KBK Insurance Agency*





Mar 07, 2019

Sondra Carter  
KBK Insurance Agency  
1006 Freedom Boulevard  
Watsonville, CA 95076

Re: Pajaro Dunes Geologic Hazard Abatement District, Ref# 7228739-A  
Proposed Effective 3/12/2019 to 3/12/2020

Dear Sondra:

We are pleased to confirm the attached quotation for **Public Officials Management & Employment Practices Liability** being offered with **Indian Harbor Insurance Company**. This carrier is **Non-Admitted** in the state of **CA**. Please note that this quotation is based on the coverage, terms and conditions as stated in the attached quotation, which may be different from those requested in your original submission. As you are the representative of the Insured, it is incumbent upon you to review the terms of this quotation carefully with your Insured, and reconcile any differences from the terms requested in the original submission. CRC Insurance Services, Inc. disclaims any responsibility for your failure to reconcile with the Insured any differences between the terms quoted as per the attached and those terms originally requested. The attached quotation may not be bound without a fully executed CRC brokerage agreement.

**NOTE: If insured is located outside your resident state, we must receive a copy of your non-resident license prior to binding.**  
**The Insurance Carrier indicated in this quotation reserves the right, at its sole discretion, to amend or withdraw this quotation if it becomes aware of any new, corrected or updated information that is believed to be a material change and consequently would change the original underwriting decision.**

**Home State: California**  
The Home State was determined based on the information provided in your submission and the completed Declaration of Home State form. Please ensure the correct Home State is listed. Incorrect information could result in additional or return taxes, fees, surcharges, penalties, interest, and assessments at a later date, and in addition to what is shown. Additionally, please note that this is the current tax calculation based on the Home State but there could be changes that result in additional or return tax - due at a later date - based on future enactments of surplus lines laws by any of the various states.

Should coverage be elected as quoted per the attached, Premium and Commission are as follows:

<b>Premium:</b>	\$10,745.00
Broker Fee	\$250.00
Policy Fee	\$245.00
Surplus Lines Tax	\$329.70
Stamping Office Fee	\$21.98
<b>Total:</b>	<b>\$11,591.68</b>

Tax Filings are the responsibility of:  Your Agency       CRC  Not Applicable

Commission: 10%

**Broker Fees & Policy Fees are Fully Earned at Binding**

Should **Pajaro Dunes Geologic Hazard Abatement District** elect to bind coverage as per the attached, simply complete the Request to Bind box below and return to our office prior to the requested effective date of coverage. Should you have any questions, please feel free to contact our office.

CRC is compensated in a variety of ways, including commissions and fees paid by insurance companies and fees paid by clients. Some insurance companies pay brokers supplemental commissions (sometimes referred to as "contingent commissions" or "incentive commissions"), which is compensation that is based on a broker's performance with that carrier. These supplemental commissions may be based on volume, profitability, retention, growth or other measures. Even if a contingent commission agreement exists with a carrier, we recognize that our responsibility is to promote the best interests of the policyholder in the selection of an insurance company. For more information on CRC's compensation, please contact your CRC broker.

**Financing Insurance Premiums**

Premium financing budgets insurance payments and improves liquidity for other business objectives: working capital, business growth, building expansion.

If your clients choose to pay their insurance in monthly installments, it's fast and easy with AFCO & Prime Rate Insurance Premium Finance Companies, which are affiliates of CRC. AFCO provides premium financing solutions for large and mid-size corporate accounts; Prime Rate offers solutions for smaller commercial and personal lines.

Find out how premium financing works and how it can expand your relationship with your clients by e-mailing [premiumfinance@afco.com](mailto:premiumfinance@afco.com); or call toll-free **866-669-0937** and press **81**. Additional information is available at [www.afco.com](http://www.afco.com) and [www.primeratepfc.com](http://www.primeratepfc.com).

Sincerely,

Yolanda Hernandez  
Account Executive  
415 9518463  
[Yhernandez@orcins.com](mailto:Yhernandez@orcins.com)  
7228739

<b>REQUEST TO BIND COVERAGE</b>	
Complete and return to Yolanda Hernandez via email at <a href="mailto:Yhernandez@orcins.com">Yhernandez@orcins.com</a> .	
Submission #: 7228739-A Pajaro Dunes Geologic Hazard Abatement District	
Agency Response: <input type="checkbox"/> Yes, please bind as quoted, effective: _____	
PREMIUM IS BEING FINANCED BY _____	ACCOUNT # _____
Name of Premium Finance Company	
Signed by: _____	Date: _____
Representative of KBK Insurance Agency	

**CONFIDENTIAL**

**NOTICE:**

- 1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NONADMITTED" OR "SURPLUS LINE" INSURERS.**
- 2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.**
- 3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**
- 4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINE" BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357 OR INTERNET WEB SITE WWW.INSURANCE.CA.GOV. ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC'S INTERNET WEB SITE AT WWW.NAIC.ORG.**
- 5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE'S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.**
- 6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED STATES AND SHOULD BE ON THE NAIC'S INTERNATIONAL INSURERS DEPARTMENT (IID) LISTING OF**

**APPROVED NONADMITTED NON-UNITED STATES INSURERS. ASK YOUR AGENT, BROKER, OR "SURPLUS LINE" BROKER TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.**

**7. CALIFORNIA MAINTAINS A LIST OF APPROVED SURPLUS LINE INSURERS. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: WWW.INSURANCE.CA.GOV.**

**8. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER'S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.**

**D-2 (Effective January 1, 2017)**



**Professional  
Governmental  
Underwriters, Inc.**  
**The Authority.**

DBA: PGB Insurance Agency CA License #: 0F65220  
9020 Stony Point Parkway, Suite 455  
P.O. Box 35471  
Richmond, VA 23235 www.pgul.com

EST. 1993 **25**  
*years*  
of excellence

**Public Officials Management & Employment  
Practices Liability**

DBA: PGB Insurance Agency CA license #: 0F65220

**Date:** 03/7/2019

**To:** Yolanda P. Hernandez  
CRC - San Francisco  
**Email:** yhernandez@crcswett.com

**Proposed Insured:** Pajaro Dunes Geologic Hazard Abatement District  
c/o Sarah Mansergh 134 Landis Avenue  
Freedom, CA 95019

**Application #:** POL0952899-REN

Thank you very much for your submission. Based upon the information received and subject to the limitations outlined below, we are pleased to offer the following:

**INDICATION**

This Indication is not an offer to bind coverage. If we are provided with acceptable underwriting information and determine that a quote can be offered, it may differ from the indication.

**Coverage:** See coverage form PGU POL 2001 (04/2017) for terms, conditions and limitations

**Form:** Claims Made

**Retro Date:** None - Full Prior Acts

**Insurer Information:** Indian Harbor Insurance Company  
A member of the AXA XL Group of Companies  
Best Rating: A XV  
Surplus Lines Insurer

**Filings / Taxes:** PGU Not Responsible For Tax Filings

**Commission:** 10%

**Quotation / Indication valid until:** 3/12/2019

If we are offering coverage on a surplus lines basis, the agent is responsible for handling of filings unless we note otherwise on this quotation. If we have provided terms using bid specifications or an application other than ours, the quote is subject to change pending review of a completed and signed PGU application.



# Public Officials Management & Employment Practices Liability

Proposed Insured: Pajaro Dunes Geologic Hazard Abatement District

Terms	Limits	Retentions each claim including LAE	Premium
Public Officials Management	\$1,000,000	\$10,000	\$4,719.00
Employment Practices Liability	\$1,000,000	\$25,000	Included
Policy Aggregate	\$1,000,000		
Non-Monetary Coverage - Defense Only	\$50,000	\$10,000	Included
Non-Monetary Coverage - Defense Only Aggregate	\$100,000		
Crisis Management	\$25,000	\$5,000	Included
<b>Features/Enhancements</b>			
Punitive Damages		See Retentions Above	Included
Personal Injury		See Retentions Above	Included
Third Party Wrongful Acts		See Retentions Above	Included
Back Pay / Front Pay		See Retentions Above	Included
Loss of Earnings		See Retentions Above	Included
<b>Optional Increased Limits</b>			<b>Additional Premium</b>
	2,000,000 CSL		\$1,526.00
	3,000,000 CSL		\$1,500.00
	4,000,000 CSL		\$1,500.00
	5,000,000 CSL		\$1,500.00
<b>Premium, Fees and Taxes</b>			
	<b>Total Premium:</b>		\$10,745.00
	<b>Policy Fee :</b>		\$245.00
Premium is subject to 3.2% taxes/fees. Premium is 25% fully earned and payable within 20 days of the effective date. CRC Insurance Broker Fee: \$250.00			
	<b>Total Cost:</b>		\$10,990.00
<b>Comments:</b>			
By purchasing this coverage, you will have the opportunity to register for our EPL Risk Management Website where you will be able to access up-to-date articles and information, live online and on-demand seminars, as well as on-demand and live online training on topics every EPL insured needs. You will also be provided with a toll-free EPL Loss Prevention Hotline to access our EPL Risk Management Specialists if you have questions on employment related issues or believe you may have an issue that could potentially lead to a future claim. Insureds can access these services throughout the policy period at no additional cost.			

Proposed Insured: Pajaro Dunes Geologic Hazard Abatement District

**SUBJECTIVITIES - WE MUST BE PROVIDED WITH THESE ITEMS BEFORE COVERAGE CAN BE BOUND:**

Receipt of fully completed, signed and dated PGU renewal business application, a copy of which can be found at <http://www.pgui.com>. Application is due to our office within 10 business days of binding. Quote is subject to change pending our review of responses to all questions on our application.

Name, e-mail address, and phone number of insured contact for EPL Loss Prevention services.

Deadly Weapon Protection Insurance is available through Professional Governmental Underwriters, Inc. Please contact your underwriter if you are interested in additional information about this new product.

**Reminders:**

A written request is required to bind coverage.

Backdating of coverage is not allowed.

See attached Coverage Features attachment for additional information.

Limits, retentions, terms and conditions quoted do not necessarily match those requested.

This proposal contains a brief outline of coverages to be included in any policy that may be issued in the future.

This is only a summary and the Terms and Conditions of any policy will take precedence over any proposal.

Minimum Earned Premium is the GREATER of \$1,500 or 25% of annual premium.

We will not cancel flat after inception date.

Engineering Fee is non-refundable.

**Applicable Forms:** (Other forms may apply. Consult Underwriter for details.)

- PN CA 02 01 17 Import Information to Policyholders - California
- PN CA 05 01 17 Notice to Policyholder - California Surplus Lines Notice
- PGU POL 2000 04 17 Public Officials and Employment Practices Liability Declarations
- IL MP 9104 0314 IHIC 03 14 In Witness
- PGU 2002 04 17 Schedule of Policy Forms and Endorsements
- PGU POL 2001 04 17 Public Officials and Employment Practices Liability Insurance Policy
- PGU 1052 (POL) 04 17 Minimum Earned Premium Upon Cancellation
- XL-CASOP 11 10 Service of Process
- PN CW 01 09 15 Notice to Policyholders - Fraud Notice
- PN CW 02 10 15 Notice to Policyholders - Privacy Policy
- PN CW 05 09 14 Notice to Policyholders - U.S. Treasury Department's Office of Foreign Assets Control ("OFAC")



***Public Officials Management & Employment Practices Liability***

<b>Coverage Features</b>	<b>We welcome a comparison!</b>	
	<b>PGU - The Authority</b>	<b>The Others</b>
Defense in Addition to Limit	X	
Covers D&O, E&O and EPL	X	
Sublimit for Defense for Non-Monetary claims	X	
Modified Consent to Settle Clause with only 40% co-insurance requirement for insured	X	
Business Invitee (Third Party) Liability covering Harrassment, Discrimination and Invasion of Privacy	X	
Broad definition of Loss including Back and Front Pay and Punitive Damages with a most favorable venue	X	
Broad definition of Wrongful Act including Personal Injury	X	
Broad definition of Claim including coverage for regulatory proceedings, arbitration hearings and EEOC hearings, subject to exclusions	X	
Severability of the Application for all individual insureds for all exclusions (not just personal profit and fraud exclusions)	X	
75-day free mini-tail	X	
Bi-Lateral ERP options of 1, 2 and 3 years	X	
Policy Non-Cancelable mid-term by carrier, except for non-payment of premium	X	
True Worldwide Coverage	X	
Sub-limit for Wage & Hour (FLSA)	Optional	
Sub-limit for Crisis Management	X	
EPL Loss Prevention Hotline and EPL Risk Management website for employment law and HR support.	X	

***This document is intended to summarize key coverage features generally available. It does not summarize your quotation / indication. Please review the entire quotation / indication and policy form and endorsements for specific details.***



SINCE 1908

## INSURANCE

1006 Freedom Blvd • P.O. Box 310  
Watsonville, CA 95077

PHONE (831) 724-1085  
FAX (831) 724-1089

February 8, 2018

Pajaro Dunes Geologic Hazard Abatement District  
c/o Sarah Mansergh  
134 Landis Ave.  
Freedom, CA 95019

Re: Package through Scottsdale Insurance  
Policy No: CPS2627493

Dear Board of Directors:

Scottsdale Insurance has offered you a **Package** policy for an annual premium of **\$3,113**. This amount includes our broker fee of \$100. A detailed copy of the renewal offer is enclosed for your review. Terrorism coverage is also available for an additional premium.

Please review this proposal, including exclusions and limitations. If there are changes to be made, please contact our office. Optional coverage and endorsements may be available, some for an additional charge, should insurance needs change. Higher limits may also be available. All coverages are subject to the insurance company's underwriting requirements and the placement of additional protection must be approved.

**It is required that you notify us of any additional entities or changes in your operations or exposures. Failure to do so could jeopardize your coverage.**

Enclosed, please find the Terrorism disclosure, D-1 form, Brokerage Fee Disclosure and Application that you need to review, sign and return to our office if you would like to accept this offer. Please mark the terrorism form either accepting or rejecting the offer for coverage. Should you wish to accept the offer for terrorism coverage please contact me for the additional premium due.

In order to bind the above coverage, please issue a check payable to KBK Insurance Agency for the full-payment in the amount of **\$3,113** and mail it to our office along with the signed forms prior to 03/27/2018. **Please be advised, this quote and/or policy expire on 3/29/2018. If we do not hear back from you before then, we will close our file.**

Please do not hesitate to call if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Sondra Carter', written over a light blue horizontal line.

Sondra Carter  
Customer Service Representative





SINCE 1908

**INSURANCE**

1006 Freedom Blvd • P.O. Box 310  
Watsonville, CA 95077

PHONE (831) 724-1085  
FAX (831) 724-1089

February 8, 2018

Pajaro Dunes Geologic Hazard Abatement District  
c/o Sarah Mansergh  
134 Landis Ave.  
Freedom, CA 95019

\*\*\*\*\*INVOICE\*\*\*\*\*

<b>INSURED:</b>	Pajaro Dunes Geologic Hazard Abatement District
<b>PAYMENT FOR:</b>	Package Scottsdale Insurance Policy #CPS2627493
<b>ACCOUNT #:</b>	00004327
<b>EFFECTIVE:</b>	3/29/2018 - 3/29/2019
<b>DESCRIPTION:</b>	Renewal
<b>TOTAL:</b>	\$3,113.00

*This amount is immediately due.*

*Please make check payable to:  
KBK Insurance Agency*



## Commercial Package Quote Proposal

To: KBK Insurance Agency

Attn: Sondra Carter

From: Myah Waldvogel – MJ Hall & Company, Inc. – Napa Branch

License #: 0488901

Underwritten By: Scottsdale Insurance Company

A.M. Best rated A+ (Superior), FSC XV

### Summary

Commission: 10%                      Minimum Earned: 25%                      Minimum & Deposit: 100%

These terms are valid for 60 days from the date on this letter. Our quotation may differ from the terms requested in the submission. Please review the quotation carefully.

If the policy is cancelled at the insured's request, including non-payment of premium, there will be a minimum earned premium retained by us. At the close of each audit period, we will compute the earned premium for that period. If the earned premium is greater than the advance premium paid, an audit premium will be due. If a policy or inspection fee is applicable to this policy, the fees are fully earned. No flat cancellations.

<b>Applicant:</b>	Pajaro Dunes Geologic Hazard Abatement District
<b>Address:</b>	134 Landis Ave Freedom CA 95019
<b>Policy Type:</b>	Commercial Package Quote
<b>Policy Period:</b>	03/29/2018 To: 03/29/2019(12:01 AM Standard Time on both dates at the address of the Named Insured)
<b>Quote #:</b>	55364
<b>Renewal Of:</b>	CPS2627493

### Premium Summary

Liability:	\$2,350
Property:	\$400
Other:	\$
<b>Sub Total Premium:</b>	<b>\$2,750</b>
Broker Fee:	\$175.00
State Tax:	\$82.50
Stamp Fee:	\$5.50
<b>Grand Total:</b>	<b>\$3,013.00</b>

**Terrorism:** Terrorism coverage can be purchased for an additional premium of \$138 plus applicable taxes and fees. Signed acceptance/rejection required at binding.

<b>Subject to following terms and conditions:</b>
<ul style="list-style-type: none"> <li>Completed, signed and dated ACORD application.</li> <li>Signed TRIA form at time of binding rejecting or accepting coverage</li> <li>Policy can not be cancelled flat</li> </ul>
<ul style="list-style-type: none"> <li>D1 and SL2</li> </ul>

### Commercial Liability Coverage

	Limits
General Aggregate	\$3,000,000
Products/Completed Operation Aggregate	Excluded
Personal and Advertising Injury	Excluded
Each Occurrence	\$3,000,000
Damage to Premises Rented to You	\$100,000
Medical Payments	\$5,000
Deductible Applicable to: BI / PD / PI / AI	None

### Liability Rating Classifications and Premium

Program	Code	Description	Premium Basis	Exposure	Prem/Prod Rate	Prem/Prod Premium
A1	61225	Buildings or Premises - office - premises occupied by employees of the insured - Not-For-Profit only*	Per 1000 sq ft/Area	500	150.00	\$75

\* Products/Completed Operations are subject to the General Aggregate limit

**Additional Due to Liability MP: \$2,175**

### Additional Insureds: CG2018

Santa Cruz County Bank

720 Front Street

Santa Cruz CA 95060

### Additional Coverage

Coverage	Limits	Notes	Premium
Additional Insured - Landlords			Included

**Liability Manual Coverages**

Loc # / Bldg #	Description	Exposure/ Limits	Rate	Premium
1/1	Additonal Insured - Mortgagee	1	100	\$100

**Commercial Property Coverage**

Loc # / Bldg #	State/Terr	Program	Class Code	AOP Deduc	Wind/Hail Deduc	CoIns	Cause of Loss
1 / 1	CA/Remainder of State	A1	0702 - Offices	\$1,000		90%	Special Ex Theft

Loc # / Bldg #	Program	Class Code	Coverage	Valuation	Limit	Rate	Premium
1 / 1	A1	0702 - Offices	BPP	RC	\$10,000	0.31	\$31

**Additional Due to Property MP:      \$369**

**Additional Coverage**

Coverage	Limits	Notes	Premium

**Mortgagee/Loss payee:**

**Forms and Endorsements**

**Common Policy**

IL 00 17 11-98 COMMON POLICY CONDITIONS

IL 00 21 9-08 NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

IL 01 02 5-05 CALIFORNIA CHANGES - ACTUAL CASH VALUE

IL 09 53 1-15 EXCLUSION OF CERTIFIED ACTS OF TERRORISM

NOTS0021CA 4-16 NOTICE TO CALIFORNIA INSURED

NOTX0178CW 3-16 CLAIM REPORTING

NOTX0423CW 2-15 POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

OPS-D-1 1-17 COMMON POLICY DECLARATIONS



UTS-119g 6-14 MINIMUM EARNED CANCELLATION PREMIUM

UTS-9g 5-96 SERVICE OF SUIT CLAUSE

UTS-COVPG 1-16 COVER PAGE

UTS-SP-2 12-95 SCHEDULE OF FORMS AND ENDORSEMENTS

UTS-SP-3 8-96 SCHEDULE OF LOCATIONS

UTS-253-CA 1-97 AMENDATORY ENDORSEMENT-CALIFORNIA

**Commercial Liability**

CG 00 01 4-13 COMMERCIAL GENERAL LIABILITY COVERAGE FORM

CG 20 11 4-13 ADDITIONAL INSURED - MANAGERS OR LESSORS OF PREMISES

CG 21 04 11-85 EXCLUSION - PRODUCTS-COMPLETED OPERATIONS HAZARD

CG 21 06 5-14 EXCLUSION - ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY - WITH LIMITED BODILY INJURY EXCEPTION

CG 21 38 11-85 EXCLUSION-PERSONAL AND ADVERTISING INJURY

CG 21 47 12-07 EMPLOYMENT-RELATED PRACTICES EXCLUSION

CG 21 67 12-04 FUNGI OR BACTERIA EXCLUSION

CG 21 73 1-15 EXCLUSION OF CERTIFIED ACTS OF TERRORISM

CG 24 26 4-13 AMENDMENT OF INSURED CONTRACT DEFINITION

CG 32 34 1-05 CALIFORNIA CHANGES

CLS-SD-1L 8-01 COMMERCIAL GENERAL LIABILITY COVERAGE PART SUPPLEMENTAL DECLARATIONS

CLS-SP-1L 10-93 COMMERCIAL GENERAL LIABILITY COVERAGE PART EXTENSION OF SUPPLEMENTAL DECLARATIONS

GLS-152s 8-16 AMENDMENT TO OTHER INSURANCE CONDITIONS

GLS-30s 1-15 CONTRACTORS SPECIAL CONDITIONS

GLS-341s 8-12 HYDRAULIC FRACTURING EXCLUSION

GLS-455s 11-17 MARIJUANA/CANNABIS PRODUCTS EXCLUSION

GLS-457s 10-14 AIRCRAFT EXCLUSION

GLS-475 8-17 TOTAL PRODUCTS EXCLUSION WITH DESIGNATED PREMISES LIMITATION

GLS-47s 10-07 MINIMUM AND ADVANCE PREMIUM ENDORSEMENT

GLS-74s 9-05 AMENDMENT OF CONDITIONS

UTS-266g 5-98 ASBESTOS EXCLUSION

UTS-267g 5-98 LEAD CONTAMINATION EXCLUSION

UTS-365s 2-09 AMENDMENT OF NONPAYMENT CANCELLATION CONDITION

UTS-428g 11-12 PREMIUM AUDIT ENDORSEMENT

UTS-74g 8-95 PUNITIVE OR EXEMPLARY DAMAGE EXCLUSION

**Commercial Property**

CP 00 10 10-12 BUILDING AND PERSONAL PROPERTY COVERAGE FORM

CP 00 90 7-88 COMMERCIAL PROPERTY CONDITIONS

CP 01 40 7-06 EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

CP 02 99 6-07 CANCELLATION CHANGES

CP 04 49 12-05 CALIFORNIA CHANGES - REPLACEMENT COST

CP 10 30 9-17 CAUSES OF LOSS-SPECIAL FORM

CP 10 33 10-12 THEFT EXCLUSION

CPS-SD-1 2-16 COMMERCIAL PROPERTY COVERAGE PART SUPPLEMENTAL DECLARATIONS

**ADDITIONAL FORMS**

**Commercial Liability**

CG 20 18 4-13 ADDITIONAL INSURED - MORTGAGEE, ASSIGNEE OR RECEIVER

Santa Cruz County Bank

720 Front Street

Santa Cruz CA 95060

**Commercial Property**

CP 04 11 9-17 PROTECTIVE SAFEGUARDS

Hand Held Fire Extinguishers – Currently Tagged



# COMMERCIAL INSURANCE APPLICATION

## APPLICANT INFORMATION SECTION

DATE (MM/DD/YYYY)  
01/19/2018

<b>AGENCY</b> KBK Insurance Agency 1006 Freedom Boulevard  Watsonville CA 95076	<b>CARRIER</b> M. J. Hall & Co.  COMPANY POLICY OR PROGRAM NAME  POLICY NUMBER CPS2627493
<b>CONTACT NAME:</b> Sondra Carter <b>PHONE (A/C, No, Ext):</b> (831) 724-1085 <b>FAX (A/C, No):</b> (831) 724-1089 <b>E-MAIL ADDRESS:</b> sondra@kbkinsurance.com <b>CODE:</b> <b>SUBCODE:</b> <b>AGENCY CUSTOMER ID:</b> 00004327	NAIC CODE  PROGRAM CODE  UNDERWRITER  UNDERWRITER OFFICE  <b>STATUS OF TRANSACTION</b> <input checked="" type="checkbox"/> QUOTE <input type="checkbox"/> ISSUE POLICY <input checked="" type="checkbox"/> RENEW BOUND (Give Date and/or Attach Copy): CHANGE      DATE      TIME <input checked="" type="checkbox"/> AM CANCEL      03/29/2018      12:01      PM

INDICATE LINES OF BUSINESS		PREMIUM	PREMIUM	PREMIUM
<input type="checkbox"/>	BOILER & MACHINERY	\$	CYBER AND PRIVACY	\$
<input type="checkbox"/>	BUSINESS AUTO	\$	FIDUCIARY LIABILITY	\$
<input type="checkbox"/>	BUSINESS OWNERS	\$	GARAGE AND DEALERS	\$
<input checked="" type="checkbox"/>	COMMERCIAL GENERAL LIABILITY	\$	LIQUOR LIABILITY	\$
<input type="checkbox"/>	COMMERCIAL INLAND MARINE	\$	MOTOR CARRIER	\$
<input checked="" type="checkbox"/>	COMMERCIAL PROPERTY	\$	TRUCKERS	\$
<input type="checkbox"/>	CRIME	\$	UMBRELLA	\$
			YACHT	\$

ATTACHMENTS		
<input type="checkbox"/>	ACCOUNTS RECEIVABLE / VALUABLE PAPERS	GLASS AND SIGN SECTION
<input type="checkbox"/>	ADDITIONAL INTEREST SCHEDULE	HOTEL / MOTEL SUPPLEMENT
<input type="checkbox"/>	ADDITIONAL PREMISES INFORMATION SCHEDULE	INSTALLATION / BUILDERS RISK SECTION
<input type="checkbox"/>	APARTMENT BUILDING SUPPLEMENT	INTERNATIONAL LIABILITY EXPOSURE SUPPLEMENT
<input type="checkbox"/>	CONDO ASSN BYLAWS (for D&O Coverage only)	INTERNATIONAL PROPERTY EXPOSURE SUPPLEMENT
<input type="checkbox"/>	CONTRACTORS SUPPLEMENT	LOSS SUMMARY
<input type="checkbox"/>	COVERAGES SCHEDULE	OPEN CARGO SECTION
<input type="checkbox"/>	DEALERS SECTION	PREMIUM PAYMENT SUPPLEMENT
<input type="checkbox"/>	DRIVER INFORMATION SCHEDULE	PROFESSIONAL LIABILITY SUPPLEMENT
<input type="checkbox"/>	ELECTRONIC DATA PROCESSING SECTION	RESTAURANT / TAVERN SUPPLEMENT
		STATEMENT / SCHEDULE OF VALUES
		STATE SUPPLEMENT (if applicable)
		VACANT BUILDING SUPPLEMENT
		VEHICLE SCHEDULE

POLICY INFORMATION								
PROPOSED EFF DATE	PROPOSED EXP DATE	BILLING PLAN	PAYMENT PLAN	METHOD OF PAYMENT	AUDIT	DEPOSIT	MINIMUM PREMIUM	POLICY PREMIUM
03/29/2018	03/29/2019	<input type="checkbox"/> DIRECT <input checked="" type="checkbox"/> AGENCY				\$	\$	\$ 0.00

APPLICANT INFORMATION					
<b>NAME (First Named Insured) AND MAILING ADDRESS (including ZIP+4)</b> Pajaro Dunes Geologic Hazard Abatement District, 134 Landis Ave.  Freedom CA 95019		GL CODE	SIC	NAICS	FEIN OR SOC SEC #
		BUSINESS PHONE #: 831-818-95019			
		WEBSITE ADDRESS			
<input type="checkbox"/> CORPORATION	<input type="checkbox"/> JOINT VENTURE	<input checked="" type="checkbox"/> NOT FOR PROFIT ORG	<input type="checkbox"/> SUBCHAPTER "S" CORPORATION		
<input type="checkbox"/> INDIVIDUAL	LLC NO. OF MEMBERS AND MANAGERS: _____	<input type="checkbox"/> PARTNERSHIP	<input type="checkbox"/> TRUST		
<b>NAME (Other Named Insured) AND MAILING ADDRESS (including ZIP+4)</b>		GL CODE	SIC	NAICS	FEIN OR SOC SEC #
		BUSINESS PHONE #:			
		WEBSITE ADDRESS			
<input type="checkbox"/> CORPORATION	<input type="checkbox"/> JOINT VENTURE	<input type="checkbox"/> NOT FOR PROFIT ORG	<input type="checkbox"/> SUBCHAPTER "S" CORPORATION		
<input type="checkbox"/> INDIVIDUAL	LLC NO. OF MEMBERS AND MANAGERS: _____	<input type="checkbox"/> PARTNERSHIP	<input type="checkbox"/> TRUST		
<b>NAME (Other Named Insured) AND MAILING ADDRESS (including ZIP+4)</b>		GL CODE	SIC	NAICS	FEIN OR SOC SEC #
		BUSINESS PHONE #:			
		WEBSITE ADDRESS			
<input type="checkbox"/> CORPORATION	<input type="checkbox"/> JOINT VENTURE	<input type="checkbox"/> NOT FOR PROFIT ORG	<input type="checkbox"/> SUBCHAPTER "S" CORPORATION		
<input type="checkbox"/> INDIVIDUAL	LLC NO. OF MEMBERS AND MANAGERS: _____	<input type="checkbox"/> PARTNERSHIP	<input type="checkbox"/> TRUST		

**CONTACT INFORMATION**

CONTACT TYPE: Inspection, Accounting, Claims		CONTACT TYPE:	
CONTACT NAME: Sarah Mansergh		CONTACT NAME:	
PRIMARY PHONE # (831) 818-9253	<input type="checkbox"/> HOME <input type="checkbox"/> BUS <input type="checkbox"/> CELL	SECONDARY PHONE #	<input type="checkbox"/> HOME <input type="checkbox"/> BUS <input type="checkbox"/> CELL
PRIMARY E-MAIL ADDRESS: semmansergh@hotmail.com		PRIMARY E-MAIL ADDRESS:	
SECONDARY E-MAIL ADDRESS:		SECONDARY E-MAIL ADDRESS:	

**PREMISES INFORMATION (Attach ACORD 823 for Additional Premises)**

LOC # 1	STREET 2661 Beach Road	CITY LIMITS <input type="checkbox"/> INSIDE <input checked="" type="checkbox"/> OUTSIDE	INTEREST <input checked="" type="checkbox"/> OWNER <input type="checkbox"/> TENANT	# FULL TIME EMPL 0	ANNUAL REVENUES: \$
BLD # 1	CITY: Watsonville STATE: CA COUNTY: ZIP: 95076			# PART TIME EMPL 0	OCCUPIED AREA: 100% SQ FT OPEN TO PUBLIC AREA: SQ FT TOTAL BUILDING AREA: SQ FT ANY AREA LEASED TO OTHERS? Y / N
DESCRIPTION OF OPERATIONS:					
LOC #	STREET	CITY LIMITS	INTEREST	# FULL TIME EMPL	ANNUAL REVENUES: \$
BLD #	CITY: STATE: COUNTY: ZIP:			# PART TIME EMPL	OCCUPIED AREA: SQ FT OPEN TO PUBLIC AREA: SQ FT TOTAL BUILDING AREA: SQ FT ANY AREA LEASED TO OTHERS? Y / N
DESCRIPTION OF OPERATIONS:					
LOC #	STREET	CITY LIMITS	INTEREST	# FULL TIME EMPL	ANNUAL REVENUES: \$
BLD #	CITY: STATE: COUNTY: ZIP:			# PART TIME EMPL	OCCUPIED AREA: SQ FT OPEN TO PUBLIC AREA: SQ FT TOTAL BUILDING AREA: SQ FT ANY AREA LEASED TO OTHERS? Y / N
DESCRIPTION OF OPERATIONS:					
LOC #	STREET	CITY LIMITS	INTEREST	# FULL TIME EMPL	ANNUAL REVENUES: \$
BLD #	CITY: STATE: COUNTY: ZIP:			# PART TIME EMPL	OCCUPIED AREA: SQ FT OPEN TO PUBLIC AREA: SQ FT TOTAL BUILDING AREA: SQ FT ANY AREA LEASED TO OTHERS? Y / N
DESCRIPTION OF OPERATIONS:					

**NATURE OF BUSINESS**

<input type="checkbox"/> APARTMENTS	<input type="checkbox"/> CONTRACTOR	<input type="checkbox"/> MANUFACTURING	<input type="checkbox"/> RESTAURANT	<input type="checkbox"/> SERVICE	DATE BUSINESS STARTED (MM/DD/YYYY)
<input type="checkbox"/> CONDOMINIUMS	<input type="checkbox"/> INSTITUTIONAL	<input type="checkbox"/> OFFICE	<input type="checkbox"/> RETAIL	<input type="checkbox"/> WHOLESALE	
DESCRIPTION OF PRIMARY OPERATIONS					
<p>Insured is a non-profit organization made up of property owners. The insured collects grants and tax money to use for community projects within the association of property owners. The insured has a current Directors and Officers Liability with \$5,000,000 limits that covers their officers and directors and is looking for property and liability to cover any other exposure that could arise. The insured does not do any outside fundraising or hold special events.</p>					
RETAIL STORES OR SERVICE OPERATIONS % OF TOTAL SALES:		INSTALLATION, SERVICE OR REPAIR WORK %		OFF PREMISES INSTALLATION, SERVICE OR REPAIR WORK %	
DESCRIPTION OF OPERATIONS OF OTHER NAMED INSUREDS					

**ADDITIONAL INTEREST (Not all fields apply to all scenarios - provide only the necessary data) Attach ACORD 45 for more Additional Interests**

<input type="checkbox"/> ADDITIONAL INSURED <input type="checkbox"/> BREACH OF WARRANTY <input type="checkbox"/> CO-OWNER <input type="checkbox"/> EMPLOYEE AS LESSOR <input type="checkbox"/> LEASEBACK OWNER <input type="checkbox"/> LENDER'S LOSS PAYABLE	<input type="checkbox"/> LIENHOLDER <input type="checkbox"/> LOSS PAYEE <input type="checkbox"/> MORTGAGEE <input type="checkbox"/> OWNER <input type="checkbox"/> REGISTRANT <input type="checkbox"/> TRUSTEE	NAME AND ADDRESS	RANK:	EVIDENCE:	CERTIFICATE	POLICY	SEND BILL	INTEREST IN ITEM NUMBER	
		REFERENCE / LOAN #:		INTEREST END DATE:		PHONE (A/C, No, Ext):		FAX (A/C, No):	
REASON FOR INTEREST:		LIEN AMOUNT:		E-MAIL ADDRESS:			ITEM DESCRIPTION		
							LOCATION: BUILDING: VEHICLE: BOAT: AIRPORT: AIRCRAFT: ITEM CLASS: ITEM:		

**GENERAL INFORMATION**

EXPLAIN ALL "YES" RESPONSES			Y/N
1a. IS THE APPLICANT A SUBSIDIARY OF ANOTHER ENTITY ?			N
PARENT COMPANY NAME	RELATIONSHIP DESCRIPTION	% OWNED	
1b. DOES THE APPLICANT HAVE ANY SUBSIDIARIES?			N
SUBSIDIARY COMPANY NAME	RELATIONSHIP DESCRIPTION	% OWNED	
2. IS A FORMAL SAFETY PROGRAM IN OPERATION?			N
<input type="checkbox"/> SAFETY MANUAL	<input type="checkbox"/> SAFETY POSITION	<input type="checkbox"/> MONTHLY MEETINGS	<input type="checkbox"/> OSHA
3. ANY EXPOSURE TO FLAMMABLES, EXPLOSIVES, CHEMICALS?			N
4. ANY OTHER INSURANCE WITH THIS COMPANY? (List policy numbers)			N
LINE OF BUSINESS	POLICY NUMBER	LINE OF BUSINESS	POLICY NUMBER
5. ANY POLICY OR COVERAGE DECLINED, CANCELLED OR NON-RENEWED DURING THE PRIOR THREE (3) YEARS FOR ANY PREMISES OR OPERATIONS? (Missouri Applicants - Do not answer this question)			N
<input type="checkbox"/> NON-PAYMENT	<input type="checkbox"/> AGENT NO LONGER REPRESENTS CARRIER	<input type="checkbox"/>	
<input type="checkbox"/> NON-RENEWAL	<input type="checkbox"/> UNDERWRITING	<input type="checkbox"/> CONDITION CORRECTED (Describe):	
6. ANY PAST LOSSES OR CLAIMS RELATING TO SEXUAL ABUSE OR MOLESTATION ALLEGATIONS, DISCRIMINATION OR NEGLIGENT HIRING?			N
7. DURING THE LAST FIVE YEARS (TEN IN RI), HAS ANY APPLICANT BEEN INDICTED FOR OR CONVICTED OF ANY DEGREE OF THE CRIME OF FRAUD, BRIBERY, ARSON OR ANY OTHER ARSON-RELATED CRIME IN CONNECTION WITH THIS OR ANY OTHER PROPERTY? (In RI, this question must be answered by any applicant for property insurance. Failure to disclose the existence of an arson conviction is a misdemeanor punishable by a sentence of up to one year of imprisonment).			N
8. ANY UNCORRECTED FIRE AND/OR SAFETY CODE VIOLATIONS?			N
OCCUR DATE	EXPLANATION	RESOLUTION	RESOLVE DATE
9. HAS APPLICANT HAD A FORECLOSURE, REPOSSESSION, BANKRUPTCY OR FILED FOR BANKRUPTCY DURING THE LAST FIVE (5) YEARS?			N
OCCUR DATE	EXPLANATION	RESOLUTION	RESOLVE DATE
10. HAS APPLICANT HAD A JUDGEMENT OR LIEN DURING THE LAST FIVE (5) YEARS?			N
OCCUR DATE	EXPLANATION	RESOLUTION	RESOLVE DATE
11. HAS BUSINESS BEEN PLACED IN A TRUST? NAME OF TRUST:			N
12. ANY FOREIGN OPERATIONS, FOREIGN PRODUCTS DISTRIBUTED IN USA, OR US PRODUCTS SOLD / DISTRIBUTED IN FOREIGN COUNTRIES? (If "YES", attach ACORD 815 for Liability Exposure and/or ACORD 816 for Property Exposure)			N
13. DOES APPLICANT HAVE OTHER BUSINESS VENTURES FOR WHICH COVERAGE IS NOT REQUESTED?			N
14. DOES APPLICANT OWN / LEASE / OPERATE ANY DRONES? (If "YES", describe use)			N
15. DOES APPLICANT HIRE OTHERS TO OPERATE DRONES? (If "YES", describe use)			N

REMARKS / PROCESSING INSTRUCTIONS (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

**PRIOR CARRIER INFORMATION**

YEAR	CATEGORY	GENERAL LIABILITY	AUTOMOBILE	PROPERTY	OTHER:
2017	CARRIER	Scottsdale			
	POLICY NUMBER	CPS2627493			
	PREMIUM	\$ 3,188	\$	\$	\$
	EFFECTIVE DATE	03/29/2017			
	EXPIRATION DATE	03/29/2018			

**PRIOR CARRIER INFORMATION (continued)**

YEAR	CATEGORY	GENERAL LIABILITY	AUTOMOBILE	PROPERTY	OTHER:
2016	CARRIER	Scottsdale Insurance			
	POLICY NUMBER	CPS1950786			
	PREMIUM	\$ 3,188.00	\$	\$	\$
	EFFECTIVE DATE	03/29/2016			
	EXPIRATION DATE	03/29/2017			
2015	CARRIER	Scottsdale Insurance			
	POLICY NUMBER	CPS1950786			
	PREMIUM	\$ 3,188.00	\$	\$	\$
	EFFECTIVE DATE	03/29/2015			
	EXPIRATION DATE	03/29/2016			

**LOSS HISTORY**  Check if none (Attach Loss Summary for Additional Loss Information)

ENTER ALL CLAIMS OR LOSSES (REGARDLESS OF FAULT AND WHETHER OR NOT INSURED) OR OCCURRENCES THAT MAY GIVE RISE TO CLAIMS FOR THE LAST 3 YEARS						TOTAL LOSSES: \$	
DATE OF OCCURRENCE	LINE	TYPE / DESCRIPTION OF OCCURRENCE OR CLAIM	DATE OF CLAIM	AMOUNT PAID	AMOUNT RESERVED	SUBROGATION Y/N	CLAIM OPEN Y/N

**SIGNATURE**

Copy of the Notice of Information Practices (Privacy) has been given to the applicant. (Not required in all states, contact your agent or broker for your state's requirements.)

PERSONAL INFORMATION ABOUT YOU, INCLUDING INFORMATION FROM A CREDIT OR OTHER INVESTIGATIVE REPORT, MAY BE COLLECTED FROM PERSONS OTHER THAN YOU IN CONNECTION WITH THIS APPLICATION FOR INSURANCE AND SUBSEQUENT AMENDMENTS AND RENEWALS. SUCH INFORMATION AS WELL AS OTHER PERSONAL AND PRIVILEGED INFORMATION COLLECTED BY US OR OUR AGENTS MAY IN CERTAIN CIRCUMSTANCES BE DISCLOSED TO THIRD PARTIES WITHOUT YOUR AUTHORIZATION. CREDIT SCORING INFORMATION MAY BE USED TO HELP DETERMINE EITHER YOUR ELIGIBILITY FOR INSURANCE OR THE PREMIUM YOU WILL BE CHARGED. WE MAY USE A THIRD PARTY IN CONNECTION WITH THE DEVELOPMENT OF YOUR SCORE. YOU MAY HAVE THE RIGHT TO REVIEW YOUR PERSONAL INFORMATION IN OUR FILES AND REQUEST CORRECTION OF ANY INACCURACIES. YOU MAY ALSO HAVE THE RIGHT TO REQUEST IN WRITING THAT WE CONSIDER EXTRAORDINARY LIFE CIRCUMSTANCES IN CONNECTION WITH THE DEVELOPMENT OF YOUR CREDIT SCORE. THESE RIGHTS MAY BE LIMITED IN SOME STATES. PLEASE CONTACT YOUR AGENT OR BROKER TO LEARN HOW THESE RIGHTS MAY APPLY IN YOUR STATE OR FOR INSTRUCTIONS ON HOW TO SUBMIT A REQUEST TO US FOR A MORE DETAILED DESCRIPTION OF YOUR RIGHTS AND OUR PRACTICES REGARDING PERSONAL INFORMATION. (Not applicable in AZ, CA, DE, KS, MA, MN, ND, NY, OR, VA, or WV. Specific ACORD 38s are available for applicants in these states.) (Applicant's Initials): \_\_\_\_\_

**Applicable in AL, AR, DC, LA, MD, NM, RI and WV:** Any person who knowingly (or willfully)\* presents a false or fraudulent claim for payment of a loss or benefit or knowingly (or willfully)\* presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison. \*Applies in MD Only.

**Applicable in CO:** It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

**Applicable in FL and OK:** Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony (of the third degree)\*. \*Applies in FL Only.

**Applicable in KS:** Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act.

**Applicable in KY, NY, OH and PA:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties (not to exceed five thousand dollars and the stated value of the claim for each such violation)\*. \*Applies in NY Only.

**Applicable in ME, TN, VA and WA:** It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties (may)\* include imprisonment, fines and denial of insurance benefits. \*Applies in ME Only.

**Applicable in NJ:** Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

**Applicable in OR:** Any person who knowingly and with intent to defraud or solicit another to defraud the insurer by submitting an application containing a false statement as to any material fact may be violating state law.

**Applicable in PR:** Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances [be] present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

THE UNDERSIGNED IS AN AUTHORIZED REPRESENTATIVE OF THE APPLICANT AND REPRESENTS THAT REASONABLE INQUIRY HAS BEEN MADE TO OBTAIN THE ANSWERS TO QUESTIONS ON THIS APPLICATION. HE/SHE REPRESENTS THAT THE ANSWERS ARE TRUE, CORRECT AND COMPLETE TO THE BEST OF HIS/HER KNOWLEDGE.

PRODUCER'S SIGNATURE <i>Sandra Carter</i>	PRODUCER'S NAME (Please Print) Sandra Carter/SONDRA	STATE PRODUCER LICENSE NO (Required in Florida)
APPLICANT'S SIGNATURE	DATE	NATIONAL PRODUCER NUMBER



Scottsdale Indemnity Company

**SCOTTSDALE**  
SURPLUS LINES INSURANCE COMPANY

**POLICYHOLDER DISCLOSURE**

**NOTICE OF TERRORISM INSURANCE COVERAGE**

**TERRORISM RISK INSURANCE ACT**

Under the Terrorism Risk Insurance Act of 2002, as amended pursuant to the Terrorism Risk Insurance Program Reauthorization Act of 2015, effective January 1, 2015 (the "Act"), you have a right to purchase insurance coverage for losses arising out of acts of terrorism, as defined in Section 102(1) of the Act: The term "certified acts of terrorism" means any act that is certified by the Secretary of the Treasury-in consultation with the Secretary of Homeland Security-to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

You should know that where coverage is provided by this policy for losses resulting from "certified acts of terrorism," such losses may be partially reimbursed by the United States Government under a formula established by federal law. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government agrees to reimburse eighty-five percent (85%) of covered terrorism losses in calendar year 2015 that exceed the statutorily established deductible paid by the insurance company providing the coverage. This percentage of United States Government reimbursement decreases by one percent (1%) every calendar year beginning in 2016 until it equals eighty percent (80%) in 2020. The premium charged for this coverage is provided below and does not include any charges for the portion of loss that may be covered by the Federal Government under the Act.

You should also know that the Act, as amended, contains a \$100 billion cap that limits United States Government reimbursement as well as insurers' liability for losses resulting from "certified acts of terrorism" when the amount of such losses in any one calendar year exceeds \$100 billion. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

**CONDITIONAL TERRORISM COVERAGE**

The federal Terrorism Risk Insurance Program Reauthorization Act of 2015 is scheduled to terminate at the end of December 31, 2020, unless renewed, extended or otherwise continued by the federal government. Should you select Terrorism Coverage provided under the Act and the Act is terminated December 31, 2020, any terrorism coverage as defined by the Act provided in the policy will also terminate.

**IN ACCORDANCE WITH THE ACT, YOU MUST CHOOSE TO SELECT OR REJECT COVERAGE FOR "CERTIFIED ACTS OF TERRORISM" BELOW:**

The Note below applies for risks in these states: California, Connecticut, Georgia, Hawaii, Illinois, Iowa, Maine, Missouri, New Jersey, New York, North Carolina, Oregon, Rhode Island, Virginia, Washington, West Virginia, Wisconsin.

**NOTE:** In these states, a terrorism exclusion makes an exception for (and thereby provides coverage for) fire losses resulting from an act of terrorism. Therefore, if you reject the offer of terrorism coverage, that rejection does not apply to fire losses resulting from an act of terrorism coverage for such fire losses will be provided in your policy.

**If you do not respond to our offer and do not return this notice to the Company, you will have no Terrorism Coverage under this policy.**

	I hereby elect to purchase certified terrorism coverage for a premium of \$138. I understand that the federal Terrorism Risk Insurance Program Reauthorization Act of 2015 may terminate on December 31, 2020. Should that occur my coverage for terrorism as defined by the Act will also terminate.
X	I hereby reject the purchase of certified terrorism coverage.

  
\_\_\_\_\_  
Policyholder/Applicant's Signature

\_\_\_\_\_  
Named Insured/Firm

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Policy Number, if available

\_\_\_\_\_  
Date