



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

**Saturday, February 18, 2017 9:00 a.m.**

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

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**Roll Call**

Bob Moore (P45) Vice President  
David Bower (P48) Director  
Robert Allen Director

Jim Griffin (P9) Director  
Mary Paige Director  
Wendy Cumming, Clerk/Accountant/Secretary

**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.

- Update on the Coastal Commission application, and Santa Cruz County interaction
- District Clerk and Accountant re-organization
- Letter from member Steve Erikson
- Letter from Member Fred Hodder

**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 December 10, 2016

## **E. TREASURER’S REPORT**

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2. Financial Reports
  - Seven month period ended January 31, 2017
  - Warrant listing
  - Accept reports by motion

## **F. COMMITTEE REPORTS**

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3. Finance and Budget Committee
4. Community Membership and Relations Committee (Bob Moore)
5. Seawall Application and Repair Committee (Jim Griffin/David Bower)
6. Meetings attended by Directors at District expense since the last meeting of the Board (per AB1234 requirements). Such reports may be made orally or in writing.

## **G. NEW BUSINESS**

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7. ITEM – Consider approval to renew the District’s annual liability insurance for the period March 2017 to February 2018, with KBK Insurance

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

## **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 Regular Meeting of the Board of Directors is scheduled for April 8, 2017, at 9:00 a.m. at the offices of the Pajaro Dunes Geologic Hazard Abatement District, Meadow Room, Pajaro Dunes, 2661 Beach Road, Watsonville, CA 95076. Individuals who require special accommodations are requested to contact the District Clerk by calling (831) 761-7744, no less than 72 hours prior to the meeting or in the case of a Special Meeting, as soon as possible after the Agenda is posted. Copies of the agenda will be available 72 hours prior to the meeting and may be obtained by contacting the District at (831) 761-7744. All meetings are noticed and conducted in accordance with the Ralph M. Brown Act.

# WENDY L. CUMMING

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CERTIFIED PUBLIC ACCOUNTANT

P.O. Box 1531  
Capitola, CA 95010

Office (831) 475-5550  
WendyC@CummingCPA.com

To the Board of Directors  
Pajaro Dunes Geological Hazard  
Abatement District  
Watsonville, CA 95076

Re: Clerk and Accountant Re-Organization

PDGHAD Board,

I will be resigning as clerk of the Pajaro Dunes Geologic Hazard Abatement District board. I am willing to continue on as the District's accountant. I will work with you through the transition to the new clerk, but expect to be completed will all GHAD clerk related activities no later than 7/1/17.

If the board agrees with my continuing on as the accountant, I will continue to prepare the financial statements, provide audit support, prepare the annual budgets, make debt payments, do assessment administration, and provide any additional accounting support as needed.

I prefer to provide only accounting services, as this is my chosen profession. I will work closely with you to transition the clerk services to an administrative individual.

Sincerely,

*Wendy Cumming*

Wendy L. Cumming

**From:** "STEVE ERICKSON" <[se4broker@gmail.com](mailto:se4broker@gmail.com)>  
**Subject:** FW: Pajaro Dunes Meeting  
**Date:** January 26, 2017 at 9:04:51 AM PST  
**To:** "Wendy Cumming" <[wendyc@cummingcpa.com](mailto:wendyc@cummingcpa.com)>  
**Cc:** "Bill Lyons" <[maperanch@aol.com](mailto:maperanch@aol.com)>, "Bob and Carmen Moore" <[bobelie1938@msn.com](mailto:bobelie1938@msn.com)>, "David and Sally Bower" <[bowser2u@gmail.com](mailto:bowser2u@gmail.com)>, "Jim and Pat Griffin" <[jim@jrgconstruct.com](mailto:jim@jrgconstruct.com)>, "Joe and Mary Paige" <[mainpaige88@yahoo.com](mailto:mainpaige88@yahoo.com)>, "Raul and Shari Deju" <[rdeju@deju.net](mailto:rdeju@deju.net)>, "Rob and Natalie Allen" <[allen.r@comcast.net](mailto:allen.r@comcast.net)>

Hi Wendy and others:

You are welcome to include this E-mail message in your next Pajaro Dunes Geologic Hazard Abatement District packet for consideration by your Directors.

Best,

~ ~ ~ ~ ~  
STEVE ERICKSON, Broker  
Steve Erickson Properties  
CalBRE #00843234, REALTOR  
34 Sanderling Circle, Watsonville  
sent by Office Outlook  
iPhone (831) 722-7722  
~ ~ ~ ~ ~

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**From:** David Gast [<mailto:dgast@gastarchitects.com>]  
**Sent:** Wednesday, January 25, 2017 2:38 PM  
**To:** STEVE ERICKSON  
**Subject:** Re: Pajaro Dunes Meeting

Steve,

Thanks for the contact info. It was a pleasure meeting you while I was down at Pajaro Dunes for my family gathering. Let me know if there is anything I can help you with.

My partner, Elena Schmid, may be able to assist you with some local contacts who are knowledgeable about sea level rise in Monterrey Bay. I'll give her your contact info.

Best,

DAVID

David S. Gast, AIA, LEED AP  
Principal

**GAST ARCHITECTS**  
355 11th Street, Suite 300  
San Francisco, California 94103 Phone: (415) 885-2946 Mobile: (415) 298-5051 Email: [dgast@gastarchitects.com](mailto:dgast@gastarchitects.com) Website: [www.GastArchitects.com](http://www.GastArchitects.com)

On Feb 6, 2017, at 10:16 AM, Fred Hodder <[fred@hodder.org](mailto:fred@hodder.org)> wrote:

Pajaro Dunes is located on a fragile sand spit which is subject to major storm and earthquake damage. Located on the Bay and Pajaro River, it is designated as ESHA (Environmentally Sensitive Habit Area, the highest environmental designation but the State.) There are about a dozen County, State and Federal agencies with some degree of jurisdiction in and adjacent to Pajaro Dunes. For repair of any disaster, a CDP (Construction Development Permit), must be obtained from the CCC, (California Coastal Commission), California's most powerful State Commission. That requires approval by each of all related agencies, and each of these agencies generally requires extensive and expensive, technical reports in order to receive their approval order to satisfy the CCC and obtain a CDP. It took GHAD 5 1/2 years to obtain the CDP for constructing the river wall. That project cost a total of \$3,600,000, with \$2,100,000 for the soft cost which included the numerous reports to the public agencies for approval. GHAD is the only comprehensive, and least expensive structure to accomplish such a project.

The CCC, which has as its primary objective, to gain public access to the bay and ocean. Therefore, they have usually started each meeting with Pajaro Dunes representatives with, "Tear down your private gate and give total access to the public." This points out GHAD's tremendous benefit to all Pajaro Dunes owners, and certainly not just the front row owners!

GHAD benefits; It is a Single Purpose State Agency possessing the authority to;

- 1) Develop plans for fast response to geological hazards with focus on control and repair
- 2) Educate the District's property owners to approve and financially support the District's operation
- 3) Engage specialist GHAD engineers, consultants, financial experts, and staff necessary to effectively operate GHAD
- 4) Develop Emergency Plan of Control for responding to geological hazards in an efficient and cost effective manner
- 5) Obtain from the Engineer of Record a BAS (Benefit Assessment Spread) which identifies the direct GHAD benefit to each property within the District.
- 6) Conduct elections for approving District's General Plans, authorizing funding and election of members of the Board
- 7) Develop financial plans authorizing loans, lines of credit, bonds, and banking relationships.
- 8) Obtain the necessary Public Agency Permits to perform repairs and mitigation
- 9) Develop revenue stream through the County Tax Collector to operate the District and underwrite capital projects.

The GHAD Board of Directors are responsible for developing the expert staff including coastal engineers, geological engineers, legal consultants, and various environmental and technical consultants, in order to obtain the necessary public agencies' approvals. It is impossible to expect any single land owner to address and finance this monumental process. Furthermore, the public agencies are reluctant to consider a CDP for a single property. The CCC wants a comprehensive plan, which is only practical method, considering the expertise, cost and time for seeking a CDP. Pajaro Dunes has the longest seawall in the State, 6020' in length, to which the CCC constantly takes exception! Considering that the very large majority of owners here at Pajaro Dunes are

absentee owners, it is of great importance to elect GHAD directors who possess the vision and judgement, plus the commitment and dedication, to provide the leadership and perseverance to protect and maintain the precious marine environment at Pajaro Dunes, to which each owner was attracted. This description of GHAD and its benefit, etc. is written by Fred Hodder, a past GHAD board member, the Chair of the river wall project, and a past board member of PDA and Pelican.

Fred Hodder



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

**Saturday, December 10, 2016 9:00 a.m.**

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

---

**Roll Call**

Bob Moore (P45) Vice President  
David Bower (P48) Director  
All present

Jim Griffin (P9) Director  
Wendy Cumming, Clerk/Accountant/Secretary

**B. OATH OF OFFICE**

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Clerk, Wendy Cumming, to perform Oath of Office for the following newly appointed board members:

- Jim Griffin Clerk conducted Oath
- Mary Paige - Absent

**C. MEMBER COMMENTS**

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Kent Stevens thanked the board for their service, and stated that he wished the assessment election had gone through.

**D. PRESIDENT’S REMARKS**

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

- Recognition of former board members Bill Lyons and Raul Deju  
Bob commented that Bill and Raul are no longer on the board. Bob thanked them for their service.
- Update on the Coastal Commission application, and Santa Cruz County interaction

Vice president Bob Moore made comments that the District has no money to operate. The District is being penalized daily for having rocks on the beach. Presently the District owes

\$692,015 in penalties, or \$2,703 per home owner, to the State of California. As long as the District acts in good faith to remove the rocks, the State would provide an abatement of the penalties.

David Bower further explained that the State understood that the district was having challenges obtaining a permit, therefore has provided for a delay and potential abatement of penalties as long as the District is making progress in obtaining a permit.

Bob Moore furthered that a number of homeowners do not agree with the benefit assessment as it stands. The District needs to perform a benefit allocation through an engineer. Steve Broch stated that he has a copy of the original engineer's report. Our engineer of record is ARUP. They have referred the District to an outside organization to perform the assessment allocation and their proposal was \$200k.

Bob recommends that the district obtain a bridge loan of \$250k from PDA to move forward with the benefit allocation. The District should move forward to have an assessment election to raise 300k for emergency repairs. Also, he recommends that the District hire Haro Kasunich to be the engineer of record.

In addition, Bob recommends that he District go above the County's, Joe Hanna, to his supervisor to move forward with the requirements of the permit from the Coastal Commission.

Jim Griffin commented that if the homeowners come together and agree on their own assessment allocation, then the District would not need to pay the outside organization to perform the calculations.

Bob commented that if the GHAD dissolved the State would come in and administer the District. It is unknown if the debt that the District owes would be immediately be due and payable. Also, there is the potential for the State penalties also being due and payable.

David Bower commented that one of the reasons that the District lost the line of credit is that the GHAD has no assets, and would need the PDA to provide a guarantee on the line.

## **E. 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 August 13, 2016

Motion by David Bower Seconded Jim Griffin by Approved by all.



## **F. TREASURER'S REPORT**

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### 2. Financial Reports

- Five month period ended November 30, 2016
- Warrant listing
- Accept reports by motion

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

## **G. COMMITTEE REPORTS**

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### 3. Finance and Budget Committee

### 4. Community Membership and Relations Committee (Bob Moore)

### 5. Seawall Application and Repair Committee (Jim Griffin/David Bower)

### 6. Meetings attended by Directors at District expense since the last meeting of the Board (per AB1234 requirements). Such reports may be made orally or in writing.

No meetings to report on.

## **H. NEW BUSINESS**

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### 7. ITEM – Consider accepting draft audit report for the fiscal year ended June 30, 2016

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

The board asked the clerk to add language to the MD&A to note the dollar amount of the penalties in total and per homeowner.

Motion by Jim Griffin seconded by Bob Moore, approved by all.

### 8. ITEM – Consider appointing a new board member to fill the open position on the board

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

Bob Moore proposed the Rob Allen be appointed to the GHAD Board.

Motion by Bob Moore seconded by David Bower, approved by all.

## **I. 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.

Bob Moore commented that he felt that the District could move forward with hiring Haro Kasunich to be engineer of record.

## **J. ADJOURNMENT**

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Motion for adjournment by David Bower seconded by Jim Griffin, approved by all.

There being no further business to come before the Board, the meeting was adjourned at 10:00 a.m.

Attest: \_\_\_\_\_

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

# Pajaro Dunes Geologic Hazard Abatement District

## Balance Sheet

As of January 31, 2017

Jan 31, 17

### ASSETS

#### Current Assets

##### Checking/Savings

100000 · SCCB Zone 1 - 3957	4,396.91
100001 · SCCB Zone 2 - 3965	11,847.13
100003 · SCCB LTD- 0208	38,842.59
100400 · Union Bank Bond Holding	255,729.92

**Total Checking/Savings** 310,816.55

##### Accounts Receivable

120000 · Assessments Receivable	253,104.27
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**Total Accounts Receivable** 253,104.27

##### Other Current Assets

121500 · Prepaid Insurance	4,004.00
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**Total Other Current Assets** 4,004.00

**Total Current Assets** 567,924.82

#### Fixed Assets

150000 · Riverwall	3,000,000.00
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160000 · Accumulated Depreciation	-1,208,331.00
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**Total Fixed Assets** 1,791,669.00

**TOTAL ASSETS** 2,359,593.82

### LIABILITIES & EQUITY

#### Liabilities

##### Current Liabilities

##### Accounts Payable

200000 · Accounts Payable	-7,738.00
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**Total Accounts Payable** -7,738.00

##### Other Current Liabilities

220000 · Accrued Interest	35,374.72
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255000 · Unearned Revenue	32,059.00
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**Total Other Current Liabilities** 67,433.72

**Total Current Liabilities** 59,695.72

##### Long Term Liabilities

260000 · NP SCCB (439k) Loan	143,803.94
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261000 · NP SCCB (198k) Loan	31,174.14
------------------------------	-----------

285000 · Bonds Payable Z2	1,380,000.00
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286000 · Bonds Payable Discount Z2	-52,250.00
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286500 · Amort. Bond Discount Z2	24,727.00
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**Total Long Term Liabilities** 1,527,455.08

**Total Liabilities** 1,587,150.80

#### Equity

30000 · Opening Balance Equity	607,355.35
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32000 · Retained Earnings	117,867.39
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Net Income	47,220.28
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**Total Equity** 772,443.02

**TOTAL LIABILITIES & EQUITY** 2,359,593.82

Note: GHAD owns \$15k in rock that is held at Granite Rock for future use.

**Pajaro Dunes Geologic Hazard Abatement District**

**Profit & Loss Budget vs. Actual**

July 2016 through January 2017

	Zone 1			Zone 2		
	Jul '16 - Jan 17	Budget	\$ Over Budget	Jul '16 - Jan 17	Budget	\$ Over Budget
<b>Ordinary Income/Expense</b>						
<b>Income</b>						
410000 · Assessment Income	105,145	105,145	-	138,241	138,241	-
410050 · Assess. Income PDA Stairs	5,485	5,485	-	1,881	1,881	-
<b>Total Income</b>	<b>110,630</b>	<b>110,630</b>	<b>-</b>	<b>140,122</b>	<b>140,122</b>	<b>-</b>
<b>Expense</b>						
610155 · Postage and Mailings	110	744	(634)	-	-	-
615115 · Office Expense	-	-	-	-	-	-
615140 · Audit Expense	7,500	7,750	(250)	-	-	-
615415 · Accounting/Clerk Expense	14,869	18,121	(3,252)	1,854	2,275	(421)
615617 · Website Maintenance	1,250	2,090	(840)	-	-	-
615650 · Officer Election	75	2,000	(1,925)	-	-	-
615655 · Dues	159	-	-	-	-	-
615656 · Board/Clerk Education	804	1,000	(196)	-	-	-
616500 · Legal Fees	5,400	5,250	150	-	-	-
620000 · Continuing Education	-	-	-	-	-	-
628500 · Insurance Expense	7,581	7,581	-	-	-	-
629030 · SBA Repayment to PHA Z2	-	-	-	54,166	54,166	-
650000 · Bank Service Charges	(17)	-	-	79	-	-
750000 · Depreciation Expense Z2	-	-	-	58,331	58,331	-
<b>Total Expense</b>	<b>37,731</b>	<b>44,536</b>	<b>(6,805)</b>	<b>114,430</b>	<b>114,772</b>	<b>(342)</b>
<b>Net Ordinary Income</b>	<b>72,900</b>	<b>66,095</b>	<b>6,805</b>	<b>25,692</b>	<b>25,350</b>	<b>342</b>
<b>Other Income/Expense</b>						
<b>Other Income</b>						
410070 · Interest Income	43	28	15	37	84	(47)
<b>Total Other Income</b>	<b>43</b>	<b>28</b>	<b>15</b>	<b>37</b>	<b>84</b>	<b>(47)</b>
<b>Other Expense</b>						
855000 · Interest Expense	6,610	6,610	-	43,624	43,624	-
955500 · Interest Bond Discount	-	-	-	1,218	1,218	-
<b>Total Other Expense</b>	<b>6,610</b>	<b>6,610</b>	<b>-</b>	<b>44,842</b>	<b>44,842</b>	<b>-</b>
<b>Net Other Income</b>	<b>(6,567)</b>	<b>(6,582)</b>	<b>15</b>	<b>(44,805)</b>	<b>(44,758)</b>	<b>(47)</b>
<b>Net Income</b>	<b>66,333</b>	<b>59,513</b>	<b>6,820</b>	<b>(19,113)</b>	<b>(19,408)</b>	<b>295</b>

**Pajaro Dunes Geologic Hazard Abatement District  
Profit & Loss Budget vs. Actual**

July 2016 through January 2017

	TOTAL		
	Jul '16 - Jan 17	Budget	\$ Over Budget
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
410000 · Assessment Income	243,387	243,387	-
410050 · Assess. Income PDA Stairs	7,366	7,366	-
<b>Total Income</b>	<u>250,753</u>	<u>250,753</u>	<u>-</u>
<b>Expense</b>			
610155 · Postage and Mailings	110	744	(634)
615115 · Office Expense	-	-	-
615140 · Audit Expense	7,500	7,750	(250)
615415 · Accounting/Clerk Expense	16,723	20,396	(3,673)
615617 · Website Maintenance	1,250	2,090	(840)
615650 · Officer Election	75	2,000	(1,925)
615655 · Dues	159	-	159
615656 · Board/Clerk Education	804	1,000	(196)
616500 · Legal Fees	5,400	5,250	150
620000 · Continuing Education	-	-	-
628500 · Insurance Expense	7,581	7,581	-
629030 · SBA Repayment to PHA Z2	54,166	54,166	-
650000 · Bank Service Charges	62	-	62
750000 · Depreciation Expense Z2	58,331	58,331	-
<b>Total Expense</b>	<u>152,161</u>	<u>159,308</u>	<u>(7,147)</u>
<b>Net Ordinary Income</b>	98,592	91,445	7,147
<b>Other Income/Expense</b>			
<b>Other Income</b>			
410070 · Interest Income	80	112	(32)
<b>Total Other Income</b>	80	112	(32)
<b>Other Expense</b>			
855000 · Interest Expense	50,234	50,234	-
955500 · Interest Bond Discount	1,218	1,218	-
<b>Total Other Expense</b>	<u>51,452</u>	<u>51,452</u>	<u>-</u>
<b>Net Other Income</b>	<u>(51,371)</u>	<u>(51,340)</u>	<u>(32)</u>
<b>Net Income</b>	<u><u>47,220</u></u>	<u><u>40,105</u></u>	<u><u>7,115</u></u>

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

As of January 31, 2017

Type	Date	Num	Name	Debit	Credit	Balance
<b>100000 - SCCB Zone 1 - 3957</b>						<b>17,221.63</b>
Bill Pmt -Check	12/09/2016	1276	Hutchinson & Bloodgood		6,500.00	10,721.63
Bill Pmt -Check	12/09/2016	1277	Jarvis, Fay, Doport & Gibson, LLP		160.00	10,561.63
Bill Pmt -Check	12/09/2016	1278	Wendy L. Cumming, CPA		2,733.41	7,828.22
Bill Pmt -Check	01/13/2017	1279	Hutchinson & Bloodgood		1,000.00	6,828.22
Bill Pmt -Check	01/13/2017	1280	Jarvis, Fay, Doport & Gibson, LLP		1,380.00	5,448.22
Bill Pmt -Check	01/13/2017	1281	Wendy L. Cumming, CPA		1,051.31	4,396.91
Total 100000 - SCCB Zone 1 - 3957				0.00	12,824.72	4,396.91
<b>100001 - SCCB Zone 2 - 3965</b>						<b>35,528.91</b>
Bill Pmt -Check	12/09/2016	1248	Pelican Home Owner's Association		7,738.00	27,790.91
Bill Pmt -Check	12/09/2016	1249	Wendy L. Cumming, CPA		337.84	27,453.07
Bill Pmt -Check	12/09/2016	1250	Pelican Home Owner's Association		7,738.00	19,715.07
Bill Pmt -Check	01/13/2017	1251	Pelican Home Owner's Association		7,738.00	11,977.07
Bill Pmt -Check	01/13/2017	1252	Wendy L. Cumming, CPA		129.94	11,847.13
Total 100001 - SCCB Zone 2 - 3965				0.00	23,681.78	11,847.13
<b>100003 - SCCB LTD- 0208</b>						<b>38,836.00</b>
Deposit	12/31/2016			3.29		38,839.29
Deposit	01/31/2017			3.30		38,842.59
Total 100003 - SCCB LTD- 0208				6.59	0.00	38,842.59
<b>100400 - Union Bank Bond Holding</b>						<b>255,729.92</b>
Total 100400 - Union Bank Bond Holding						255,729.92
<b>TOTAL</b>				<b>6.59</b>	<b>36,506.50</b>	<b>310,816.55</b>



SINCE 1908

## INSURANCE

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

PHONE (831) 724-1085

FAX (831) 724-1089

February 9, 2017

Pajaro Dunes Geologic Hazard Abatement District  
c/o Wendy Cumming  
P.O. Box 1531  
Capitola, CA 95010-1531

Re: Directors and Officers through Allied World Surplus Lines Ins. Co.  
Policy No: 02025977

Dear Board of Directors:

Allied World Surplus Lines Ins. Co. has offered you a **Directors and Officers** policy for an annual premium of **\$11,591.68**. A detailed copy of the renewal offer is enclosed for your review.

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 Application that you need to review, re-sign and re-date 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 **\$11,591.68** and mail it to our office along with the signed forms prior to 03/09/2017. Financing is available. If you are interested in financing this premium, please contact me to discuss. **Please be advised, this quote and/or policy expire on 3/12/2017. 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 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 9, 2017

Pajaro Dunes Geologic Hazard Abatement District  
c/o Wendy Cumming  
P.O. Box 1531  
Capitola, CA 95010-1531

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

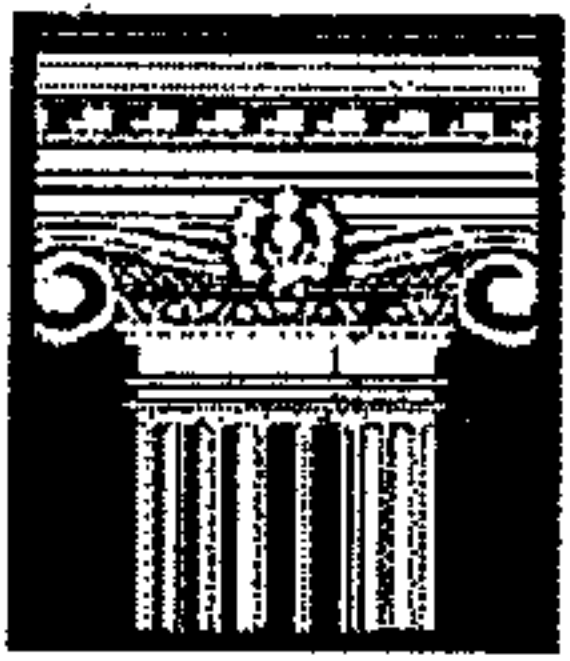
<b>INSURED:</b>	Pajaro Dunes Geologic Hazard Abatement District
<b>PAYMENT FOR:</b>	Directors and Officers Allied World Surplus Lines Ins. Co. Policy #02025977
<b>ACCOUNT #:</b>	00004327
<b>EFFECTIVE:</b>	3/12/2017 - 3/12/2018
<b>DESCRIPTION:</b>	Renewal
<b>TOTAL:</b>	\$11,591.68

*This amount is immediately due.*

*Please make check payable to:  
KBK Insurance Agency*







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

## Public Officials Management & Employment Practices Liability

**Date:** 02/3/2017

**To:** Yolanda P. Hernandez  
Swett & Crawford - SF  
**Email:** yhernandez@crcswett.com

**Proposed Insured:** Pajaro Dunes Geologic Hazard Abatement District  
2661 W. Beach Road  
Watsonville, CA 95076

**Expiring Policy #:** 0202-5977-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:

### RENEWAL QUOTATION

**Coverage:** See coverage form DRWN POL 1000 (01/2012) for terms, conditions and limitations.

**Form:** Claims Made

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

**Insurer Information:** Allied World Surplus Lines Insurance Company  
Member of Allied World Assurance Group  
Best Rating: A XV  
Surplus Lines Insurer

**Filings / Taxes:** Broker Handles Filings

**Commission:** 10%

**Quotation / Indication valid until:** 3/12/2017

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: Pajaró 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>			
	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>			
	Total Premium:		\$10,745.00
	Policy Fee :		\$245.00
	Total Cost:		\$10,990.00
<p>Premium is subject to 3.2% taxes/fees. Premium is 25% fully earned and payable within 20 days of the effective date. Swett &amp; Crawford Broker Fee: \$250.00</p>			

Proposed Insured: Pajaro Dunes Geologic Hazard Abatement District

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

**Reminders:**

A written request is required to bind coverage.

Backdating of coverage is not allowed.

See attached Coverage Features attachment for additional information.

Limits, deductibles, 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.)

DRWN POL 1005 Public Officials Liability and Employment Practices Liability Insurance Policy Declarations

SAA-100 Schedule of Policy Forms and Endt's.

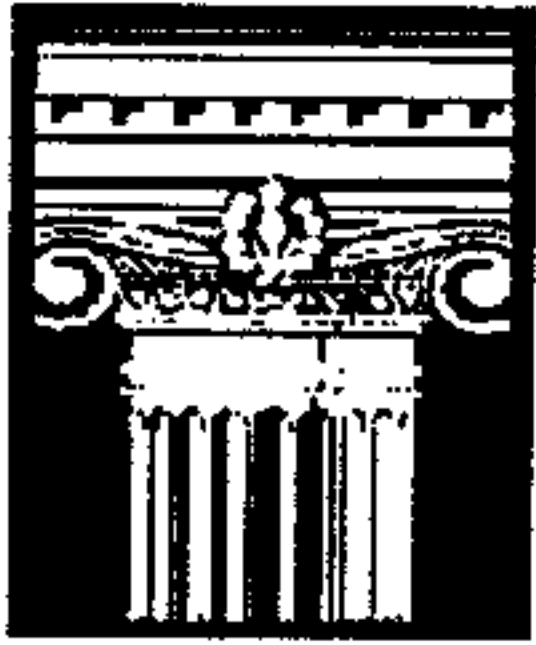
DRWN POL 1000 Public Officials and Employment Practices Liability Insurance Policy

s1006 DSI Service of Suit

PGU 1052 Minimum Earned Premium Upon Cancellation

**Comments:**

By purchasing/renewing this coverage, you will be provided with toll-free and online access to Employment Law Attorneys who will answer your organization's specific Human Resource and Employment Law questions and provide access to state and federal employment law changes and more. Insureds can access HELPLINE services throughout the policy period at no additional cost.



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**The Authority.**

## **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	Both Options Available	
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 Emotional Distress, Sexual Harrassment, Discrimination and other allegations	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	
Sub-limit for Fiduciary Liability	Optional	
24/7 Toll-free and on-line access to Employer HELPLINE 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.***