

**Minutes of the June 7, 2018 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 5460 Country Club Parkway, San Jose, California on June 7, 2018 and was called to order at 6:38 PM.

Agenda item 1: The following Directors were present at the beginning of the meeting and constituted a quorum for the transaction of business: James Forsberg, Reyad Katwan and Stephen Ursenbach. 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. Board member James Baker was absent.

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 February 22, 2018 meeting were then reviewed by the Board of Directors and the Board voted to approve the minutes as follows: Voting yes: Messrs. Katwan, Forsberg and Ursenbach. Absent: Baker.

Agenda item 3: Comments from Public and Correspondence: Mr. Abelite noted there were no public comments received.

Agenda item 4: Tax Roll Rates for 2018-2019: Mr. Abelite presented the staff report regarding suggested Tax Roll rates for the upcoming tax year. The Board acted to approve a resolution to increase the Tax Roll rates upward to the maximum allowable 5% increase citing the GHAD reserves are behind target funding levels. The Board voted to approve GHAD Resolution 2018-01 as follows: Voting yes: Messrs. Forsberg, Ursenbach and Katwan. Absent: Baker.

Agenda item 5: Board to consider increasing the General Managers Hourly rate:

Mr. Abelite presented the staff report regarding his request for an increase in his hourly pay rate. After some discussion, the Chairmen closed the Public Hearing and opened an Executive Session meeting. Mr. Abelite was excused from Executive Session meeting. The Board Members discussed the request by Mr. Abelite. The Executive Session was then adjourned, and the Public Hearing was re-opened.

Chairmen Katwan announced that the Board voted unanimously to approve the requested increase in hourly rate except that the rate was changed from the requested \$140/hour to be \$150/hour. Furthermore, the Board approved future adjustments to the hourly rate will be automatic every July 1, starting in 2019. The method of adjustment shall follow the change in the Consumer Price Index as calculated by US Department of Labor, Bureau of Labor Statistics for Urban Consumers, San Francisco-Oakland-San Jose.

Agenda item 6. Proposed GHAD Budget for 2018-2019: Mr. Abelite presented the staff report regarding the proposed GHAD Budget for the upcoming year. After the presentation and some questions, the Board acted to approve the 2018-2019 GHAD Budget as presented by Mr. Abelite,

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with the necessary adjustment noted to reflect the increase in the General Managers hourly rate. The Board voted to approve the motion as follows: Voting yes: Messrs. Forsberg, Ursenbach and Katwan. Absent: Baker.

Agenda item 7: Board to approve the Resolution Requesting and Consenting to Consolidation of Elections. Mr. Abelite presented the staff report to the Board regarding the consolidation of elections. Mr. Forsberg made a motion to approve Resolution 2018-02 which is titled “Resolution of the Board of Directors of the Silver Creek Valley Country Club Geologic Hazard Abatement District Requesting and Consenting to Consolidation of Elections”. Mr. Ursenbach seconded the motion. The Board voted to approve the resolution as follows: Voting yes: Messrs. Ursenbach, Forsberg and Katwan. Absent: Baker.

Agenda item 8: Manager’s operations report.

a. **Ethics Training:** Mr. Abelite reported his findings that GHAD Board members are required to have ethics training every 2 years. Mr. Abelite asked that each Board Member endeavor to fulfill the ethics training requirements through the on-demand class offered through our membership with the California Special Districts Association. Mr. Abelite will send reminder emails to all Board members that have not done their training from time to time.

b. **Tax Rolls, Budget setting and Consolidation of Elections:** Mr. Abelite reported that he worked on all these items since the last meeting.

c. **Site Visit:** Mr. Abelite reported on his site visit and subsequent C2 Earth letter follow up to 4903 Formby Court.

d. **Thank you awards:** Mr. Abelite reported that he worked to produce thank you awards for past Board Members David Crouse and Peter Ligeti. Peter Ligeti was invited to this meeting to accept his award, but he could not attend.

e. **Board Vacancy:** Mr. Abelite pointed out the Board vacancy caused by David Crouse’s departure was still open. To date, advertisements in the Informer magazine yielded no candidates. Each Board member was encouraged to think about prospective candidates and pass them along to Mr. Abelite.

f. **Report on the Annual State Association of GHAD’s Board meeting in San Ramon:** Mr. Abelite reported on his attending the annual California State Association of GHAD’s meeting at the offices of Engeo in San Ramon California. Mr. Abelite reported that there was one item of note for the SCVCC GHAD Board to consider.

During the Annual State Association of GHAD’s meeting, one discussion revolved around general liability insurance policies and what they typically cover. Eventually this led to a discussion about a GHAD’s Plan of Control and what does a GHAD cover for home owners versus what home owner’s policies cover or fail to cover. It was the opinion of a few of the State Association Board members, that if a landslide scenario occurred below a lot with a home on it, a GHAD would be responsible for



the work to restore the slope below a home and to work to restore the lot itself. But if the home was damaged or destroyed, that remains the responsibility of the home owner.

Mr. Abelite suggested to our GHAD Board that our GHAD could use a professional third-party reviewer to help us understand what entity, the SCVCC GHAD, the HOA, the Golf Club and/or individual home owners is responsible for what portions of losses caused by a geologic hazard event within the SCVCC District based on our Plan of Control.

The Board authorized Mr. Abelite to contract with Engeo for up to \$7,500 to perform such a third-party review of the Silver Creek GHAD under various geologic hazard scenarios.

g. Biennial Review of the GHAD Conflict of Interest Code: Mr. Abelite reported that he worked on a request from the Santa Clara County Counsel’s office to review the GHAD’s latest version of our Conflict of Interest Code. His findings were that the GHAD’s Conflict of Interest code was not in need of updating and Mr. Abelite reported that to the County Counsel’s Office.

h. Routine financial work:

Mr. Abelite worked on general administration of GHAD business and the following GHAD financial items since the last meeting:

- Processed invoices for payment.
- Created routine financial reports for the Board.
- Reconciled the monthly Morgan Stanley statements.

Agenda item 9: Re-scheduling of the GHAD’s November 8, 2018 meeting:

The Board agreed to change the date of the November 8, 2018 GHAD Board meeting to be on November 15, 2018 instead.

The meeting was adjourned at approximately 8:20 pm.

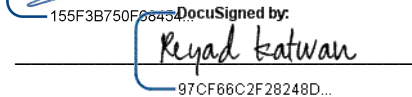
Respectfully Submitted,

DocuSigned by:


, Secretary of the Meeting

9/14/2018 1:30:13 PM PDT

and

DocuSigned by:


, Clerk of the Board

10/4/2018 3:56:47 PM PDT