

WALNUT CREEK MUTUAL NO. SIXTY-EIGHT

REGULAR MEETING MINUTES OF THE BOARD
MONDAY, JUNE 26, 2017 AT 1 P.M.
BOARD ROOM, GATEWAY COMPLEX
1001 GOLDEN RAIN RD., WALNUT CREEK, CA 94595

Call to Order

President Free called the meeting to order at 1:00 p.m.

Roll Call

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

Directors Excused: Gail Todoroff, Secretary

The Mutual Operations Division was represented by Paul Donner, Director of Operations; Rick Chakoff, Chief Financial Officer; Rick West, Building Maintenance Manager; Will Kim, Board Services Coordinator.

Board 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 May 22, 2017

President Free asked if there were any additions or corrections to the following executive session meeting minutes held to discuss *3101/3103 Grey Eagle Drive*:

Executive Meeting of the Board May 22, 2017

Executive Meeting of the Board June 2, 2017

Executive Meeting of the Board June 6, 2017

The minutes to the aforementioned meetings were approved as submitted.

Announcements

The next Meeting of the Board will be held on Monday, July 24, 2017 at 1:00 p.m. in the Gateway Board Room.

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.

Financial Report: Dwight Walker, Treasurer

Enclosed herein as "Attachment 1," the May 2017 financial dashboard was presented to the

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membership. Rick West and Paul Donner agreed to provide advanced notice of budget overages so the Board can properly anticipate reserve spending.

Landscape Report: Rebecca Pollon, Landscape Manager

Lawn Maintenance: Turf mowing has returned to a regular weekly schedule, edging occurs every other week as per contract. Aerating, spring fertilization have already occurred and treatment for grubs will take place in the coming weeks. Irrigation is now ON. The system is checked regularly, but if leaks are spotted please report them to the work order desk as soon as possible.

Entry Maintenance: Entry maintenance crews have returned to spring/summer schedules natural pruning for size control and clearance for phase two painting. Weed treatment is ongoing.

Tree Maintenance & Removals: The removal of an Ash tree behind 2844 Saklan Indian is out to bid, as is the removal of a fallen Oak tree behind 2968.

Landscape Rehab: Landscape rehab work on Red Wing court is complete, work is progressing on High Eagle, Falconwood and Foxwood with an estimated completion in 6-8 weeks.

Building Maintenance: Rick West, Building Maintenance Manager

The board reviewed and discussed proposals for gutter cleaning services. A motion was made to approve Professional Gutter Service for a one-time gutter cleaning with a total cost of \$14,880.

Moved, Seconded, Carried 4-0

Action Items:

1. The board reviewed and discussed proposals for front landing coating at 525 Spotted Owl. Tabled, pending additional review and discussion by the board.
2. The board reviewed and discussed an estimate for dry rot repairs to mailbox posts at 631/635 Shadow Hawk. The Mutual Operations Division was authorized to proceed with dry rot repairs to mailbox posts at 631/635 Shadow Hawk for an estimated cost of \$800.

Work in Progress:

1. Phase II Painting – Pacific Trim for the painting of 30-building for \$257,548
2. Timberline Roofing Ph. I – Roof repair and valley replacement for 21-buildings for \$105,630.00 is being scheduled
3. 2846 SI – Building repairs due to fallen tree with an estimated MOD cost of \$1,847.00
4. 2966 SI –awaiting engineers report on foundation repairs due to a tree

Completed Work:

1. 2814 SI – Deck Coating by Perfect Painting for \$2,841.00
2. MOD Dry Rot Rehab – Work on Phase II in preparation for 2017 painting of 30-buildings. Currently, four (4) buildings remain and estimate completion on June 9th.

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3. 618 RW – Emergency sidewalk concrete replacement due to tripping hazard
4. 536 SO – Deck coating by Perfect Painting for an estimated cost of \$4,300.
5. Five Star should complete the installation of the 10-year smoke detectors by June 23rd, but this excludes nonresponding residents.

President's Report: Brant Free

Replacement for Will Kim – Paul Donner announced that GRF has hired Kelly Mattison, with a national homeowners association management certification, to replace Will. She will be on board as of July 12th and will have two weeks of overlap with him to learn the ropes.

Alteration & Resale Meetings – Discussion focused on the Mutuals' differing approach to meetings with new buyers, prior to their moving in. Most require meetings with MOD, some do not. Some Mutuals always have a member of the Board attend these meetings to make sure new buyers fully understand the requirement to get approval for both standard and non-standard alterations. They also use the occasion to provide reference material for the new residents, similar to our Eagle Ridge Handbook, and to answer any questions.

Status of Work Orders – Continuing earlier forum discussions, the subject of modifying MOD reports on work order status was discussed with Paul Donner. MOD is currently looking at a way to include another data point in their system that would give the date of the physical completion of a project, rather than just the date that the file is closed (when final invoices are paid). This would allow interested Mutuals to do their own inspection of the work completed, in addition to the final inspection conducted by MOD.

Nixle Alert System – Tim O'Keefe asked Mutuals to encourage their members to enroll in the Nixle emergency alert system that covers only Rossmoor. MOD has noticed a considerable drop in emergency calls during an event (e.g., water main break, electrical outage, major road repair or other disruptive occurrences), since 1000 Rossmoor residents have signed up for the service.

EBMUD Water Restrictions - EBMUD will no longer allow cities to water median strips. That applies to the Walnut Creek part of the Rossmoor entry (between the gatehouse and Tice Valley Boulevard). GRF is talking with the city to see if substantially modified landscaping, employing bubblers or drip lines, can be used.

Unlicensed, Fraudulent Contractors – Cases have occurred in Rossmoor where unlicensed contractors have used fraudulent means to perform shoddy, overpriced work, often requiring excessive deposits. While MOD tries to verify the bona fides of those companies appearing on a permit application, even if they aren't on the "approved list," some have found ways to get around this. Because the contract involved is between an individual resident and the vendor, MOD has taken the position that it can't legally intervene to seek redress or even report such occurrences to authorities.

Landscape Committee: Barbara Blum, Chair

A Landscape Committee Meeting will be held on June 2nd at 9 a.m.

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Building Committee: Mike Casey, Chair

In response to the board's request, all mailboxes and posts were inspected by the committee in early June, 2017. Posts were inspected for cracks and sturdiness and mailboxes were inspected for general conditions (rush, dents, missing flags, latches). The results of the inspection were presented to the board.

Community Information Committee: Vickie Hipkiss, Chair

A Community Information Committee report was not presented to the membership.

Emergency Preparedness Committee: Brant Free, Chair

An Emergency Preparedness Committee report was not presented to the membership.

Social Committee: Wendy Dorband, Chair

The Picnic will be held on August 12th at Peacock Court. Initiations will be provided to the membership on the 4th of July.

Holiday Décor Committee: Mike Casey; Chair

A report was not presented by the Holiday Décor Committee.

Database Committee: Jo Jones, Chair

A report was not presented by the Database Committee.

Welcome Team Committee: Casey Dixon, Chair

A report was not presented by the Welcome Team Committee.

Finance Committee: Dwight Walker, Chair

A motion was made to approve Judith Box as the Finance Committee Chairmen for a term of one-year.

Moved, Seconded, Carried 4-0

A motion was made to appoint Richard Racimora and Harvey Gilbert to the Finance Committee for term of two years and one year.

Moved, Seconded, Carried 4-0

Details of Loan and Line of Credit for 3101/3103 Grey Eagle

The board reviewed and discussed the details of the loan and line of credit and the procedure going forward.

Special Assessment Due Date for Lump Sum or Payment Plan

The board reviewed and discussed the due date for the special assessment payment. A motion was made to establish July 31st as the due for the \$17,000 lump sum payment or receipt by MOD of the Monthly Payment Option form.

Moved, Seconded, Carried 4-0

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Contract to Purchase 3101/3103 Grey Eagle

Tabled, the board will continue to review, present, and discuss the necessary steps to purchase 3101 & 3103 Grey Eagle.

Contractor to Demolish 3101/3103 Grey Eagle and Restore Lot

Tabled, the board will continue to review and discuss proposals to demolish 3101 & 3103 Grey Eagle.

Project Manager for Remediation of the Landslide and Demolition

The board reviewed and discussed proposals for the project management of the landslide remediation and demolition of 3101/3103 Grey Eagle. A motion was made to approve Kevin Ryan as the Project Manager for the remediation of the landslide and demolition of 3101/3103 Grey Eagle.

Moved, Seconded, Carried 4-0

Land Stabilization Fund

The board discussed the establishment of a separate fund ("Land Stabilization Fund") to account for all revenue and expenses related to 3101/3103 Grey Eagle. A motion was made to establish a separate fund ("Land Stabilization Fund") to account for all revenue and expenses related to 3101/3103 Grey Eagle.

Moved, Seconded, Carried 4-0

Special Assessment Invoice Package

The board reviewed and discussed the special assessment invoice package. A motion was made to approve the special assessment invoice package as presented.

Moved, Seconded, Carried 4-0

Land Stabilization Budget

The board reviewed and discussed the land stabilization budget. A motion was made to approve the land stabilization budget at presented.

Moved, Seconded, Carried 4-0

Directors and Officers: Insurance Coverage Increase

The current D&O coverage amount is \$1,000,000. The board reviewed and discussed a proposal to increase the insurance coverage for director and officers (D&O) to \$5,000,000 with an annual premium increase of \$1,500 covering the next six (6) months. Tabled, the board will obtain additional information from Insurance Coordinator Denzon, before proceeding with a decision.

Adjournment

President Free adjourned the meeting at 3:00 p.m.

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Secretary's Certificate

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



Assistant Secretary

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Attachment 1

Mutual 68 Financial Dashboard May, 2017					
	Operating Fund	Replacement Reserve	Land Stabilization		
Cash and Investments:				Int Rate	Notes:
City National Bank Checking Operating	217,312	-			
City National Bank Checking Reserve		273,506		0.20%	
City National Bank CD Placement				0.25%	
Capital One Sharebuilder		253,643		0.40%	
Total Cash and Investments	217,312	527,149			
Resident Accounts Receivable	3,845		3,995,000		A/R \$1,756 (30 days) and \$40 (60 days)
Accounts Payable	20,283	112,358	3,995,000		
Ending Fund Balances	238,601	429,697	-		
YTD Revenue:					Major Op Budget Variances: Fav/(Unfav)
Actual	766,643	224,530			Revenue--MOD Dividend 5,158
YTD Operating Budget	761,120	/			Expenses:
Total Year Reserve Budget	/	536,477			Rain Leaks (13,393)
Operating Fav/(Unfav)	5,523	/			Tree Removal/Maintenance (6,185)
Reserves Remaining Budget	/	311,947			Water Variance is misleading: 88,529
					Water bills 5/2016 YTD \$30,242
					Water bills 5/2017 YTD \$36,471 +21%
YTD Expenses:					Identified Major Variances Total 74,109
Actual	678,861	299,729	187,793		
YTD Operating Budget	761,105	/			
Total Year Reserve Budget	/	817,450			
Operating Fav/(Unfav)	82,244	/			
Reserves Remaining Budget	/	517,721			
YTD Excess(Deficiency)Rev over Exp:					Notes:
Actual	87,782				Balance Sheet shows "Other Prepaids" of \$14,907 related to irrigation controllers
Budget	15				
Fav/(Unfav)	87,767				
Reserve Fund Expenses Projection					Notes:
2017 Budget		817,450			
Commitments by Board to Date		761,236	197,793		
Percentage Committed		93%			
					Rehab for Painting over budget \$67,129.
Attachments: Balance Sheet, Operating and Reserve Income/Expense Detail and Reserve Fund Projection					