

WALNUT CREEK MUTUAL NO. SIXTY-EIGHT

REGULAR MEETING MINUTES OF THE BOARD
MONDAY, MAY 22, 2018 AT 1:00PM
DONNER ROOM – EVENT CENTER
1021 STANLEY DOLLAR DR., WALNUT CREEK, CA 94595

Call to Order

President Free called the meeting to order at 1:02 p.m.

Roll Call

Directors Present: Brant Free, President
Diane Mader, Vice President
Dwight Walker, Treasurer
Gail Todoroff, Secretary
Bill Dorband, Director

The Mutual Operations Division was represented by Paul Donner, Director of Mutual Operations; Kelly Mattison, Board Services Coordinator; Rebecca Pollon, Landscape Manager; also present was Phil Gregory with Cal Engineering & Geology.

President Free welcomed the membership, staff, and thanked everyone for their attendance.

Approval of Meeting Minutes

President Free asked if there were any additions or corrections to the following minutes:

Regular Meeting of the Board.....April 23, 2018

The minutes to the aforementioned meeting was approved with a motion.

Moved, Seconded, Carried 5-0

Announcements

Annual Meeting: June 11, 2018, 3:00PM, Fireside Room @ Gateway

Next Board Meeting: June 25, 2018, 1:00PM Clubroom @ Creekside

Members' Forum

Residents were afforded the opportunity to express their concerns, make comments, and have questions answered by the Board and M.O.D. staff representatives.

Update on Soil Stabilization & Remediation @ 3101/3103 & 3113 Grey Eagle Drive: Steve O'Conner, ESR and Bill Dorband, Board Member

Phil Gregory from Cal Engineering, who is serving as our “eyes and ears” for the project, reported on several phases of the work in progress.

The retaining wall supporting 3113-3115 Grey Eagle Drive is complete, and the hillside around it is restored, essentially burying the wall. The building has had some minor settling and needs to be leveled. The work may require another several weeks to complete, after which the 3113 residence will get interior repairs and new landscaping.

Geologists are now testing the 3101-3103 site to determine the best arrangement of wall(s) and

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drainage system(s) to stop further damage to the site. The options will be presented to the insurance adjusters for their review and acceptance - very critical for us. Given the non-emergency nature of the 3101-3103 fix, the park at this location may not be completed until October or November.

The area of 8,000 square feet will eventually be turned into a park and linked to the existing Sunset Park. The Landscape Committee will solicit input as to use and design from any interested residents in the near future, but not until the final configuration of the park is determined. All residents will be notified when these discussions will occur.

Financial Report/Finance Committee Report: Dwight Walker, Treasurer and Judy Box, Chair of the Finance Committee

Enclosed as "Attachment 1", the April 2018 financial report/dashboard was presented by Dwight Walker. Here are some highlights from the Finance Committee's report:

- Mutual 68's cash position remains healthy and \$3.85 million is invested in CDARs with Mechanics Bank at 1.45% yielding pretax interest income of \$5000 per month.
- Special Assessment loans are current and total \$628,000.
- Operating expenses are running \$2000 unfavorable to budget through April. Unfavorable line items are rodents, termites, insurance and legal fees. Water expense is running favorable by \$11,000 due to reduced residential usage (-11% from last year) and lower irrigation usage through April.
- Replacement Reserve Fund Commitments are at 81% of budget with \$97,000 left to spend. Items over budget are Painting Phase 3 by \$16,000, Rodent Carpentry by \$9,000, and Roof Tune-up Phase 2 by \$40,000.
- Land Stabilization Fund projects an additional expense of \$1 million with very rough estimates for completion of work. Those expenses and coverage by insurance remain uncertain.
- Judy Box, Chair of the Finance Committee, said the Committee continues to investigate the feasibility of earthquake insurance.

Building Maintenance Report/Building Maintenance Committee: Paul Donner, Mutual Operations Director; Mike Casey, Chair of the Building Committee

Rick West presented the following building maintenance report:

Action Items: Proposal review and Approval

1. Phase II Roof Tune Up 29 Buildings - Bid process completed Mendoza Roofing / A-One Construction and Timberline Roofing bid on this project. - Timberline was the low Bid at \$169,855.00. Scheduled Start Date 6/1/18.
A motion was made to approve Timberline roofing proposal for the Phase II Roof tune up at 29 buildings in the amount of \$169,855.00.
Moved, Seconded, Carried 5-0
2. 2884 SI - Deck Coating - Contractor: A-One Construction (Estimate \$5895.00).
Perfect Painting and Five Star are also bidding on this project.
A motion was made to approve the Perfect Painting proposal to do the rear deck coating at 2884 Saklan Indian in the amount of \$2,850.
Moved, Seconded, Carried 5-0

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A motion was made to approve another Perfect Painting proposal to the front landing deck coating at 2884 Saklan Indian in the amount of \$2,880.

Moved, Seconded, Carried 5-0

3. 547 SO - Rear Balcony Deck Coating Perfect Painting estimate \$3,400.00 / A-One Construction estimate \$4,875.00. Five Star also bidding on this project.

A motion was made to approve the proposal from Perfect Painting for rear balcony deck coating at 547 Spotted Owl in the amount of \$3,400.

Moved, Seconded, Carried 5-0

Pending Items:

1. Inspection of Phase II Four Plex Front landing repairs. (Destructive testing and Scope of Work will go out to bid the first of June).

The Board asked Rick West to include rear decks as well.

2. New LED light bulbs for all exterior lights - Waiting on price quote from Alpha Lighting on bulbs and Sang Electric for any modifications to the fixtures if needed.

A motion was made to approve a purchase of LED bulb supplies only from Alpha Lighting in the amount of \$7,002.19.

Moved, Seconded, Carried 5-0

Information Items: Work Scheduled, In Progress or Completed

1. Phase III Painting - Contractor; Pacific Trim Project is scheduled to begin Summer 2018 (Scheduling).
2. Phase III Dry Rot Rehab - Contractor: MOD (Work in progress).
3. 2842 SI - New duct work install due to rodent damage. Contractor; Clean Air (Completed).

Landscape Report/Landscape Committee Report: Barbara Blum, Chair of the Landscape committee; Gail Todoroff, Board Liaison to the Landscape Committee; Rebecca Pollon, Landscape Manager

Barbara Blum gave the following landscape report:

- The Board approved spending \$2,200 to GRF so that they will perform fire abatement up to 100 feet from our buildings.
- Barbara Blum, Chair, Landscape Committee, reported that the Committee is reviewing and comparing various contracts, and the final draft will be submitted to three landscape companies to bid on a new maintenance contract.
- The Committee requested that BrightView prepare a proposal and budget for landscaping 3113 Grey Eagle Drive.

Landscape Manager Rebecca Pollon gave the following landscape report:

MAINTENANCE ITEMS: All irrigation is now on for the season; please call the work order desk if evidence of irrigation malfunctions is suspected. Lavenders, Catmints and Sages are now coming into full bloom.

LAWN MAINTENANCE: Mowing is occurring weekly and has been aerated. Reseeding is complete, and some irrigation may be running several times during the day to keep germinating seed moist.

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WATER USE: Irrigation is on for the season and breaks are likely. If evidence of irrigation breaks is suspected please call the work order desk.

ENTRY MAINTENANCE: Entry maintenance crews are working on removing any plants that are more than 70% dead, maintaining fire breaks, treating and removing weeds, and pruning Azaleas, Pieris and Sunset Golds as needed.

For all **LANDSCAPE MAINTENANCE REQUESTS** including pruning, irrigation and entry cleanup please contact the work order desk for immediate assistance.

WORK ORDER DESK

By phone: **988-7650**

By email: **WORKORDER@ROSSMOOR.COM**

REHAB: None

TREE: None

DISCUSSION ITEMS:

FIRE ABATEMENT:

- Attached is a proposal to perform fire abatement up to 100' from buildings for \$4,400.

A motion was made to approve the fire abatement proposal in the amount of \$4,400.

Moved, Seconded, Carried 4-1, Director Walker voted No.

- 3 bids for maintenance contract

President's Report: Attended by Dwight Walker

- Surveillance cameras discussed with focus on Mutual cameras vs personal cameras. None of the mutuals, in attendance, have a surveillance policy. Vickie Swisher requested a copy of our proposal.
- BBQ policies discussed.
- Rick Chakoff was requested to present at next month's meeting options available for delinquent resident accounts--especially MOD 3rd party billing.
- Water bills were discussed as an important and substantial expense line item. EBMUD Water Insight website was shared as a way to easily monitor usage and identify potential leaks.
- Tony Grafals and Paul Donner discussed the new Civil Code Section 4515, Rights of Assembly and NonCommercial Speech. GRF property is not subject to the prohibitions that the Mutuals have to be aware of in policies. Recently a resident sponsored a door-to-door political canvassing group that went beyond their home Mutual and that is unreasonable. There is a need to monitor the impact of this new code and the potential need for a Mutual policy.
- Rick Chakoff indicated that he is meeting with John Tastor tomorrow and will find out if there is any early indication regarding the continuation of landslide coverage under the GRF master policy.

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Report of Other Standing Committees

Community Information Committee: Vickie Hipkiss, Chair – a report was not presented.

Data Base Committee: Vickie Hipkiss, Interim Chair – a report was not presented.

Social Committee: Wendy Dorband, Chair – Bill Dorband gave a remainder about the upcoming Summer Picnic that will be held in Peacock Plaza on August 11th at 6pm. Save the date.

Welcome Team: Casey Dixon, Chair – a report was not presented.

Unfinished Business

Status of Revised Solar Policy and new Surveillance Equipment Policy: The policy drafts are complete and ready for distribution to the members for the 30-day comment period prior to consideration of adoption at an open board meeting.

A motion was made to mail the draft policies to all members of record for the mandated 30-day comment period and then consider adoption at the July 23rd Board meeting.

Moved, Seconded, Carried 5-0

New Development in Alamo Summit Project: Residents were reminded that Seeno's appeal to the Board of Supervisors is on June 5th in Martinez and it is the final and most important appeal. Residents were asked to attend the meeting and to wear red if possible.

Status of EBMUD Microwave Tower Project: These towers are part of the trial of a new system designed to improve EBMUD's ability to ensure the quality and security of our water supply and to detect leaks. Ten Rossmoor residents attended a May 15th meeting with EBMUD representatives. Objections to EBMUD's original plans from Rossmoor and Alamo residents produced the following:

- The number of towers was reduced from two to one.
- The tower was moved to a location where it will not be seen from Rossmoor.
- Several old pieces of equipment were moved from the site
- If the new system does not achieve its objective of improving the system's efficiency, the tower will be removed.

New Business:

Alteration Application approval for 603 Shadowhawk Way: Alteration Permit Application #41802 for a pergola over a back patio at 603 Shadowhawk Way was reviewed by the Board. A motion was made to approve Alteration Permit Application #41802.

Moved, Seconded, Carried 4-0, with one abstain from Director Mader.

Adjournment

President Free adjourned the meeting at 3:09 p.m. and the Board moved into executive session.

Executive Session Summary

The Board met in executive session to hear a presentation by John Tastor from Arthur Gallagher Insurance Co. on earthquake insurance.

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Secretary's Certificate

I hereby certify that the foregoing is a true and correct copy of the minutes of the Board of Director's meeting.

A handwritten signature in blue ink, appearing to read "Kelly Patterson". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Assistant Secretary

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Attachment 1

Mutual 68 Financial Dashboard					
April, 2018					
	Operating Fund	Replacement Reserve	Land Stabilization		
Cash and Investments:				Int Rate	Balance Sheet Notes:
City National Bank Checking Operating	19,669	-		0.00%	Residual Lock Box Activity and Balance
Shea Settlement in Escrow		15,022			Shea Escrow fund held by Attorney
Mechanics Bank	183,569	308,710	279,482	0.00%	Noninterest bearing per loan agreement
Investments--Mechanics Bank	-	450,000	3,400,000	1.45%	CDARs 4-week rolling
Total Cash and Investments	203,238	773,732	3,679,482		
Resident Accounts Receivable	714				
Special Assessment Loans Receivable			628,456		
Accounts Receivable Other	5,428	1,814	41		
Prepaid Expenses	88,190	89,046			Prepaid Insurance in Ops
Due to (from) other Funds	(1,803)	14,725	(12,922)		
Mechanics Bank Loan Payable	-	-	632,784		
Ending Fund Balances	209,584	797,686	3,664,880		
					Major Op Budget Variances:
YTD Revenue:					Fav/(Unfav)
Actual	630,700	229,489	8,603		
YTD Operating Budget	630,676				
Total Year Reserve Budget		917,955	-		Carpentry Repairs (Rodents) (4,925)
Operating Fav/(Unfav)	24				Termite Control (5,148)
Reserves Remaining Budget		688,466	8,603		Insurance (4,574)
					Water 11,368
					Legal Fees (4,011)
YTD Expenses:					
Actual	584,671	14,718	41,551		
YTD Operating Budget	582,340				
Total Year Reserve Budget		815,607	-		
Operating Fav/(Unfav)	(2,331)				Identified Major Variances Total (7,290)
Reserves Remaining Budget		800,889			
YTD Excess(Deficiency)Rev over Exp:					
Actual	46,029				
Budget	48,336				
Fav/(Unfav)	(2,307)				
Reserve Fund Expenses Projection					Reserve Fund Expense Notes:
2018 Budget		815,607	-		Fav/(Unfav)
Commitments by Board to Date		657,327	4,733,962		Painting Phase 3 contract (15,890)
% Committed		81%			Rodent Carpentry (8,878)
ESTIMATED Insurance Proceeds			4,600,000		Painting Rehab Carpentry (2,000)
% ESTIMATED Recovery			97%		Roof Tuneup/Valley Replacement (39,855)
Attachments: Balance Sheet, Op LSFund and Reserve Income/Expense Detail and Reserve and LSFund Projections					

Prepared by Finance Committee