

MINUTES

WALNUT CREEK MUTUAL SIXTY-FIVE (DEVONSHIRE)
REGULAR MEETING OF THE BOARD OF DIRECTORS
TUESDAY, JULY 18, 2017 AT 9:30 A.M.
DONNER ROOM, EVENT CENTER, WALNUT CREEK

President Charles Coburn called to order a regular meeting of the Board of Directors of WALNUT CREEK MUTUAL SIXTY-FIVE at 9:30 a.m. on Tuesday, July 18, 2017, in the Donner Room at the Event Center, 1021 Stanley Dollar Drive, Walnut Creek, California.

PRESENT: Charles (Chuck) Coburn, President
Richard (Dick) Walsh, First Vice President
Tom Harrick, Second Vice President
Tom Lenz, Treasurer
Durwin Shepson, Secretary

EXCUSED: None

Mutual Operations staff was represented by Paul Donner, Director of Mutual Operations; Rick West, Building Maintenance Manager; Rebecca Pollon, Landscape Manager and Anne Paone, Administrative Secretary.

There were also 16 residents present.

APPROVAL OF MINUTES

Mr. Walsh moved to approve the minutes of the quarterly Board meeting of January 17, 2017 as written and reviewed. Mr. Harrick seconded and the motion carried without dissent.

PRESIDENT'S REPORT

Mr. Coburn reported that there are 2 units vacant on Wales. The prices are holding for sales. There was some discussion about a website, but the Mutual would need a volunteer that could create it and maintain it. The minutes, CC&Rs and policies are on the Rossmoor website.

FIRST VICE PRESIDENT'S REPORT

No report.

SECOND VICE PRESIDENT'S REPORT

No report.

SECRETARY'S REPORT

No report.

TREASURER'S REPORT

Mr. Lenz reported that for the month of June, the operating fund resulted in an excess of

revenue over expenses of \$2,606. Building Maintenance and landscape maintenance exceeded budget, but this was offset by the water expense category being under budget. The replacement reserve account had an excess of revenue over expenses of \$6,754. YTD, the operating fund had an excess of revenue over expenses of \$15,549. YTD, the replacement reserve fund was favorable to expenses by \$26,589. The total fund balance is \$396,438 which reflects an improvement compared to \$344,406 for the same date last year and \$354,301 at December 31, 2016, so improvement continues.

MANAGER'S REPORT – Paul Donner and Rick West

Mr. West reported the following:

ACTION ITEMS: Proposal Review and Approval.

1. Replacement of 260 Downspouts with new 2"x 3" downspouts. Western Sierra estimate \$39,290.00. Five Star estimate \$18,500.00.
2. Professional Gutter Services - \$2,560.00 to clean all gutters and downspouts in October.

INFORMATION ITEMS: Work In Progress or Completed.

1. Roof tune up – Five Star cost \$9,635 (completed).
2. 1818 Wales – Leak at skylight, Servpro called for dry out. (completed).
3. Fire Protection Management repaired leaking Sprinkler system at Comstock Dr. (completed). Cost \$4,300.00

The Board will assess areas with gutters that have issues before deciding to take action. They would like to have areas identified that really need the larger downspouts and put emphasis on them first.

Mr. Shepson stated that the Board should look at how frequently gutter cleaning is done. Mr. West advised the Board about a new gutter cleaning company, Professional Gutter Services. This is all they do.

Mr. Shepson moved to approve the proposal from Professional Gutter Services in the amount of \$2,560.00 to clean all gutters and downspouts in October. Mr. Harrick seconded and the motion carried without dissent.

Mr. Donner reported that they are building the budgets for 2018. By mid-August, the latest, the Board will get a draft budget. The Board can schedule a budget meeting.

EMERGENCY PREPAREDNESS

Mr. Holland reported that they had a meeting with Comstock residents. They would also like to meet with the residents on Wales. They are active with CERT and Rossmoor EPO. They attend all of the meetings. They use the HAM radios. Residents can buy walkie-talkies at Ace Hardware.

BUILDING MAINTENANCE COMMITTEE REPORT – Durwin Shepson

Mr. Shepson reported the following:

Roof Drainage/Downspouts

The corrective drainage work, a French drain, and associated work at 1802 Wales, have been completed with the exception of replacing damaged plants.

The Board received two bids for replacing and enlarging all the undersized downspouts. One bid is from Western Sierra for \$39,290 and one bid is from Five Star for \$18,500. The bids are so divergent in both cost and description of work. Mr. West will get clarification of the bids so we can proceed to make a decision. The goal is to get this resolved so the work can be done before the fall rains. At a minimum, we hope to get the areas with the greatest roof drainage problems resolved.

There was a rusted roof gutter at 1716 Comstock. Both 1716 and 1718 Comstock had downspout overflow problems. The large main drain line serving both units was totally blocked by tree roots. Replacing this underground main drain required extensive replacement work. We can probably expect more of this type of situation as the Red oak trees have grown larger over 21 years.

Mailboxes

The mailbox structures at 1705, 1707, and 1709 Comstock have been repaired.

Skylights

We have a total of 22 skylights in our Mutual. They have reached the end of their normal life span. In the last two years, we have had to replace 5 of these due to cracks and leaking. In most cases, the water leaks caused additional interior damage, such as dry rot and damaged sheet rock, which needed repair and painting. The skylights which cost \$2,500 to \$3,000, may be the least of the cost.

The skylight replacement costs were never included in the Helsing Group reserves report, so they were never budgeted. It is my opinion, to minimize our risk and costs, we need to replace the remaining 17 skylights this summer, before leaks begin this fall.

The total costs are estimated to be \$42,000 to \$51,000 before allowing for any unknown water leakage or dry rot problems. I have prepared an analysis setting forth the monetary aspects as well as the suggested solution to this immediate problem. The Board is considering a one-time assessment of \$1,000 per unit, providing \$44,000 would meet this need. Our reserves or next year's coupon should not be jeopardized by these repairs/replacements and our costs are minimized.

We need to get a bid for all 17 skylights.

Future Reserves Status and Estimated Costs

We are in the process of evaluating the Helsing group study of our future reserve requirements. Their study is complex and it is difficult to determine by their numbers, what may be the extent of any current or future underfunding of our reserves, or the potential estimated portion of our annual coupon that can or should be applied to any adjustment of our Reserves. At first glance, it would seem that we might be underfunded for the replacement cost of our roofs quite a few years hence.

I suggest that our president, Chuck Coburn, set up a committee to meet with Helsing to go over their report so we can properly understand and address our questions and concerns. Mr. West stated that he is working with Jo Ann Cooper putting together a 10-year worksheet for the Mutual. Board members can go to the offices of Helsing Group in San Ramon, if needed.

Potential Vandalism

It appears that a plate glass window may have been shot by a BB gun or some other device. Perhaps a rock was kicked up. This is a reminder to remain cautious and report

any unusual activity immediately to Securitas.

Having discussed directing Mr. West to obtain a bid for the skylights, the following motion

Mr. Shepson moved to have the work for the skylights done this summer at a NTE amount of \$60,000 and to give the President permission to sign the proposal once received. Mr. Walsh seconded and the motion carried 3-1 (Mr. Harrick voted no).

SOCIAL COMMITTEE REPORT – Pamela Walsh

Mr. Walsh reported that the BBQ was very successful. New residents attended. There will be a sit-down dinner on December 2nd. Invitations will be sent out the end of October. The Board thanked Pamela Walsh for all of her work.

LANDSCAPE COMMITTEE REPORT – Rebecca Pollon

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.

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

TREE MAINTENANCE: A Pear tree behind 1805 Wales was removed yesterday after losing a large branch and therefore becoming unbalanced.

LANDSCAPE REHAB: The experimental lawn and maple tree in front of 1720 Comstock is being watched to see if damage was sustained as a result of the new lawn. So far some stress has been observed in the tree, but it looks like it will recover nicely.

The 5 MOD work days for July occurred recently and the following projects were completed;

1800 Wales	Bender board was removed and new edging was installed
1715 Comstock	Plants of an experimental nature (<i>Ribes speciosum</i>) were installed near the parking area
1705 Comstock	Moss rock wall was built along planter
1707 Comstock	Moss rock wall was built along planter
1711 Comstock	Rotting bender board was replaced

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 Landscape Representatives Terry Brykczynski (Comstock) or Pamela Walsh (Wales)

WORK ORDER DESK

By phone: **988-7650**

By email: WORKORDER@ROSSMOOR.COM

Mr. Brykczynski reported that the Mutual saves a lot of money by doing projects during the rehab time schedule. The Mutual only pays for the materials. They are monitoring sod replacement on Comstock. It seems to be doing fine. The dead bushes and plants will be replaced in the fall and winter.

Mr. Coburn asked Ms. Pollon to water the lawns more often because they are showing brown spots.

UNFINISHED BUSINESS

Mr. Coburn reported that some residents or their guests are parking on the wrong side of the street. He asked that everyone park on the correct side, remind their guests to do the same and be sure not to block mailboxes. Overnight guests may park in the driveway. Short-term parking should be left for short-term visits.

If a resident sees an irrigation problem after hours, they should call Securitas at the main gate. They will know how to handle the issue and who to contact.

NEW BUSINESS

Mr. Coburn reported that the Board previously sent out Election Rules for a 30-day comment period. No comments were received.

Mr. Walsh moved to adopt the Election Rules as written. Mr. Harrick seconded and the motion carried without dissent.

The Board discussed updating the Mutual's CC&Rs and Bylaws. Mr. Shepson stated that he thought this can wait until next year. Mr. Coburn reported that issues may come up regarding these documents. The cost would be about \$7,000. Most of the Board agreed that there is no current urgency to have them updated and agreed to revisit this matter next year.

RESIDENTS' FORUM

A resident stated that they would like the area near 2807 Wales swept more often. They don't come as often as they used to.

A resident reported an area of grass near 1716 Comstock is turning brown.

A resident complained of construction noise regarding the Fitness Center. Comstock gets the most noise. Mr. Donner stated that this is not a Mutual matter, but a GRF issue. Jeff Matheson is the project manager and should be contacted by the resident.

ADJOURNMENT

The next meeting will be the regular Board Meeting on Tuesday, October 24, 2017 at 9:30 a.m. in the Donner Room at the Event Center.

Having no further business, the meeting adjourned at 11:00 a.m.

/s/ _____
Anne Paone, Assistant Secretary
Walnut Creek Mutual Sixty-Five