

MINUTES

SECOND WALNUT CREEK MUTUAL REGULAR MEETING OF THE BOARD OF DIRECTORS THURSDAY, MARCH 19, 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, March 19, 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
Richard Unitan, Secretary

Excused: None

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

There were 11 residents in attendance.

APPROVAL OF THE MINUTES

The minutes of the regular Board meeting of February 19, 2015 were approved without dissent as written and reviewed.

The minutes of the Executive Session Board meeting of February 19, 2015 were approved without dissent as written and reviewed.

RESIDENTS' FORUM

Bob Kelso, Tice Creek Dr., Entry 3 – Mr. Kelso is running for the GRF Board-District D. Mr. Dunning introduced him and Mr. Kelso gave a little background on himself.

Paul Pfeifer, Canyonwood Ct., Entry 10 – Mr. Pfeifer noted that the website address needs to be changed on the agenda.

Ellen Carlo, Tice Creek Dr., Entry E – Ms. Carlo is concerned about the drought situation and landscaping. There are many plants and she is worried about what will happen to them with the water problems. She also wanted to know if Rossmoor can have a workshop on mulch and how to take care of your own plants.

Mr. Donner reported that the Mutual will not let them die. The plants are well established and require less water. Most are drought-resistant. Tree trimming chips are spread out as mulch.

Betty Price, Canyonwood Ct., Entry 11 – Ms. Price has some budget questions. She was told by a painter that the Mutual didn't want to pay for the trim around her building's windows to be a different paint color. The coupon is going up and she sees other buildings painted with different colors. Ms. El-Baroudi reported that there is a new color palette. The Mutual has to start somewhere with the new colors. The expense is justified because the Board decided to make

the change in colors and style. Mr. Donner stated that there is a lot of thought involved in the Board's decisions. Building Maintenance Manager, Mark Marlatte, was asked to approximate additional cost of contrasting trim and answered about 30%.

Ms. El-Baroudi said that the budget is set for this year, but the Board will revisit the budget for 2016 in the fall. Mr. Skaggs noted that with about 2,000 people, it is difficult to make everyone happy and the new colors in the painting cycle have to start somewhere.

David Heflich, Singingwood Ct., Entry 6 – Mr. Heflich reported that he thinks the Mutual is doing a good job taking care of the landscaping. The whole process is working well. There is a tree behind his unit that appears to be dying. He thinks it needs to be replaced. The Board will have someone take a look at it.

LANDSCAPING REPORT – Rich Perona, Landscape Manager

Mr. Donner read Mr. Perona's report in his absence. Lawn maintenance: lawns were fertilized week of Feb. 23; irrigation controllers are watering two days a week. Entry Maintenance: crews are on monthly schedules: pruning shrubs and groundcovers, cleaning up debris, spot spraying weeds. Tree maintenance: Waraner Brothers Tree Service handles all work orders and recently pruned all the trees in entry 2, Singingwood. Landscape rehab: The crew completed the Singingwood Ct entry 4 project and is now working in entry 2; a meeting was held on Friday Feb. 20 with residents to discuss planned landscape renovations. We are still working on the plan to remove the turf on Tice Creek between entry AA and B.

Mr. Perona will try to work with the trustee of the Lillian Barrett Trust Estate to see if they will contribute towards the project. The trustee will be available to meet with him after April 15th. SWCM is cost sharing with FWCM.

Mr. Donner reported that Mr. Perona will order a sign to install along the "illegal foot pathway" that will say, "Not a pathway. Do not enter".

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

Mr. Marlatte reported on the following. Carpentry and painting maintenance: carpentry and painting has moved to Ptarmigan Drive entry 2. Roofing program: roofs, laundry rooms and carports have been specified and walked for detailed specifications; scheduling of jobs is in progress. Bridge and stair replacements: inspecting remaining bridges for 2015. Deck coating: scheduling as required in P.M. area and elsewhere as needed. Appliance replacements: \$11,481.00 for the month of February. Roof and gutter cleaning: on an as needed basis. Manor lube: 2015 manor lube has started. Paving and seal coat: scheduling in progress for finishing Tice Creek Dr. entries 3 and 5.

TREASURER'S REPORT – Rick Chakoff

Mr. Chakoff reported that year-to-date the Mutual is under budget in the operating fund by \$130,000, but it is early in the year. Building maintenance is over budget by \$32,000. Landscaping is under budget by \$17,000 and utilities are under budget by \$82,000. Insurance is under budget by \$40,000 and with no fires it should grow by \$20,000 each month.

Mr. Dunning reported there were 7 resales in February with a median price of \$250,000. The year-to-date median price is \$242,500. Mr. Dunning presented a sales recap sheet from 2005 – 2014. The median price in 2005 was \$278,000 and it was \$279,650 in 2014.

PRESIDENT'S REPORT

No Report

WATER CONSERVATION COMMITTEE - Dick Unitan

No report.

EMERGENCY PREPAREDNESS REPORT – Rose Kasmai

No report.

TARC REPORT – Clay Dunning

Mr. Dunning reported that the TAC committee was formed by SWCM to evaluate the product produced by TARRC. (Trust Agreement Review and Revision Committee) Mr. Dunning introduced the members of his committee.

Mr. Dunning read the report from the Trust Agreement Committee. He then called for a motion to accept the recommendations of the TAC committee. The motion failed due to a lack of a second. Mr. Skaggs then clarified what the committee was recommending. Mr. Unitan withdrew his objection to the motion and moved for reconsideration of the motion. The motion was reconsidered, seconded, and passed with an abstention by Director Pat Dulmage.

Mr. Dunning motioned that the Board of Directors of SWCM direct the Mutual's President, in her capacity as a member of the Trust Review and Revision Committee (TARRC), to make a motion at TARRC's next meeting as follows:

I move that The Trust Review and Revision Committee (TARRC) adopt the recommendations of SWCM, duly adopted by its Board of Directors at its regularly scheduled meeting of March 19, 2015, as follows:

The draft restated trust agreement cannot be ratified at this time as SWCM lacks the knowledge and understanding of whether changes of a substantial nature have been incorporated into the agreement whether by addition or omission and whether unintentionally or otherwise.

I further move that a REDLINE version of the original trust agreement be created that tracks all changes made to the document including insertions, deletions, and formatting changes in order to readily identify the changes. I believe there is computer software available to create such a version.

I further move that all changes, including provisions that were moved from one section in the original document to another section of the restated document, be annotated briefly to explain why the change was made. I propose that counsel for Golden Rain Foundation be asked to perform such annotation.

I further move that legal counsel be retained collectively by the Mutuals to review the changes and annotations and provide an opinion that the draft restated trust agreement is, in fact, nothing more than a restatement of the original agreement excepting the removal of outdated provisions, clarification/revision of non-substantial language, and reorganization of the remaining provisions for improved readability and functionality. Mr. Skaggs seconded and the motion carried 4-0. Pat Dulmage abstained.

UNFINISHED BUSINESS

None

NEW BUSINESS

Mr. Dunning reported that he has been asked if the Board can hold some Board meetings at night. He would, therefore, like the Board to consider this request.

Ms. El-Baroudi commented that perhaps the Board could consider a town hall type-of-meeting that would be more like a resident forum. This would not be considered an official Board Business meeting. Mr. Dunning requested that this item be placed on the next agenda for discussion.

Additionally, Mr. Dunning mentioned that there are two candidates for the GRF Board position in District D and perhaps SWCM should consider an opportunity for the candidates to meet with SWCM. The Board will consider it.

ANNOUNCEMENTS

Ms. El-Baroudi announced the following meetings:

Second Mutual Regular Monthly Meeting – Thursday, April 23, 2015
9:00 a.m. Peacock Hall – Gateway Complex

GRF Regular Board Meeting – Thursday, March 26, 2015 at 9:00 a.m.
Peacock Hall – Gateway complex

ADJOURNMENT

Having no further business, the meeting adjourned at 10:05 a.m.

/s/ _____
Anne Paone, Assistant Secretary
Second Walnut Creek Mutual