

Minutes of the January 5, 2012 Meeting of the Board of Directors of the Silver Creek Valley Country Club Geologic Hazard Abatement District.

A meeting the Board of Directors of the Silver Creek Valley Country Club Geologic Hazard Abatement District (“District”, “GHAD”) was held at 5262 Arezzo Way, San Jose, California, on January 5th and was called to order at 6:34 PM.

Agenda item 1: The following directors were present at the beginning of the meeting and constituted a quorum for the transaction of business: Reyad Katwan (as Chairman), Ulf Sandberg, Stephen Kay, and Richard Manso. No Board Members were absent. The General Manager of the GHAD, Ed Abelite was present at the meeting and was asked by Mr. Katwan to be the Secretary of the meeting and to keep the minutes of the meeting.

At the beginning of the meeting no one else from the public was present. Mr. Rexford Upp of UPP Geotechnology, Inc. joined the meeting after the Board considered Agenda item 3.

It was noted by the Directors that the agenda had been properly posted by Mr. Katwan at the guard gate at least 72 hours prior to the meeting.

Agenda item 2: The minutes of the July 28, 2011 meeting were then reviewed by the Board of Directors. Mr. Manso made a motion to approve the minutes. Mr. Sandberg seconded the motion. After some discussion, the minutes were clarified to reflect that Mr. Kay and Ms. Urbas did attend the July 28th Board meeting. With this clarification, the Board voted unanimously to approve the minutes.

Agenda item 3: Mr. Abelite presented a draft of a proposed “Conflict of Interest Code” which was initiated after the GHAD had been contacted by Kim Forrester of the Office of the County Counsel. The Conflict of Interest Code is to be used in conjunction with the Fair Political Practices Commission (FPPC) Form 700 filings by Board members and the General Manager. Mr. Abelite presented materials provided by Ms. Forrester, including sample Conflict of Interest Codes from other Districts in the County and other support materials from the FPPC.

Board members discussed their concern about the disclosure categories shown at the bottom of page one of the proposed draft. Mr. Abelite explained that the draft code was written using the two sample Conflict of Interest Codes provided by the County. Subsequently, the draft was reviewed by the Office of the County Counsel and the resulting draft was the draft presented to the Board.

Mr. Manso made a motion to adopt the Conflict of Interest Code with the provision that Mr. Abelite check with the Office of the County Counsel to see if the disclosure categories needed to be more elaborate. The motion stipulated that if the Office of the County Counsel was in agreement with the disclosure categories as written, then the Conflict of Interest Code is approved. If the Office of the County Counsel recommended further changes, then the Conflict of Interest Code should be presented to the Board at the next meeting. Mr. Sandberg seconded the motion. The Board voted unanimously to approve the motion.

Agenda item 4 was deferred to be after Agenda item 5.

Agenda item 5: Mr. Upp presented the results of the field survey database project which included a power point presentation depicting an aerial photograph based map overlaid with a gridded numbering system and subsequent slides showing various problematic drainage ditches around the District. Mr. Upp described the various types of issues that some of the drainage ditches have, including cracked ditches, ditches with standing water and ditches with debris in them.

There was discussion of what sub drains are and how they work. There was discussion about the construction of “J” ditches. There was a discussion of what problems each type of issue created. For example, debris blocked ditches prevented full drainage of the ditches to drain inlets. Mr. Manso suggested that this information be forwarded to the Silver Creek Valley Country Club Homeowners Association (HOA) as soon as possible because of an upcoming HOA Board meeting. Mr. Manso noted that he sits on both the GHAD Board and the HOA Board and believed that he has no conflict of interest with respect to the drainage ditches. The GHAD Board directed Mr. Upp to produce a final report based on the field survey with the intention of sending this information onto the HOA Management Company for dissemination to the HOA Board. In the interim, the GHAD Board directed Mr. Abelite to send the power point presentation to the HOA Management Company in an effort to alert the HOA about potential issues that need to be addressed by the HOA.

As part of the presentation, Mr. Upp also pointed out that a custom lot at the west end of Algonquin may also be experiencing drainage issues. The Board directed Mr. Abelite to perform a field visit and write a memo to the property owner if necessary to alert the owner of this concern.

At this point the Board discussed future inspections of the drainage ditches. Mr. Upp suggested a three year inspection interval for all drainage ditch areas in the District. The Board consensus was that the inspections should occur every year with approximately a third of the total inspection areas covered each year, thus establishing a maximum three year interval on all inspection areas. The next set of inspections would concentrate on the higher priority-problematic ditches that were to be outlined in the final report. The inspections will be performed annually in the September-October time frame. Upon conclusion of this agenda item, Mr. Upp left the meeting.

Agenda item 4: Public correspondence. Mr. Abelite noted that a Mr. Allingham who lives on Killarney Circle requested a copy of the 2011-2012 GHAD budget, which was provided to him. Public correspondence from Mr. Halvorson of Black pool Court was deferred to later in the meeting.

Agenda item 6: The sixth agenda item was the presentation of the draft of the 2010-2011 Audit which was prepared by Deborah Daly. Mr. Manso raised questions regarding the inconsistencies regarding verbiage and values shown on pages 2, 3, 6 and 7. The use of the term “net assets” and the dollar values associated with (e.g. \$222,278 and \$173,416) did not appear to be consistent. The Board also noted a spelling error on page 9, paragraph “Subsequent events”, line 1 – “year end”.

Mr. Manso also questioned whether the discussion on page 9, section “Note C – Cash and Investments” was indeed accurate with regard to the amount of District assets that fall into the SPIC insurance limit category.

Mr. Manso made a motion to defer the approval of the Audit to a subsequent GHAD meeting once the above questions were either clarified or corrected and presented once again to the Board. Mr. Sandberg seconded the motion and the Board unanimously passed the motion.

Agenda item 10 (there were no agenda items 7 through 9): Mr. Abelite presented the Administrative report in regards to various items he had worked on since the previous Board meeting. Items discussed were:


- Mr. Abelite gave a brief report regarding the GHAD Newsletter that was issued in mid 2011. The Board directed Mr. Abelite to issue future Newsletters annually approximately 1-2 months before Property Tax notices are issued.
- Mr. Abelite reported that the Iron Mountain file storage project had reached a point where this program is now considered to be in a stabilized steady state mode requiring only on-going maintenance. The Board directed Mr. Abelite to give Mr. Katwan the third hard drive for safe keeping at his home on Arezzo Way.
- Mr. Abelite reported that the yearly County Tax Roll reporting project was completed.
- Mr. Abelite had provided the Board with bank statements and financial reports before the meeting.
- Mr. Abelite reported that the annual August air flight photo project was completed and filed in the records at Iron Mountain. Mr. Abelite also reported that the annual stereo air flight photos had just been ordered.
- Mr. Abelite reported the election process is complete. In essence, not enough candidates applied to run for Board seats, thus eliminating the need for the GHAD to participate in the County fall election. Mr. Abelite pointed out that the Board still has one vacancy. Mr. Katwan indicated he knew of an acquaintance that might have an interest in becoming a Board member and that he would pursue this candidate further. The Board also directed Mr. Abelite to send the HOA Management Company an advertisement seeking candidates interested in joining the GHAD Board for publication in the HOA Newsletter.
- Mr. Abelite reported that the 1681 Lucca Place rear slope fill field item was considered closed by the GHAD.
- Mr. Abelite reported that Mr. Halvorson of Black Pool Court made an email request that the GHAD pay for the cost of winter preparation of his property slope. Mr. Halvorson's request cited GHAD's previous payment to Mr. Brunetti for winter preparation. It was noted by the Board that the Board indeed made a loan to Mr. Brunetti, which was recorded against the property, where Mr. Brunetti used the proceeds of the loan for the purposes of winterization of the slope. Mr. Abelite reported that due to the foreclosure of the senior note on the property, the District did not recover the principal of the loan from Mr. Brunetti. Each Board member expressed their reluctance to provide funds for any purposes in connection with any property in light of what happened on this prior loan. After a brief discussion, the Board directed Mr. Abelite to respond to Mr. Halvorson by declining his request.

Agenda item 11: The Board discussed the calendaring of future Board meetings for the 2012 year. The Board directed Mr. Abelite to create a calendar for the 2012 year that would amount to approximately 6 meetings. Once again the goal is to have meetings on Thursdays at 6:30 pm at the SCVCC main clubhouse or alternatively at the SCVCC tennis pavilion as a second choice.

The meeting was adjourned at 8:42 pm.

Respectfully Submitted,

and

DocuSigned by: <i>Ed Abelite</i> _____ DocuSigned by: <i>Ulf Sandberg</i> _____ D8CD81350456427...		,Secretary of the Meeting	3/16/2012
		, Clerk of the Board	3/17/2012