

Minutes of the June 19, 2014 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 June 19, 2014 and was called to order at 7:48 PM.

Agenda item 1: The following Directors were present at the beginning of the meeting and constituted a quorum for the transaction of business: Bruce Apkarian by phone and subsequently in person, James Forsberg and Reyad Katwan. David Crouse was absent. The General Manager of the GHAD, Ed Abelite was present at the meeting and was asked by Mr. Katwan (the Chairman) to be the Secretary of the meeting and to keep the minutes of the meeting. No one was present from the public.

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 17, 2014 meeting were then reviewed by the Board of Directors. Mr. Forsberg made a motion to approve the minutes. Mr. Apkarian seconded the motion. The Board voted to approve the minutes as follows: Voting yes: Messrs. Apkarian, Forsberg, and Katwan. Absent: Mr. Crouse.

Agenda item 3. Comments from Public and Correspondence: There was no one present from the public.

Agenda item 4. Board to review and approve the 2014-2015 Tax Roll: Mr. Abelite presented the staff report regarding increasing the Tax Roll rates for the upcoming tax year. Mr. Forsberg made a motion to approve increasing the Tax Roll rates upward to the maximum allowable 5% increase citing the GHAD reserves are behind target fund levels. Mr. Apkarian seconded the motion. Mr. Apkarian directed Mr. Abelite to make sure any lots under construction within the community are captured in this year’s Tax Roll. The Board voted to approve GHAD Resolution 2014-01 as follows: Voting yes: Messrs. Apkarian, Forsberg and Katwan. Absent: Mr. Crouse.

Agenda item 6. Board to review and approve retaining Deborah Daly as Auditor for the 2014-2015 FY: This agenda item was taken out of turn. Mr. Abelite presented the staff report regarding hiring Ms. Deborah Daly to perform the 2013-2014 GHAD Audit. Mr. Apkarian made a motion to approve hiring Ms. Daly. Mr. Forsberg seconded the motion. After some discussion, the Board directed Mr. Abelite to question Ms. Daly as to the language in the second to last paragraph of the Engagement Agreement. The Board voted to approve the motion as follows: Voting yes: Messrs. Apkarian, Forsberg and Katwan. Absent: Mr. Crouse.

Agenda item 5. Board to review and approve the 2014-2015 Budget: 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:



- For future budget proposals, the Board directed Mr. Abelite to show a column depicting the previous year's approved budget.
- The Board directed Mr. Abelite to send an email to Morgan Stanley Smith Barney seeking an explanation as to why the GHAD's earnings are projected to be lower than the previous year's earnings.
- The GHAD's current YTD income seemed low. Mr. Abelite explained the last Tax roll deposit typically occurs in late June of every year.

After these discussions, Mr. Forsberg made a motion to approve the 2014-2015 GHAD Budget as presented by staff. The expense side budget total was set at \$89,912.00. Mr. Apkarian seconded the motion. The Board voted to approve the motion as follows: Voting yes: Messrs. Apkarian, Forsberg and Katwan. Absent: Mr. Crouse.

Agenda item 7. Board to consider nominations and appointment of a new Vice Chair: The recent resignation of Richard Manso from the GHAD Board of Directors left the Board with no Vice Chair. Mr. Katwan made a motion to appoint Mr. Forsberg as Vice Chair of the GHAD. Mr. Apkarian seconded the motion. The Board voted to appoint Mr. Forsberg to the Chair position as follows: Voting yes: Messrs. Apkarian, Forsberg and Katwan. Absent: Mr. Crouse.

Agenda item 8. Manager's Operations report.

a. Mr. Abelite reported that the Sub Drain project had indeed been completed and that a formal letter had been sent to the HOA attaching the C2 Earth Inc. Sub Drain Field Observation report dated May 23, 2014.

After some discussion, the Board directed Mr. Abelite to field survey the items needing repair and to create a better scope for presentation to the HOA. Once completed, Mr. Abelite could meet with the HOA in the field to present the items and explain them if necessary.

b. Mr. Abelite reported that the GHAD thank you awards were presented to the three past Board members, Sandberg, Kay and Manso. The awards were well received.

c. Mr. Abelite reported that he had two interactions with the public since the last meeting. One public communication had to do with the sale of a home located at 5235 Vicenza Way. Mr. Abelite presented his written managers report which described the nature and process of the communications.

Mr. Abelite went on the report that a on or about June 16, 2014 Mr. Halvorson also reached out to the GHAD with respect to a home he was considering buying on 5130 Birkdale Way. (Note-Mr. Halvorson was also the same buyer of the home located on Blackpool Court which had a Landslide issue a few years ago). Mr. Abelite presented to the Board the nature and content of the communication exchanges with Mr. Halvorson.

After the public communications report, the Board discussed what might be the best approach in terms of public communications in the circumstances of home sales. The Board was concerned with:

- Liability in terms of engaging too much with the Public.
- Liability in terms of not engaging enough with the Public.
- Letting the Board know when these communications are occurring.
- Should there be a standard response formulated.
- Check with the other GHAD's to see what their policies might be.

The Board directed Mr. Abelite to explore this issue further with GHAD counsel and to report back at the next meeting.

d. Mr. Abelite presented his written managers report on finding interested candidates to fill the vacant Board seat. The report discussed Mr. Steve Ursenbach as a potential candidate.

Mr. Abelite also reported that he had received another query as to the vacant Board seat from Mr. Tom Hunt. Mr. Hunt currently serves on the Board of the Riviera HOA within the Silver Creek Community.

Mr. Abelite reported that he will work to have all candidates attend the next GHAD meeting in an effort to fill the Board vacancy.

e. Mr. Abelite reported that he performed routine financial tasks on behalf of the GHAD.

f. Mr. Abelite reported that he will be working on the annual Newsletter in the coming months.

There were no field items to report and this was the end of the manager's report.

The meeting was adjourned at approximately 9:15 pm.

Respectfully Submitted,

DocuSigned by:
Ed Abelite 

, Secretary of the Meeting 10/12/2014

DocuSigned by:
David Crouse

and

, Clerk of the Board 10/13/2014

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