

## MINUTES

### SECOND WALNUT CREEK MUTUAL REGULAR MEETING OF THE BOARD OF DIRECTORS THURSDAY, JANUARY 22, 2015 AT 9:00 A.M. PEACOCK HALL – GATEWAY COMPLEX

President Barbara El-Baroudi called to order the regular meeting of the Board of Directors of Second Walnut Creek Mutual at 9:00 a.m. on Thursday, January 22, 2015 in Peacock Hall, Gateway Complex, 1001 Golden Rain Road, Walnut Creek, California.

ROLL CALL: Present: Barbara El-Baroudi, President  
Sandy Skaggs, Vice President  
Clay Dunning, Treasurer  
Pat Dulmage, Director

Excused: Richard Unitan, Secretary

Mutual Operations staff was represented by Paul Donner, Director of Mutual Operations; Mark Marlatte, Building Maintenance Manager; and Anne Paone, Administrative Secretary.

There were 7 residents in attendance.

#### APPROVAL OF THE MINUTES

The minutes of the regular Board meeting of November 20, 2014 were approved without dissent as written and reviewed.

#### RESIDENTS' FORUM

Nancy Kubacki, Singingwood Ct., Entry 4 – Ms. Kubacki reported that the air conditioners are a building eyesore. They are rusting and there is nothing to hide them. She would like short fences or lattice placed around them.

Mr. Marlatte said he could do that.

Ms. El-Baroudi asked the Board to take a look and let her know what they think.

Paul Pfeifer, Canyonwood Ct., Entry 10 – Mr. Pfeifer reported that there are piles of construction items, mostly keystone blocks used in landscaping, left at the base of his building. There are large stones there, too.

Mr. Donner will take a look.

Mr. Pfeifer would like more information on the website, such as the material from the new resident meeting. The Board will consider it.

Mae Lee Kelley, Tice Creek Dr., Entry 6 – Ms. Kelley thanked the Board for donating their time. They assisted her with a problem regarding a large compressor in front of her bedroom window; it was very loud when it went on and off. It will be relocated.

#### LANDSCAPING REPORT – Rich Perona, Landscape Manager

Mr. Donner read Mr. Perona's report in his absence. Following is his report:

LAWN MAINTENANCE: Lawns will be fertilized the week of February 16<sup>th</sup>. Irrigation controllers remain off except for inspections and new plantings.

ENTRY MAINTENANCE: Crews are concentrating on leaf removal, pruning of large shrubs and

small trees. They will also spot spray weeds as necessary.

TREE MAINTENANCE: Waraner Brothers Tree Service handles all work orders.

LANDSCAPE REHAB: The crew is currently working in Singingwood Court entry 4. This involves removing all of the old landscape, installing block walls, new irrigation, new shrubs and trees and the installation of shredded bark and lodi rock. Drain issues will also be resolved during this time. Once the entry has been completed, late February, the crew will start Singingwood Drive entry 2. A meeting will be held with the residents prior to start of work.

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

Mr. Marlatte reported that Carpentry and Painting Maintenance has moved to Canyonwood Court – Entry 2; Roofing specs have been given to contractor for proposal; Bridge and Stair replacement - They are inspecting the remaining bridges for 2015; Deck coating is scheduled as required in P.M. area and as needed; Appliance replacements for the month of December was \$11,067.00; Roof and Gutter Cleaning – December 15 and as needed; Manor Lube 2015 has started; Paving and Seal Coat will be finished in entry 5, Tice Creek Drive.

#### TREASURER'S REPORT – Rick Chakoff

Mr. Donner reported that the Mutual ended the year over budget by \$237,492. This is on an \$8,000,000 budget. The overages were due to insurance, water, legal fees, and building maintenance.

There was some discussion about weather stripping on windows and sliding glass doors. Mr. Marlatte reminded everyone to open their drapes to let the area breathe and to help circulate the air to help prevent condensation.

Mr. Dunning reported there were 14 resales in November with a median price of \$291,000. December had 11 resales with a median price of \$210,000. In 2014, there were 138 resales with a median price of \$279,650.

#### PRESIDENT'S REPORT

No Report

#### WATER CONSERVATION COMMITTEE - Dick Unitan

No report.

#### EMERGENCY PREPAREDNESS REPORT – Rose Kasmai

No report.

#### NEW BUSINESS

Ms. El-Baroudi asked for a motion regarding the reserve study contract.

Ms. Dulmage motioned to accept the proposal from the Helsing Group to continue services on the reserve study for SWCM in the amount of \$15,750, which will cover three years from 2015 through 2018. Mr. Dunning seconded and the motion carried without dissent.

Mr. Skaggs gave some background as to why the Mutual is moving toward low-flow and drought resistant plants. He reported that the Mutual has been a leader in creating and addressing ways to reduce water usage.

He also mentioned that the Mutual will do a major rewrite of the policies this year. One item being discussed is an adoption of a policy that would require upon sale of the manors all fixtures become low-flow consistent with the buildings codes. If we don't have this policy, we will have to wait until someone remodels.

Mr. Skaggs motioned to require low-flow faucets and shower heads to be installed during the manor lube process commencing immediately. Mr. Dunning seconded and the motion carried without dissent.

Mr. Dunning advised the membership that the Mutual will cover the cost. They will be utilizing fixtures provided by EBMUD, so there will be no cost for them. If low-flow devices are already installed, they will not be replaced.

Mr. Dunning reported that the Board of SWCM has asked Rick Chakoff, our CFO, to create a disaster financial recovery model upon which to base adoption of a disaster financial recovery plan for SWCM.

Of core importance in creating such a model and plan is accurate replacement cost information.

Arthur J. Gallagher & Co. serves as the insurance agent of GRF and SWCM. We have received a proposal from Gallagher Bassett to perform a replacement costs appraisal for each of SWCM's 4 building types in the total amount of \$2,300.

Mr. Dunning motioned that SWCM accept the proposal of Gallagher Bassett and immediately authorize the appraisals. Mr. Skaggs seconded and the motion carried without dissent.

### ANNOUNCEMENTS

Mr. Dunning reported that the SWCM Trust Committee will meet in the conference room in the Board office. The focus will be on proposed amendments.

Ms. El-Baroudi announced the following meetings:

Second Mutual Regular Monthly Meeting – Thursday, February 19, 2015  
9:00 a.m. Peacock Hall – Gateway Complex

GRF Regular Board Meeting – Thursday, January 29, 2015 at 9:00 a.m.  
Peacock Hall – Gateway complex

Trust Agreement Review/Revision – Friday, February 13, 2015  
9:30 a.m. Board Room (Gateway)

### ADJOURNMENT

Having no further business, the meeting adjourned at 9:50 a.m.

/s/

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Dick Unitan, Secretary  
Second Walnut Creek Mutual