

## MINUTES

### SECOND WALNUT CREEK MUTUAL REGULAR MEETING OF THE BOARD OF DIRECTORS THURSDAY, APRIL 21, 2016 AT 9:00 A.M. PEACOCK HALL – GATEWAY COMPLEX

President Sandy Skaggs called to order the regular meeting of the Board of Directors of Second Walnut Creek Mutual at 9:00 a.m. on Thursday, April 21, 2016 in Peacock Hall, Gateway Complex, 1001 Golden Rain Road, Walnut Creek, California.

ROLL CALL: Present: Sandy Skaggs, President  
Barbara El-Baroudi, Vice President/Treasurer  
Richard Unitan, Secretary  
Pat Dulmage, Director

Excused: Frank Mansfield, Vice President

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

There were 16 residents in attendance.

#### APPROVAL OF THE MINUTES

The minutes of the regular Board meeting of March 24, 2016 were approved without dissent as written and reviewed.

The minutes of the executive session Board meeting of March 24, 2016 were approved without dissent as written and reviewed.

#### RESIDENTS' FORUM

David Helflich, Running Springs Road, Entry 7 – Mr. Helflich reported that there are puddles throughout the front patio. He is wondering about the drainage on the hillside. Mr. Marlatte will check it.

Connie Bills, Tice Creek Drive, Entry 6 – Ms. Bills reported that there were dead branches on a cedar tree. A work order was issued, but then she was told to call the tree company directly. Mr. Donner advised that the tree company should never be called directly. A work order in the system should go to Rich Perona. Mr. Perona said it will be done soon. Ms. Bills congratulated Mr. Perona on his retirement and she welcomed Rebecca Pollon.

Pat Scalise, Ms. Scalise had a question about her steps because the paint is wearing off. She also thought that the blacktop needed resurfacing. Mr. Marlatte had already looked at the steps. He will have the paint removed. Mr. Donner reported that replacement of the blacktop had to be phased due to budget constraints.

Barb Fexa, Tice Creek Drive, Entry 7 – Ms. Fexa was concerned about the public bathroom at the base of the manors. The door is left open. There is standing water. She is concerned about mosquitoes. Mr. Marlatte responded that it takes 5-7 days of standing

water to create mosquitoes. The Contra Costa County Mosquito Abatement is in Rossmoor on an ongoing basis. Mark will install hardware that will cause the door to close automatically on the bathroom.

Sheila Bolin, Ptarmigan Drive, Entry 1 – Ms. Bolin reported that she is concerned about the work order desk for the handyman service.. It can take weeks to get things done. Mr. Donner reported that the department is not-for-profit. There are 2 full-time employees. They have to balance revenue with expenses. There are about 2,000 subscribers. There will be a new phone system in place in about a month or two. This should address some of the issues.

Sandy Ball and Marilyn Storer, Stanley Dollar Drive, Entry 2 – They thanked Rich for everything that he has done. He was always responsive and solved problems. He will be missed.

### LANDSCAPING REPORT – Rich Perona, Landscape Manager

Mr. Perona reported on the following. Lawn maintenance: Lawn mowing will occur weekly. Lawn areas are being treated for broadleaf weeds. Irrigation clocks are back on and running as weather dictates and watering according to EBMUD guidelines. Lawns will be fertilized in mid-May.

Entry Maintenance: Crews are working on schedule for routine maintenance.

Tree maintenance: Waraner Brothers Tree Service handles all work orders. The rehab crew is going to begin work in Canyonwood 10 and we identified with Ed Waraner which trees to be pruned and which to be removed. We will be removing one Monterey Pine, one Sycamore and one Magnolia.

Landscape Rehab: The crew has completed rehab work in Canyonwood Ct., Entry 7. Rich and Rebecca accompanied pat Dulmage and residents on a walk through Entry 10 to identify work to be performed. The crew is currently completing a turf removal and donation tree planting on Tice CreekK, Entry 9.

Mr. Perona introduced Rebecca Pollon. She has a degree in Landscape Design and Architecture from U.C. Davis. He gave a brief history of her qualifications.

Mr. Skaggs thanked Mr. Perona on behalf of the Board and the Mutual for all of his work.

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

Mr. Marlatte reported the following: Carpentry and Painting Maintenance-Carpentry PM (Preventative Maintenance) and Painting is at entry 6 and entry 10 on Tice Creek Drive; Roofing Program- 2016 contract completed. Work starting; Bridge and Stair Replacements- Inspecting remaining bridges for 2016; Deck Coating-Scheduling as required in P.M. area and as needed; Appliance Replacements-Appliance replacement for the month of March was \$11,642; Roof and Gutter Cleaning-Done, on call basis; Manor Lube-2016 manor lube is at 86%; Paving and Seal Coat-Weather permitting: Entries 11 and 14, Wednesday May 4<sup>th</sup>, Entries 15 and 17, Thursday May 5<sup>th</sup>.

### TREASURER'S REPORT – Rick Chakoff

Mr. Chakoff reported from the operating fund summary report through March. The Mutual has a surplus to budget of \$80,000. Building maintenance has a deficit, but this is based on seasonal items such as gutter cleaning. The insurance is under budget.

Utilities is better than budget by \$87,000, which is seasonal.

When MOD has a surplus to budget, MOD will recommend to GRF that the money be refunded to the Mutuals pro-rata.

Barbara El-Baroudi mentioned that there is still no resale report. Mr. Chakoff stated that YTD the Mutual is ahead of resales compared to last year. Mr. Donner reported that Mr. Preminger is working on a new software program that will produce the resale report.

### PRESIDENT'S REPORT

No report as Mr. Skaggs' items will be covered in New Business.

### WATER CONSERVATION COMMITTEE - Dick Unitan

No report.

### EMERGENCY PREPAREDNESS REPORT

Mr. Unitan reported that they are still looking for entry coordinators. They will be the first responders. They contact CERT. CERT does triage at the Gateway Clubhouse. EPO has ham operators and walkie-talkies. They also have provisions to take care of pets that have lost their owners.

### BYLAWS

Mr. Skaggs reported that he and Dick Unitan are working with the attorney to redo them. Once the Board has the proposed Bylaws completed, they will mail them to the members for a vote. The Mutual needs 50% plus one to pass the Bylaws. There will be opportunities for the membership to discuss the Bylaws and to comment on them.

### UNFINISHED BUSINESS

None

### NEW BUSINESS

The Mutual's funds are on deposit with, and invested through City National Bank. Longer term investments are FDIC insured certificates of deposit, placed with multiple banks through the CDARS program. Funds needed for current operations and short term liquidity have been deposited with City National and usually exceed the maximum amount insured. Now, City National is offering a new Money Market Placement Program, similar to CDARS, that places these funds in multiple depository institutions, each in amounts that do not exceed the FDIC's insurance limit. The Board was requested to authorize participation in the new Program.

*Ms. El-Baroudi moved to authorize and direct the accounting department to open an account for the Mutual under the Money Market Program of City National Bank.  
Ms. Dulmage seconded and the motion carried without dissent.*

There was discussion about the Directors and Officers insurance. Currently, there is a \$3,000,000 limit. Mr. Skaggs proposed that the coverage limit be increased to \$5,000,000. This would be the same limit as First Walnut Creek Mutual. The cost for the annual premium with a \$15,000 deductible would be an additional \$2,692.

*Mr. Unitan moved to increase the D&O insurance to \$5,000,000 with a \$15,000 deductible. Ms. El-Baroudi seconded and the motion carried without dissent.*

Mr. Skaggs explained that the proposed Sr. Housing Policy contains rules that govern who can be a member and live in the Mutual. The purpose is to state these rules formally in a policy. There has been legislation enacted that complicated the rules addressing adult age restricted communities. This policy is documentation of what SWCM currently does. This is not a change.

Mr. Skaggs explained that state law requires the Mutual to have insurance. There have been questions about whether the current policy covers approved alterations. To date the insurance has paid. The Mutual should have a policy that makes it clear that approved alterations are covered. This is not a change, but clarifies the issue. There is no coverage for personal property and alterations are not covered unless they have been approved.

The law says that the Mutual must give notice to owners of proposed revisions to policies. Mailing is very expensive. The law allows notice by posting on the bulletin board. Since there are no real changes, just clarifications, Mr. Skaggs proposed that the revisions be posted on the board.

*Ms. El-Baroudi moved to authorize Mr. Skaggs to provide the policies to Ms. Paone for posting on the bulletin board. Mr. Unitan seconded and the motion carried without dissent.*

## ANNOUNCEMENTS

Mr. Skaggs announced the following meetings:

Second Mutual Regular Monthly Meeting – Thursday, May 19, 2016  
9:00 a.m. Peacock Hall – Gateway Complex

GRF Regular Board Meeting – Thursday, April 28, 2016 at 9:00 a.m.  
Peacock Hall – Gateway complex

## ADJOURNMENT

Having no further business, the meeting adjourned at 10:13 a.m.

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