

# WALNUT CREEK MUTUAL NO. SIXTY-EIGHT

REGULAR MEETING MINUTES OF THE BOARD  
MONDAY, FEBRUARY 26, 2018 AT 1:00PM  
BOARD ROOM, GATEWAY COMPLEX  
1001 GOLDEN RAIN RD., WALNUT CREEK, CA 94595

## Call to Order

President Free called the meeting to order at 1:04 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 Rick West, Building Maintenance Manager; Kelly Mattison, Board Services Coordinator; Rebecca Pollon, Landscape Manager; also present was Michael Cochrane, Melissa Ward, and Lena Regee of Hughes Gill Cochrane and Tinetti.

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 ..... January 22, 2018

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

**Moved, Seconded, Carried 5-0**

## Announcements

The next meeting of the Board will be held on Monday, March 26, 2018 at 1:00 p.m. in the Board Room at Gateway. Due to an increase in recent attendance at the Mutual meeting, they Board may move the March meeting location to better accommodate the members.

## 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

Steve O'Conner, President of ESR, reported on the land stabilization project. The mitigation of the landslide stabilization work at 3101 and 3103 Grey Eagle Drive has been complicated by the findings obtained during the test trench excavated immediately prior to the commencement of construction. It revealed that the landslide plane extended much deeper than originally thought and threatened the long term stability of the Mutual's area

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improvements at 3113-1315 Grey Eagle Drive. This resulted in a design change to protect the building, requiring a more robust wall with tie backs extending up to 50 feet under the 3113-3115 building. It also provides support to 3101 and 3103 Grey Eagle Drive.

*Status of the Land Mitigation Project:* The tie back wall behind 3113-3115 is close to completion. The new information that the landslide plane extended deeper than originally thought required a design change to protect 3113-3115 Grey Eagle Drive as well as revision of the mitigation work on 3101 and 3103 Grey Eagle Drive. Mutual 68's owner's agent, geophysicist Phil Gregory, approved the supporting calculations and design sketches.

Mutual 68 is waiting for the final proposal for redesign, which is expected to contain several options for the Board to consider. These range from soil repair (remove and replace the landslide debris to a depth below the landslide) to a structural wall repair similar to the tie back wall for 3113-3115 Grey Eagle Drive. Phil Gregory will evaluate the proposals and make a recommendation to the Board. The Board will evaluate the options, making sure insurance covers the changes.

It is expected that the total cost of the project will increase by an additional \$150,000 to \$500,000. After the Board selects a repair option, the Mutual's attorney will send the change orders to the insurance carriers as part of the damage claim.

The landslide mitigation work on 3101 and 3103 is expected to take another 4 months. The mounds of dirt will be gone when the project is completed; it will actually bury the existing wall.

### **Status of Our Insurance Claims**

Director Dorband reported that insurance proceeds of \$2 million have now been received for the 3101-3103 Grey Eagle Drive project. An additional request of \$1.5 million is being processed. Final claim requests cannot be submitted until all costs are finalized, which could take several months. The Finance Committee is still projecting a potential distribution of around \$13,000 once all costs are finalized and insurance proceeds are received. This may take the remainder of the year.

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

Enclosed herein as "Attachment 1", the January 2018 financial report/dashboard was presented. Some highlights of Dwight Walker's presentation include the following:

1. The Mutual's cash position is good except for the Replacement Reserve Fund, which will grow over several years with the increase in the coupon.
  2. The Committee is still projecting a potential distribution from the Land Stabilization Fund of around \$13,000 to each homeowner once all costs are finalized and insurance proceeds are received. This may take the remainder of the year. The Committee is still recommending retaining \$700,000 in the Land Stabilization Fund over the next few years to avoid any special assessments for unknown issues in regards to the 3101/3103 project.
- Reminder---any distribution of the special assessment will be paid to the current manor

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owner. Those homeowners who took advantage of the loan program will have the principle portion of their loan reduced by any distribution.

3. Rick Chakoff, GRF CFO, is assisting the Mutual with investing insurance proceeds in short term investments that will accommodate cash needs over the next few months.
4. Judy Box reported that the Building and Finance Committees have been working jointly on a project to replace Mutual light bulbs with LED lights which is projected to save \$12,000/year in electricity expenses.

A motion was made to approve the Helsing Report proposal in the amount of \$2,850 for a 3 year contract.

**Moved, Seconded, Carried 5-0**

### **Building Maintenance Report/Building Maintenance Committee: Rick West, Building Maintenance Manager; Mike Casey, Chair of the Building Committee**

Mike Casey reported on the Finance and Building Maintenance Committee joint project of the LED lighting. Since LED lights come in a variety of brightness or colors, there are two test homes with LED lights, 587 and 592 High Eagle Court for owners to view. A response from residents about their preferred lighting is being requested. Mike has forms that owners can fill out and leave in the newspaper slot at his address. Please contact Mike at [michaelcasey552@gmail.com](mailto:michaelcasey552@gmail.com) to provide feedback on the sconce garage walls, sconce foot of stairs, low pedestals, middle pedestals, top pedestals, and porch ceiling.

Rick West presented the following report:

Action Items:

1. Phase III Painting Proposals - Proposals presented to the board for vote.

A motion was made to approve the Pacific Trim contract for the Phase III painting project in the amount of \$275,890.

**Moved, Seconded, Carried 5-0**

2. Phase III Dry Rot Rehab - MOD (Time & Material NTE \$252,000).

Work In Progress:

1. 2966 SI - Retaining Wall Repairs - Contractor is Acustruct. Contract amount is \$69,260.00. McLarens has completed inspections for the Insurance Claim. Structural engineer Dave Olnes has finalized plans for the City permit. (Work in Progress).

Completed:

1. 513 SO - Front Landing Dry rot repairs - Contractor is EmpireWorks. Cost was \$3,110.00 (Completed).
2. Timberline Roofing Ph. I - Roof repair and valley replacement for 21 bldgs. - Completion of punch list items. (Completed). Phase II of the project will go out to bid.

### **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 report:

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- The committee is looking for a Saklan Indian landscape zone rep
- Continuing to have residents pay for the back areas to be rehabbed by consulting with Brightview rather than wait for the Mutual to pay for the work
- Waiting for construction on 3101/3103 Grey Eagle lot to be completed to begin preliminary planning of new park – plan to have a Town Hall meeting for resident's input.
- Landscape Committee meets on March 19 at 9:00am in the Gateway Board Room...open meeting; residents are most welcome to attend.
- MOD work order desk should be contacted if you wish for shrubs to be pruned, dead plants to be removed, or if pest control is needed. Other issues should be addressed to your zone rep.

Barbara Blum announced that she received a proposal from Brightview to perform fruit tree spraying throughout the Mutual. A motion was made to approve the Brightview proposal for fruit tree spraying in the amount of \$2,649.

**Moved, Seconded, Carried 5-0**

Landscape Manager Rebecca Pollon was asked to get a second bid to break up and scatter the root ball that is currently down below 2966 Saklan Indian. The first bid from Brightview is in the amount of \$4,080.

### **Report on CCC Planning Commission Action on the Alamo Summit Project: Diane Mader, Vice President**

Vice President Mader reported that the original plan was for a \$28,000 square foot home and that plan was reduced to 15,000 +. The plan was unanimously turned down but the Developer has appealed to the Board of Supervisors and the matter is not considered closed.

### **President's Report: Brant Free**

President Free reported on the topics of the most recent President's Forum. The topics were: M59 electric bills being changed from a residential rate to a commercial rate, saving the Mutual money; Solar Parking Structure at Waterford; and the MOD Billable rate increase from \$70/hr. to \$75/hr. which has not increased since 2013.

### **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 – Notices for the spring brunch party will be going out soon. It will be held at the end of April at the Fireside room.

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

### **Unfinished Business**

#### **Policy on Security Cameras and Other Security Devices:**

The Board is developing a new policy on surveillance devices and a request was made to the

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attorney to include an introductory paragraph that will clarify the difference between interior and exterior surveillance devices.

### **Changes to our Solar Installation Policy:**

The Mutual already has a solar policy in place and is working to revise the policy since the law has recently changed. The Board requested to the attorney that the draft be revised again to allocate definite areas to specific addresses so that each owner would have an equal opportunity to install solar.

### **Parking Issues:**

The Board discussed parking concerns since there were 4 cars parked on the street along Saklan Indian.

### **Adjournment**

President Free adjourned the meeting at 3:29 p.m. and the Board moved into Executive Session.

### **Executive Session Summary**

The Board met in executive session to discuss a member's request.

### **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.



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**Assistant Secretary**

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## Attachment 1

Mutual 68 Financial Dashboard January, 2018					
	Operating Fund	Replacement Reserve	Land Stabilization		
<b>Cash and Investments:</b>				Int Rate	<b>Balance Sheet Notes:</b>
City National Bank Checking Operating	15,687	-			Residual Lock Box Activity and Balance Shea Escrow fund held by Attorney Rich Chakoff pursuing investment options w/Mechanics
Shea Settlement in Escrow		15,022			
Mechanics Bank	123,017	478,839	992,456	0.00%	
<b>Total Cash and Investments</b>	<b>138,704</b>	<b>493,861</b>	<b>992,456</b>		
<b>Resident Accounts Receivable</b>	577		687,371		Land Stabilization: \$222 +30 days Op Fund: \$355 +30 days (short pays) \$1.4 million received from Lloyds on 2/12/18
<b>Accounts Receivable Other</b>			1,399,929		
<b>Due to (from) other Funds</b>	43	15,018	(15,061)		
<b>Mechanics Bank Loan Payable</b>	-	-	687,760		\$150,431 Board approved transfer to Reserve in Feb
<b>Ending Fund Balances</b>	<b>179,703</b>	<b>472,811</b>	<b>2,387,458</b>		
					<b>Major Op Budget Variances:</b> Fav/(Unfav)
<b>YTD Revenue:</b>					Carpentry Repairs (Rodents) (7,439) Insurance (1,604) Legal Fees (3,670)
Actual	157,669	76,496	2,968		
YTD Operating Budget	157,669	/	/		
Total Year Reserve Budget	/	917,955	-		
<b>Operating Fav/(Unfav)</b>	-	/	/		
Reserves Remaining Budget	/	841,459	2,968		
<b>YTD Expenses:</b>					Identified Major Variances Total (12,713)
Actual	152,730	6,469	461		
YTD Operating Budget	145,363	/	/		
Total Year Reserve Budget	/	815,607	-		
<b>Operating Fav/(Unfav)</b>	(7,367)	/	/		
Reserves Remaining Budget	/	809,138	(461)		
<b>YTD Excess(Deficiency)Rev over Exp:</b>					
Actual	4,939				
Budget	12,306				
<b>Fav/(Unfav)</b>	(7,367)				
<b>Reserve Fund Expenses Projection</b>					<b>Reserve Fund Expense Notes:</b> Fav/(Unfav)
2018 Budget		815,607	-		
Commitments by Board to Date		6,469	4,374,609		
% Committed		1%			
ESTIMATED Insurance Proceeds			4,200,000		
% ESTIMATED Recovery			96%		
Attachments: Balance Sheet, Op LSFund and Reserve Income/Expense Detail and Reserve and LSFund Projections					