

MINUTES
WALNUT CREEK MUTUAL NO. FIFTY-SIX
REGULAR MEETING OF THE BOARD OF DIRECTORS
WEDNESDAY, JULY 19, 2017 AT 9:30 A.M.
BOARD ROOM – GATEWAY COMPLEX

President Nancy Richardson convened a regular meeting of the Board of Directors of WALNUT CREEK MUTUAL NO. FIFTY-SIX at 9:30 a.m. on Wednesday, July 19, 2017 in the Board Room of Gateway Complex, 1001 Golden Rain Road, Walnut Creek, California.

ROLL CALL PRESENT: Nancy Richardson, President
 Bill Eames, Vice President
 Robert Ward, Secretary/Treasurer

EXCUSED: None

Representing staff were Paul Donner, Director of Mutual Operations; Rick Chakoff, Chief Financial Officer; Rick West, Building Maintenance Manager; Rebecca Pollon, Landscape Manager; and Anne Paone, Administrative Secretary.
Mutual attorney Edith C. Murphy from Hughes Gill Cochrane Tinetti P.C. was also present.

Twenty-four residents who were present were welcomed to the meeting.

REVIEW OF MINUTES

Ms. Richardson asked if there were any corrections or additions to the regular Board meeting minutes of April 19, 2017 and the Executive Session minutes of May 1, 2017 and June 29, 2017. Hearing none, she declared them approved as written and reviewed.

President's Report

Ms. Richardson reported that the assistant secretary will start counting the ballots for the recent vote on the insurance amendments to the CC&Rs and the Bylaws. The results will be announced under Old Business.

Ms. Richardson reported that a lot has happened since the April meeting. The line-of-credit has been put in place and the contract extensions with 5-Star for renovation and repair of our buildings is seeing work progressing. She thanked many people for making this possible. This included the GRF staff, Rick Chakoff, and Rick West, our attorney Melissa Ward, our Finance Committee headed by David Smith, our Building Committee headed by Patti Hornung and Rick Webster and especially to the Secretary/Treasurer, Bob Ward who served as the point person to bring this all together.

Ms. Richardson reported that there is an insurance presentation on August 2nd at 9:30 a.m. in the Fireside Room. John Tastor of Arthur J. Gallahger and Company, Rossmoor's insurance broker will address insurance for owners, coverages, responsibilities and earthquake insurance.

Mutual gutters will be cleaned in late fall, including downspouts and 3-5 feet of the drains.

Treasurer Report:

Mr. Ward reported that the Mutual had \$151,000 for the end of June. There is \$117,709 cash on hand as of today.

Mr. Chakoff reported that the Mutual will place \$100,000 on deposit with Banco Popular and three months interest.

Mr. Ward reported that the line-of-credit will be used to finish the building rehab project. The cost will be \$756,555. Approximately \$250,000-\$300,000 is needed for landscaping. Deferred maintenance items such as asphalt sealcoat, sidewalks, fences and trellises, painting of street light poles, replacing of mailboxes and painting of the red curbs will cost about \$47,000.

Ms. Richardson reported that the Mutual needs to pay back \$50,000 for insurance and pay some legal fees.

Mr. Ward wants authorization to proceed with the deferred maintenance.

Ms. Richardson stated this will be addressed later in the meeting.

Secretary Report:

None

Committee Reports:

Building/Maintenance – Rick Webster reported that the contract is signed. Keith Peedle is gone and Eric Howard will take over. They are working on the south side buildings and will be done in a few weeks. They will then do the chimneys and upper gables. They will be done by the end of the year. The lower level will be done in the spring. They will make sure the buildings are ready for the work by pruning back landscaping. The rest of the siding rehab and painting will be completed in 2018.

Finance – David Smith reported that the Mutual is obtaining a line-of-credit from Popular Association Bank in the amount of \$1,200,000. The paperwork is almost complete and the hope is that the loan will be funded by this Friday. He discussed possible options to repay the line-of-credit. He suggested homeowners speak to their financial advisor.

Landscape – Mr. Ward discussed the rehab projects #1A, “Front Yard Foundations” and landscaping, bubblers, and plants for the front only. Once they are finished, including painting, they can upgrade the bubblers and landscaping. This is about \$25,000.

The Berm area, south of Lakeshire, will have vegetation installed and irrigation. This is project #5. The cost is about \$4,000.

Regarding front yard turf, some grass will be removed to cut down on irrigation.

They need to work from the side to the back. He will be getting more proposals for the work. The common areas between Mutual 56 and Mutual 65, which are grassy areas, need to have work done.

The trees around the ponds need to be trimmed.

The Board needs to work on the rules, especially for private gardens, commonly referred to as ECUA (exclusive use common area). They need to look at the alteration application for private gardens.

Mr. Ward would like authorization to begin projects 1A and 5.

Ms. Pollon reported the following:

LAWN MAINTENANCE: Irrigation is on, the system is checked regularly but if leaks or 'geysers' are spotted please report them to the work order desk as soon as possible. Lawns are mowed weekly in the summer and edged every other week.

ENTRY MAINTENANCE: Entry maintenance crews are on their summer schedule pruning shrubs for size control.

TREE MAINTENANCE: The poplar tree behind 1937 needs to be removed. This tree is on Mutual 56 property. The Pine over the road across from 1914 Lakeshire also needs to be removed. Permits have been granted for both trees, the estimated cost of removal of both trees is \$4,350.

If you have landscape *maintenance* requests (pruning or irrigation), please direct them to the MOD work order desk. If you have other landscape requests please direct them to your interim Landscape Representative.

Emergency Preparedness – Harvey Samuels reported that everyone needs to keep the garages clear of clutter. This can be a fire hazard. Residents should keep supplies on hand in case of an emergency, in particular, an earthquake. The Mutual needs to have an emergency drill. It will be held at Whitehall and Edgewater. They will meet at a certain time. This is where everyone would meet if there was an emergency. There will be a notice sent out next month.

Ponds – Phyllis Christopher reported that the fountains are working. The lights are addressed weekly. She asked Aquatic Environments for a weekly written report indicating what is being done. She is taking action to ensure the algae population is at the minimum amount and is the right kind of algae for the optimum health of the pond.

Social – Ms. Egdal reported that the BBQ will be on September 18 at 5:00 p.m. the holiday party is on December 4th. Just Delicious will cater both events.

RESIDENTS' FORUM

A resident asked how the loan is paid when they move. Mr. Chakoff responded that the owner will need to pay off their portion when they sell their unit.

A resident suggested that everyone should contact PG&E. They will check your home for energy savings at no cost.

A resident suggested trimming the trees to prevent roof rats.

Residents discussed private gardens.

A resident asked about the fees associated with the loan. Mr. Smith reported that the loan fee is \$2,160 and \$3,000 is for the bank's legal fees.

Residents discussed an employee of Bright View. Ms. Pollon said she will have a conversation with him about his interactions with residents.

Mr. Eames wants a written report that MOD has contacted Bright View regarding their employee and his behavior. He would like it in two weeks.

The Finance Committee will look at costs that will affect the coupon. The budget meeting is scheduled for August 23. It is open to the residents.

OLD BUSINESS

Assistant Secretary, Anne Paone reported the results of the insurance balloting. Twenty-nine ballots were returned. One ballot was invalid for a total of twenty-eight valid ballots. The results were as follows: Twenty-seven ballots FOR and one ballot AGAINST. The insurance amendment passed.

A motion was made regarding the Banco Popular Loan. It is as follows:

Approval of Banco Popular Loan

RESOLVED, that the Board approves and accepts the June 7, 2017 Commitment Letter and the loan terms of the Banco Popular loan in the amount of \$1,200,000 contained therein. The purpose of the loan is to pay for roofs, siding, doors, painting, fencing, landscaping, termite treatment, contingency, permits, administrative expenses, insurance, architectural and engineering expenses, and for legal, funding and construction management costs, all for Walnut Creek Mutual No. Fifty-Six in Walnut Creek, CA.

Motioned, Seconded, Approved 7-19-17

Mr. Ward moved to allow him authorization to implement the landscape plan Part 1 in the amount of \$26,000 and Part 5 in the amount of \$3,800.

Mr. Eames seconded and discussion followed. Mr. Eames thinks there will be more costs and the Mutual may run out of money. He believes there will be a need for a special assessment.

The vote was 1-2 with Mr. Eames and Ms. Richardson voting no. The motioned failed. Ms. Richardson would like to revisit this after the budget session.

Mr. Ward moved to solicit bids for landscaping 1B, 2-4, and 6. Mr. Eames seconded. There was discussion that companies do not want to submit detailed bids unless the Mutual is prepared to move forward. Ms. Pollon reported that the procedure is not to ask the landscape companies to prepare a scope-of-work. The Mutual would have the scope prepared and the companies would bid to those requirements.

The vote was 1-2 with Mr. Eames and Ms. Richardson voting no. The motion failed.

NEW BUSINESS

Mr. Ward moved to be authorized to begin the deferred maintenance listed in his earlier report. The motion failed for lack-of-a-second.

Ms. Richardson indicated she did not want to consider other expenditures until after the 2018 Budget was settled.

Ms. Richardson appointed Anne Paone as the Inspector of Elections to oversee the director

election and ballot counting.

ANNOUNCEMENT

Ms. Richardson announced that there is one Board position in this year's election for a three-year term. Notice of the election and candidate procedures will be published in the Rossmoor News in August. The officer positions will be determined at the Organizational Meeting for the Board following the Annual Meeting.

The budget meeting will be on August 23rd at 10:00 a.m. in the conference room at MOD.

Ms. Richardson thanked everyone for attending this Board meeting.

ADJOURNMENT

Having no further business, the meeting was adjourned at 11:10 a.m.

/s/ _____
Anne Paone, Assistant Secretary
Walnut Creek Mutual 56 (Lakeshire)