

MINUTES

WALNUT CREEK MUTUAL SEVENTY REGULAR MEETING OF THE BOARD OF DIRECTORS THURSDAY, JANUARY 18, 2018 AT 2:00 P.M. BOARD ROOM – GATEWAY COMPLEX

President Jill Alley opened the meeting at 2:00 p.m. Directors Dale Smith and Dennis Johnsen were also present. Roger Svoboda was absent. Five resident members were present.

Staff was represented by Paul Donner, Director of Mutual Operations; Rick West, Building Maintenance Manager; Steve Ormond, Landscape Supervisor and Anne Paone, Assistant Secretary.

APPROVAL OF THE MINUTES

Ms. Alley asked for any additions or corrections to the minutes of the regular and executive session Board meetings of November 16, 2017. Hearing none, she declared them approved as written and reviewed.

MEMBERS' FORUM

None

SECRETARY'S REPORT

None

TREASURER'S REPORT

Mr. Smith reported that the ending balance in the operating fund for December was \$2,004. The ending balance in the reserve fund for December was \$771,978. The combined total balance was \$773,982.

The Mutual spent \$1.5 million in 2017. The Board decided to do four elevators and get a \$24,000 discount from OTIS Elevators. One elevator was bumped to 2018, but this should not affect the discount.

Ms. Alley reported that they met with Mr. West and Mr. Ormond to discuss the 2018 projects to get a better idea of monies to be spent.

LANDSCAPE REPORT

Mr. Donner explained various categories assigned to landscaping as follows:

Landscape Maintenance Landscape maintenance is divided into eight subcategories:

1. MOD Contracted Services
2. Lawn Maintenance
3. Lawn Weed Control

4. Grounds/Entry Maintenance
5. Tree Removal/Maintenance
6. Irrigation
7. Rehabilitation
8. Pest Control

Following is a description of the work covered under each category.

1. MOD Contracted Services

This area covers MOD in-house services, including:

- A full time irrigation crew and all parts needed to repair irrigation breaks and main line issues;
- A landscape rehabilitation crew responsible for scheduled landscape rehabilitation work;
- Unscheduled public works jobs, drainage repair, emergency service, and MOD dumpster clean up;
- A full time pest control technician for exterior pest control which is shared by all Mutuals except First Walnut Creek Mutual.

2. Lawn Maintenance

MOD contracts with an outside vendor for lawn maintenance services based on the following basic specifications:

- Thirty (30) mowing cycles per year
- Turf edging
- Four (4) fertilization cycles per year
- Aeration and renovation as needed
- Reseeding in the fall as determined by the manager

3. Lawn Weed Control

MOD contracts with an outside vendor for two applications of post- and pre-emergent weed control products per year.

4. Grounds/Entry Maintenance

This category covers the basic landscape maintenance service to the Mutuals, and includes the following:

- Shrub pruning
- Weed control

- Leaf pick-up
- Fire break maintenance
- Two (2) shrub fertilizations per year
- Street and sidewalk clean-up
- Tree pruning (up to 12 feet)
- Miscellaneous requests as needed, such as trash enclosure clean-up and hauling away of various items and materials

5. Tree Removal/Maintenance

This service is for tree pruning and removal of trees over 12 feet in height as necessary. Work is identified by specifications for building clearance and Director-approved work. All work is performed by licensed tree trimming and removal contractors under the direction of a certified arborist.

6. Irrigation

This area primarily involves parts replacements for irrigation valves and timers.

7. Rehabilitation

Projects involving rehabilitating segments of landscaping are completed by outside contractors and by MOD in-house crews. The majority of this work is bid out. In most cases the work involves clearing out a landscaped area, renewing or replacing the irrigation system, and replacing plants and trees. Work done by the in-house crews is for materials only; the labor is covered under the MOD Contracted Services line item.

8. Pest Control

The interior service may be covered by the Mutual depending on the individual Mutual's policy or billable to the resident at *seventy*-five dollars (\$75) per basic service call.

Mr. Ormond reported that all the planned work for 2017 has been done.

MUTUAL OPERATIONS REPORT

Mr. West reported the following:

Action Items:

1. Fire Hydrant replacement entry 8 by 3852 TG due to leak and lack of replacement parts. Contractor; Fire Protection Management – Cost \$2,280.00.

Mr. Smith moved to approve the proposal from Fire Protection Management in the amount of \$2,280.00 for a fire hydrant replacement in

entry 8 by 3852 Terra Granada. Mr. Johnsen seconded and the motion carried without dissent.

Work in Progress:

1. 3425 TG Safety and Technical rehab work start date Monday January 15th.
– Contractors; Otis Elevator and Musco Electric (work in progress).
2. 1277 AS 2A / 2B - Balcony Rehab Project -Contractors: AMAC and Perfect Painting - (work in progress).
3. 3838 TG 1A/1B - Balcony Rehab Project - Contractors: AMAC and Perfect Painting - (work in progress).

Completed Projects:

1. Five of six elevators are now completed. Contractor - Otis Elevator and Musco Electric.
2. 3535 TG - 4A / 4B / 4C – Balcony Rehab Projects - Contractors: AMAC and Perfect Painting – (completed)
3. 1285 AS 1B/ 2B – Balcony Rehab Projects - Contractors: AMAC and Perfect Painting - (Completed).
4. 3663 TG 1B – Installation of new flashing, paper stucco and paint around leaking window. Contractor:
Five Star (completed).

Mr. West reported that the following 2017 projects were completed:

- 3 of 4 elevators
- Painting
- 9 carport roofs-Duralast (9 to be moved to 2023)
- 3288 Breezeway-dry rot, rehab completed
- 10-year smoke detectors
- Back balcony repairs.

Projects for 2018 will start in the summer. This will give the Mutual time to recoup money into the funds. There are 37 buildings that need dry rot repairs. They will be done in 3 phases. Nine buildings will be done in the first phase. There are 76 garage doors that need replacement. Half will be done in 2018. They may do them in 3 phases.

GOVERNING DOCUMENTS

Mr. Salomon reported that the committee has been asked to develop a rooftop solar policy. California Bill AB-634 states that residents can apply without the need for 67% approval of the Mutual. There was a town hall meeting on January 8 whereby the committee dispensed a lot of information to the residents and also asked for their input. The committee will write a final draft of the policy and give it to the Board. They will have the attorney review it and

then send it out to the membership for a 30-day comment period. The Board will then decide if they want to incorporate some changes and then adopt the policy.

OLD BUSINESS

Ms. Alley reported that a landscape memo was sent out to residents asking them to remove potted plants, etc. placed in common areas. The landscape committee gave the Board an audit of those not in compliance.

Mr. Smith stated that someone should speak to the resident first.

Ms. Alley suggested that a letter go out explaining to the residents that if the items are yours and you have not cleared them off of the common area, you will be called to a hearing where fines may be imposed.

Mr. Johnsen said he wouldn't mind speaking to residents to see who the items belong to.

Mr. Donner reminded the Board that depending on the course of action, if they remove items, they may have to store them for a while and there is a cost to that action.

NEW BUSINESS

The Board discussed the necessity to borrow money from the reserves for the insurance payment. It is paid in one lump sum.

Mr. Smith moved to borrow \$125,000 from the reserve account for insurance to be paid back on or before the end of 2018. Mr. Johnsen seconded and the motion carried without dissent.

Ms. Alley appointed the Solar Users Group as an advisory committee to the Board.

The Board, as a majority, appointed Patricia Fury Hart to fill the vacancy of Director which expires in 2018.

ANNOUNCEMENT

The next regular board meeting: Thursday, February 15, 2018 at 2:00 p.m. in the Board Room at Gateway.

ADJOURNMENT

Having no further business, the meeting adjourned at 3:15 p.m.

/s/ _____
Anne Paone, Assistant Secretary
Walnut Creek Mutual Seventy

**The Board of Directors met in executive session on November 16, 2017 following the adjournment of the open Board meeting to discuss the following:

1. The Board discussed the two candidates for participation on the Board. The selected candidate will be appointed at the next regular open session meeting.
2. The Board reviewed a lease extension request. The extension was approved.

Having no further business, the executive session adjourned at 3:35 p.m.