

## MINUTES

SECOND WALNUT CREEK MUTUAL  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
THURSDAY, JANUARY 19, 2017 AT 9:00 A.M.  
PEACOCK HALL – GATEWAY COMPLEX

President Sanford Skaggs called to order the regular meeting of the Board of Directors of Second Walnut Creek Mutual at 9:00 a.m. on Thursday, January 19, 2017 in Peacock Hall, Gateway Complex, 1001 Golden Rain Road, Walnut Creek, California.

ROLL CALL: Present: Sanford Skaggs, President  
Barbara El-Baroudi, Vice President/Treasurer  
Frank Mansfield, Vice President

Excused: Susan Williamson, Director

Mutual Operations staff was represented by Paul Donner, Director of Mutual Operations; Rick Chakoff, Chief Financial Officer; Mark Marlatte, Building Maintenance Manager; Rebecca Pollon, Landscape Manager; and Anne Paone, Administrative Secretary.

There were 20 residents in attendance.

The consent calendar consisted of:

Regular Meeting Minutes – November 17, 2016  
Executive Session Minutes – November 17, 2016  
Executive Session Minutes – October 6, 2016  
Approve and Authorize Execution of Contract with Commercial Support Services

*Ms. El-Baroudi moved to approve the consent calendar as presented. Mr. Mansfield seconded and the motion carried without dissent.*

### RESIDENTS' FORUM

The issue of clogged drains, due to the tremendous amount of rain, was discussed. Mr. Donner reported that during the heavy rains, some staff was working around the clock. MOD called Roto Rooter to clear drains that staff could not handle.

A resident commented that he doesn't want the phone that Comcast is offering. Mr. Skaggs explained the Comcast offer to the Mutual.

A resident inquired as to whether trees that are removed will be replaced. Ms. Pollon responded that we plant more trees than are removed, but not always in the exact location of the removed trees.

Plants need to be pruned. Ms. Pollon will take a look.

## LANDSCAPING REPORT – Rebecca Pollon, Landscape Manager

Ms. Pollon reported on the following:

**LAWN MAINTENANCE:** Mowing is occurring every 3-4 weeks depending on weather, soil saturation and growth rates. Irrigation is OFF.

**ENTRY MAINTENANCE:** Entry crews are focusing on drain/v-ditch clearing during storms and before predicted storms and will begin rejuvenation pruning of large shrubs through winter.

**TREE MAINTENANCE:** Waraner Brothers Tree Service handles all work orders. The Landscape Manager will walk with the arborist to identify winter pruning needs. Three trees need to be removed. An application was submitted to Walnut Creek.

**LANDSCAPE REHAB:** The MOD crew is currently assisting with drainage and will be continuing with plant replacements through mid-March.

The 2017 Landscape Plan will address all of SWCM. About 2,000 plants will be replaced. Compost and mulch will be installed. It covers the ground deterring weeds and retains water.

There is \$40,000 available to address 5%-10% of lawns that need attention. The worst ones have lots of weeds and bare areas.

There will be irrigation upgrades costing about \$5,000.

The remaining budget for landscaping will be used for outstanding projects from last year.

Mr. Skaggs reported that the Mutual has been in a program of going entry-by-entry to replace irrigation, etc. Due to the drought, the Board is concerned about rehabilitating landscapes and has temporarily suspended that program. The landscape budget is \$185,000.

## BUILDINGS AND FACILITIES REPORT – Mark Marlatte, Bldg. Maintenance Mgr.

Mr. Skaggs reported that the Mutual is on an entry-by-entry program. The goal is to get on an 8-year cycle for painting and carpentry rehabilitation.

Mr. Marlatte reported that there have been some big storms. The Mutual concentrated on roofs in past years, so there have been no Mutual rain leaks.

In 2015, carpentry and painting worked on 25 buildings.

In 2016, carpentry and painting worked on 34 buildings.

In 2017, carpentry and painting will work on 30 buildings.

Mr. Skaggs reported that the important message is that the Mutual is on schedule to rehabilitate and paint buildings in an orderly manner.

## TREASURER'S REPORT – Rick Chakoff

Mr. Chakoff reported that the December preliminary financials show a \$55,000 deficit to budget. There could be more invoices still to come. Building Maintenance and Utilities is over budget by approximately \$100,000, but the Mutual is in good financial condition.

Mr. Skaggs reported that the Mutual received a refund from MOD of \$43,000. This was a total from 3 years. He explained to the membership that the Mutual contracts for property management services with GRF and MOD.

They are non-profit corporations. If there is a surplus, it gets refunded to the Mutuals.

Mr. Chakoff reported the reserve fund balance is \$2,444,000, which has been steadily increasing the past few years.

Ms. El-Baroudi reported that there were 9 sales in November. The median price was \$375,000. There were 3 sales in December. The median price was \$286,000. There have been 133 YTD sales. The median price was \$340,000.

### PRESIDENT'S REPORT

Mr. Skaggs reported to the membership that Board director, Dick Unitan, passed away. Mr. Unitan worked very hard for the Mutual and he will be greatly missed.

If anyone would like to serve on the Board, let a Board member know.

Mr. Skaggs commented that he would like to see the website evolve to be friendlier to residents and to have more information on it as the Internet is becoming a common means of communication and is readily available to residents.

### BYLAWS

Mr. Skaggs stated the proposed Bylaws are in the attorney's hands. The goal is to send them out to the membership in the first half of the year. Mr. Skaggs asked everyone to please vote.

Mr. Skaggs reminded the membership that at the last meeting, it was decided not to charge a fee for golf cart charging.

### UNFINISHED BUSINESS

None

### NEW BUSINESS

Mr. Skaggs reported that the state has requirements for Mutual elections. There is no change in how elections are conducted. The State also requires the Mutual to have Election Rules that conform to those requirements. The Mutual has followed the requirements and the proposed Policy #17 documents those requirements.

*Ms. El-Baroudi moved to adopt Policy #17.0 Election Rules as presented. Mr. Mansfield seconded and the motion carried without dissent.*

Mr. Skaggs reported that California law generally prohibits discrimination housing on the basis of age. However, senior communities can allow age restrictions that are consistent with State law. Policy #18.0 sets forth the Senior Housing Rules for Second Walnut Creek Mutual (the "Mutual") and the Mutual's policy concerning the age of residents (including "Co-occupants" and "Designated Occupants") and Guests at the Second Walnut Creek Mutual housing cooperative ("Development").

Proposed Policy #18.0 documents in one Policy the State law requirements and Mutual rules that have been applied in the past with no significant change; however, Policy #18.0 clarifies the guest policy. Guests must be the guest of a permitted senior citizen resident who continues to reside in the unit while the Guest is present.

*Ms. El-Baroudi moved to adopt Policy #18.0 Senior Housing Rules as presented. Mr. Mansfield seconded and the motion carried without dissent.*

Mr. Skaggs explained that the revision to policy #1.2 is to conform it to new Policy #18.0.

*Mr. Mansfield moved to adopt the revisions to Policy #1.2 as presented. Ms. El-Baroudi seconded and the motion carried without dissent.*

Mr. Skaggs explained that the revisions to Policy #16.0 simply are corrections to the numbering of the subsections.

*Mr. Mansfield moved to adopt the re-numbering of Policy 16.0 as presented. Ms. El-Baroudi seconded and the motion carried without dissent.*

These Rules shall become effective as of this date-of-adoption by the Board.

Mr. Skaggs presented a Memo Re Installation of Storage Cabinets in Carports, dated 11.17.2016 and asked for approval by the Board; a copy is attached to these minutes. The Memo explains how the Mutual administers and implements Policy #6.1 of SWCM pertaining to installation of storage cabinets and lockers in carports.

*Ms. El-Baroudi moved to approve the Memo regarding storage cabinets as presented. Mr. Mansfield seconded and the motion carried without dissent.*

The Board next considered the annual renewal of the Shared Deductible Agreement. Mr. Donner reported that there were no changes to the Agreement. The Mutual's Property Insurance has a \$100,000 deductible that results in a lower premium. The Mutual shares that risk with the other Mutuals that are parties to the Agreement. The first \$10,000 is paid by the Mutual that had the loss. The remaining \$90,000 is shared by all of the participating Mutuals on a per manor basis.

*Mr. Mansfield moved to approve and authorize the execution of the 2017 Shared Deductible Agreement. Ms. El-Baroudi seconded and the motion carried without dissent.*

## ANNOUNCEMENTS

Mr. Skaggs announced the following meetings:

Second Mutual Regular Monthly Meeting – Thursday, February 16, 2017  
9:00 a.m. Peacock Hall – Gateway Complex

GRF Regular Board Meeting – Thursday, January 26, 2017 at 9:00 a.m.  
Peacock Hall – Gateway complex

ADJOURNMENT

Having no further business, Mr. Skaggs adjourned the meeting at 10:00 a.m., in memory of Director Dick Unitan.

/s/ \_\_\_\_\_  
Anne Paone, Assistant Secretary  
Second Walnut Creek Mutual

An executive session was held following the open session at 10:10 a.m. Topics included:

- Member Discipline-Noise
- Member Discipline-Carport Storage
- Member Discipline-Carport Storage

With no further business to discuss, the Board adjourned the Executive Session at 10:20 a.m.