

MINUTES

WALNUT CREEK MUTUAL SEVENTY REGULAR MEETING OF THE BOARD OF DIRECTORS THURSDAY, OCTOBER 16, 2014 AT 2:00 P.M. BOARD ROOM – GATEWAY COMPLEX

President Eldon Rowe opened the meeting at 2:00 p.m. Directors Alan Matthews, Jerry Cruson, Russ Cunningham and Ellen Dietschy were also present. Seven resident members were also present.

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

Excused: None

APPROVAL OF THE MINUTES

Mr. Rowe asked for any additions or corrections to the minutes of the regular session Board meeting of September 18, 2014. Hearing none, he declared them approved as written and reviewed.

Mr. Rowe asked for any additions or corrections to the minutes of the executive session Board meeting of September 18, 2014. Hearing none, he declared them approved as written and reviewed.

MEMBERS' FORUM

Vicki Richardson reported on various issues: All Bay Heating could not access under the building, strong odor from animals living under building, deer use deck to stay out of the elements, wet conditions under the building, and trees at the far end of building are dying.

Mr. West will follow-up regarding the building issues, especially the wet conditions.

Mr. Rowe said there is a tree walk next week. There will be two arborists with them and they will evaluate the trees.

SECRETARY'S REPORT

No report

TREASURER'S REPORT

Mr. Cruson reported that the operating fund as of September 30 has expenses of \$450,000. This is \$25,000 over budget. However, operating revenue has exceeded expenses by \$56,000. The operating balance is \$80,784. The reserve fund expenses are \$358,340. State Roofing was paid \$57,500 at the end of September. The reserve fund balance is \$1,316,059. The total fund balance for operating and reserves is \$1,396,843.

Mr. Chakoff reported that City National Bank can purchase C-DARS. They broker out the CDs. The Mutual is better off purchasing 4-week CDs as the rates are low, but this gives the Mutual flexibility to move their money around. The most important advantage is that the money will be

FDIC insured. Mechanics Bank's fees are going up. City National Bank will have better fees or there might be no cost.

The Mutual will own the CDs. This will only involve the reserve account. City National Bank also has a local presence.

Mr. Cruson motioned that the Mutual open a reserve account with City National Bank with the understanding that the Mutual will participate in City National Bank's C-DARS program, which will insure that our deposit will be parceled out to comply with the stipulation that our money be FDIC insured. Mr. Matthews seconded and the motion carried without dissent.

PRESIDENTS' FORUM

Mr. Rowe reported on the September Presidents' Forum in which the Comcast proposal, which Mutual 70 will not pursue, was discussed. There was also discussion regarding golf cart registration. There was discussion on how to register the carts so that they may be identified. The Trust Agreement Committee will start meeting again.

LANDSCAPE REPORT

Mr. Rowe reminded everyone that the tree walk-through will take place on October 21 at 9:00 a.m. Mr. Ormond, Mr. Waraner, Mr. Drummond, Mr. Rowe and representatives from the different entries will participate.

Mr. Ormond reported that the winter rehab will consist of placing bark in bare areas, along with Lodi and cobbles. They will go through all the irrigation to check for any issues. It begins on December 17 and Mr. Ormond has a list of areas to address. There are no plantings at this time due to the drought.

Mr. Rowe had a question regarding a unit for sale on Terra Granada in entry 7. He wanted to be sure that there was a report from Mr. Ormond for the resale. Mr. Ormond reported that there was a report done about 2 months ago. He recently went back to recheck the unit and amended the report. Mr. Parsons has this report.

MUTUAL OPERATIONS REPORT

Mr. West reported there was some follow-up regarding the Richardson's issues. He will check on the status.

Mr. West reported that State roofing had begun work at 3606 T.G. It rained and now 3622 and 3644 T.G. will be loaded by the 17th. State knows the deadline is November 2nd and they have guaranteed the work will be done by the end of October.

1. 2014 roofing for Phase 2 - State Roofing has 3 buildings and 1 trash enclosure remaining. Tentative rescheduled to start Entry 7 on 10/13. Contract dead line Nov 2nd. MOD roofing crew waiting on State Roofing to complete Entry 7 roofs before re- installation of new downspouts.
2. 3288 TG /3874 TG - Installation of Sump Pumps in elevator pits. Stoddard Plumbing working with CCCSD for sewer line disposal. Sanitation inspector will discuss need for oil separator filter. City design permits issued.

It will be the baffle system where the water will go directly into the sewage line.

3. 3773 TG. Beam & Deck repair - Scheduled start date 10/8. AMAC conducting Exploratory inspection. Waiting for engineers report and resident Deck covering agreement.

Mr. West reported that the Board needs to approve the finalized agreement. The agreement states that the Mutual will make all the necessary repairs, take out all of the tile, put down the new fire system and then the residents would pay for the tile and the Mutual would pay for the installation of the tile.

Mr. Cunningham moved to approve up to \$1,000 to install the tile on 3773 Terra Granada 1B's deck. Mr. Matthews seconded and the motion carried without dissent.

4. 3244 TG 2A Termite and dry rot Repair – Antimite inspected on 10/6. Toupin waiting for termite report for scope to prepare estimate. Dry rot and termite damage found in rear deck floor and rear deck beam / rear window header and slider header.

Mr. Rowe advised Mr. West that notices need to be posted because workers have been parking in a manner that does not allow residents to park in their garages. The workers need to be reminded where to park.

There was also discussion on how to inspect units that have been vacant. Mr. Donner advised the Board that the Mutual has the right to do a basic leak check, but the issue would be how to gain entrance. Ideally, they should contact the owner or someone listed as an emergency contact who would have a key to the unit.

5. 3711 4C Rear Balcony Beam and Arbor dry rot repair - AMAC and Toupin to give estimates. Waiting for engineers report. Estimated at \$3,000.
6. Hose Bibs - Davis Plumbing to replace all non - balcony hose bibs as directed by board.

Mr. Cunningham moved to authorize Rick West to remove any illegal extensions and return it to the prescribed hose bibs. Ms. Dietschy seconded and the motion carried without dissent.

7. Balcony Scuppers - MOD to inspect all balcony scuppers as directed by board. w/o issued to Roofing Dept. – in progress

Follow Up:

1. Smoke Detectors – All Clear has completed 140 out of 172 residents. Flyers went out on 9/11 for the residents not home the first attempt. Residents are instructed to call and make appointment with All Clear.

Mr. Rowe pointed out that All Clear did not leave a notice at all locations. Mr. West will give them a call that they are not following procedures.

Mr. Rowe asked the Board to think about a long-term replacement program for the elevators. Perhaps the Mutual could replace 2 elevators per year. The cost would be approximately \$150,000 for both. There are a lot of failures happening and the Board needs to be proactive. Mr. Rowe does not want to have a special assessment. The money should come from reserves.

Mr. Donner commented that it is always a good idea to increase reserve money. He reminded the Board that the reserve study is an estimate of when items will need to be replaced. If money is needed for a particular component, it can be used from reserves. Some years the Mutual will need the reserves and some years they won't need to touch that money.

There was some discussion on raising the coupon by a few dollars in order to place that money into reserves.

EMERGENCY PREPAREDNESS COMMITTEE

Mr. Rowe held up a sign the said I'm Okay on one side and Need Help on the reverse side. Ms. Dietschy reported that anyone that participates in the Map Your Neighborhood receives a sign. Mr. Rowe thinks the Board should pursue using these signs for its membership.

ALTERATIONS

Mr. Matthews reported that 16 alterations are in progress and 20 have been completed. The Board is wants to be sure that all resales are having a meeting. Mr. Rowe reported that many residents are changing out their windows.

Mr. Rowe is waiting for confirmation that the owner of the former Cunha unit is scheduled for a new member meeting.

GOVERNING DOCUMENTS

Mr. Cruson reported that he and Mr. Cunningham are concerned about non-compliance. In particular, items in the carports and personal items on common area property. Entries 2 (Avenida Sevilla) and 3 (Terra Granada) had a lot of violations.

Mr. Cruson and Mr. Cunningham have volunteered to check carports and will address this issue at the next Board meeting.

Mr. Rowe brought up the issue of the Building Committee and its need for another member. He asked the Board if anyone has someone that was interested. Mr. Rowe reported that he has someone that is willing to serve on the committee. His name is Herbert Solomon. He then asked for a motion.

Mr. Cruson moved to accept Herbert Solomon as a member on the Building Committee. Ms. Dietschy seconded and the motion carried without dissent.

HELSING REPORT

Mr. Preminger had advised Mr. Rowe that the final Helsing Report is in. The draft copy was adopted last month.

OLD BUSINESS

Mr. Rowe reported that the GRF Trust Agreement Committee is still in discussion.

NEW BUSINESS

Mr. Rowe reported the Board needs to adopt the 2015 budget. There was a motion to adopt the budget as presented. Before proceeding, there was some discussion about raising the monthly coupon by an additional \$5 and allotting that increase to the reserve account.

Mr. Donner reported that \$25.00 is the average increase for most of the Mutuals. There is no mechanism where the \$5 would go to a specific area or line item in the budget, but it will grow the reserves by that additional amount. The Board would like that money to go to the elevators.

Mr. Cunningham moved to amend the previous motion to approve the budget as presented. He moved to raise the coupon by an additional \$5.00 in anticipation of major elevator repairs. Ms. Dietschy seconded and the motion carried without dissent.

Mr. Rowe announced that the monthly coupon will now be \$764.00 per unit. He called for a motion to adopt the 2015 budget.

Mr. Cruson motioned to adopt the 2015 budget as amended. Mr. Matthews seconded and the motion carried without dissent.

ANNOUNCEMENT

The next regular board meeting: Thursday, November 20, 2014 at 2:00 p.m. in the Board Room in Gateway.

ADJOURMENT

Having no further business, the meeting adjourned at 3:50 p.m.

/s/

Ellen Dietschy, Secretary
Walnut Creek Mutual Seventy