

**Minutes of the May 23, 2013 Meeting of the Board of Directors of the
Silver Creek Valley Country Club Geologic Hazard Abatement District.**

A meeting of the Board of Directors of the Silver Creek Valley Country Club Geologic Hazard Abatement District (“District”, “GHAD”) was held at 5640 Country Club Parkway, San Jose, California, on May 23, 2013 and was called to order at 6:56 PM.

Agenda item 1: The following Directors were present at the beginning of the meeting and constituted a quorum for the transaction of business: Richard Manso, Reyad Katwan and Bruce Apkarian. It should be noted that Mr. Apkarian initially joined the meeting via conference call and subsequently joined the meeting in person. Stephen Kay and Ulf Sandberg 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. From the public, Messrs. Steve Moore and David Crouse were in attendance, as they were considering joining the Board.

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

Agenda item 2: The minutes of the April 4, 2013 meeting were then reviewed by the Board of Directors. Mr. Manso made a motion to approve the minutes. Mr. Apkarian seconded the motion. There was some discussion regarding the executive session minutes language after which the Board voted to approve the minutes as follows: Voting yes: Messrs. Apkarian, Manso and Katwan. Absent: Messrs. Kay and Sandberg.

Agenda item 3. Comments from Public and Correspondence: Mr. Abelite noted there were no public comments received. Mr. Abelite reported that since the previous meeting he had placed an advertisement in the Home Owners Association monthly newsletter seeking GHAD Board member candidates. Mr. David Crouse had responded to the advertisement and was invited to attend the meeting. Board members then described to Mr. Crouse what the GHAD is and does. Mr. Crouse described his background to the Board and indicated he may be interested in joining the Board.

Agenda item 4. Audit Engagement Contract for 2012-2013 period: Mr. Abelite presented the staff report regarding hiring Ms. Deborah Daly to perform the 2012-2013 GHAD audit. Mr. Manso made a motion to approve hiring Ms. Daly. Mr. Apkarian seconded the motion. The Board voted to approve the motion as follows: Voting yes: Messrs. Apkarian, Manso and Katwan. Absent: Messrs. Kay and Sandberg.

Agenda item 5. Tax Roll Rates for 2013-2014: Mr. Abelite presented the staff report regarding increasing the Tax Roll rates for the upcoming tax year. Mr. Manso made a motion to approve increasing the Tax Roll rates upward to the maximum allowable 5% increase citing the GHAD reserves are woefully behind target fund levels. Mr. Apkarian seconded the motion. The Board voted to approve GHAD Resolution 2013-02 as follows: Voting yes: Messrs. Apkarian, Manso and Katwan. Absent: Messrs. Kay and Sandberg.



Let the record reflect that Mr. Stephen Kay joined the meeting at this point.

Agenda item 6. Board to adjourn the Public Meeting and go into closed session under Government Code 54957.7 for a conference regarding personnel matters.

At this point, the Board unanimously voted to go into a closed session meeting for a conference regarding personnel matters under Government Code 54957.7 to discuss personnel matters and the public and Mr. Abelite were asked to leave.

Following the closed session, the Board, on a motion duly made, seconded and unanimously carried, reconvened into open session whereupon the Chairman announced that the Board had taken the following action: a) The Board had discussed increasing the pay of the General Manager from \$75.00 per hour to \$100.00. Said increase to begin July 1, 2013.

Mr. Apkarian made the motion to approve increasing the pay rate to \$100.00 per hour. Mr. Manso seconded the motion. The Board voted to approve the motion as follows: Voting yes: Messrs. Apkarian, Kay, Manso and Katwan. Absent: Mr. Sandberg.

Mr. Katwan thanked Mr. Abelite for his service and made note of the accomplishments made in recent years as well as noting the lower management costs incurred at the same time.

Agenda item 7. Proposed GHAD Budget for 2013-2014: Mr. Abelite presented the staff report regarding the proposed GHAD Budget for the upcoming year. During the presentation Board members questioned and discussed items as follows:

- The lack of clarity in the Budget as it was not presented in a proper Profit and Loss format.
- The difficulty in forecasting Legal expenses.
- The General Liability Insurance line item that was missing in the previous year data column.
- The Birkdale Street line item as to the amounts forecasted.
- The Contingency line item.
- The General Managers increased pay rate.

After these discussions, Mr. Manso made a motion to approve the 2013-2014 GHAD Budget as presented by staff with an amendment reflecting the increased pay rate to the General Manager. The revised expense side budget total was to be set at \$99,160.00. Mr. Apkarian seconded the motion. The Board voted to approve the motion as follows: Voting yes: Messrs. Apkarian, Kay, Manso and Katwan. Absent: Mr. Sandberg.

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Agenda item 8. Manager’s report.


- a. Mr. Abelite distributed the hard and soft copies of the Emergency Operations plan to the Board.
- b. The next item had to do with the GHAD’s Plan of Control which included a requirement to inspect and maintain sub drain systems including clean outs and outlets within the District boundaries. This was a continuation of an item from the previous Board meeting. Mr. Abelite reported that this item is still being worked on and a report will come later. Mr. Abelite further reported that the GHAD’s geotechnical engineer did indicate it would be beneficial to monitor sub drains within the District. If sub drains are monitored and a change in water flow is detected, then this information could be used to focus the GHAD’s attention to certain areas of concern within the District.
- c. Mr. Abelite reported that he sent the results of the Fall Inspections to the Home Owners Association.
- d. Mr. Abelite reported on his and Mr. Kay’s attendance of the California Association of GHAD’s annual meeting in April.
- e. Mr. Abelite reported he worked on the upcoming Audit.
- f. Mr. Abelite reported he worked on the Tax Roll staff report.
- g. Mr. Abelite reported he worked on the proposed GHAD budget staff report.
- h. Mr. Abelite reported he processed the recently adopted Consolidation of Elections Resolution with the Registrar of Voters (ROV). The Board directed Mr. Abelite to speak with the ROV with respect to interim Board appointees. Mr. Abelite reported this will be an on-going project in the near future.
- i. Mr. Abelite reported that he worked on routine GHAD financial business for the previous period. He had provided the Board with the most recent financial reports and statements.

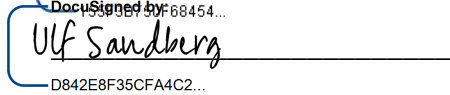
There were no field items to report.

This was the end of the manager’s report.

The meeting was adjourned at 8:25 pm.

Respectfully Submitted,


, Secretary of the Meeting
7/26/2013

and
 
, Clerk of the Board
8/1/2013