

MINUTES

WALNUT CREEK MUTUAL SEVENTY REGULAR MEETING OF THE BOARD OF DIRECTORS THURSDAY, AUGUST 21, 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. Two resident members were also present.

Staff was represented by Paul Donner, Director of Mutual Operations; 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 July 17, 2014. Hearing none, he declared them approved as written and reviewed.

MEMBERS' FORUM

None

SECRETARY'S REPORT

No report

TREASURER'S REPORT

Mr. Cruson reported that the operating fund expenses YTD are \$350,000. That is \$20,000 over budget. The operating fund final balance is \$67,651. The Reserve expenses are \$258,000. State Roofing was paid \$97,000 in July. The Reserve fund has \$1,355,317. The Mutual total fund balance is \$1,422,968. In July, \$100,000 was transferred from operating to reserves to pay back reserves for the insurance loan.

PRESIDENTS' FORUM

Mr. Rowe reported the Presidents' Forum discussed a Comcast contract. Since it has not been formally presented, it will be an ongoing discussion. An article was in the Rossmoor News regarding this matter.

EBMUD had a representative at the meeting and EBMUD voted to begin rationing. The Mutual will only be allowed to water twice a week. MOD is currently in compliance.

The financials for MOD were discussed. Mr. Donner reported that there will be a surplus. They are currently ahead of schedule. He believes they may be ahead of last year. There may be a small increase in the management fees.

LANDSCAPE REPORT

Mr. Rowe reported that there were more trees that needed to be removed in the ravine. Waraner removed the trees and did a wonderful job. Mr. Rowe would like Mr. Ormond to send Waraner a letter of appreciation.

The landscape committee recommends to the Board that the area next to 1289 Avenida Sevilla be considered as guest parking.

Mr. Cunningham motioned to install a guest parking sign for 3 spaces next to 1289 Avenida Sevilla. Mr. Cruson seconded and the motion carried without dissent.

One sign will be installed with arrows indicating the guest parking spaces available.

Dying plants will continue to be removed and not replaced at this time. If there is a need due to aesthetics, bark will be placed in the area.

The tree walk will be in October. Representatives of the entries will walk with Steve Ormond and Ed Waraner to assess the condition of the trees.

There is a need to have Valley Crest clear debris away from the foundations of the buildings. It is starting to get above the stucco line.

Mr. Rowe discussed the leaky faucet/hose bib at 3330 1A Terra Granada. It has been leaking for two weeks. Mr. West said that the contractor, Davis Plumbing, lost the work order. The Rossmoor server had gone done and when the work orders came through, it got lost in the pile of work orders.

MUTUAL OPERATIONS REPORT

Mr. West reported that Stoddard Plumbing has completed the installation of sewer overflow protection devices (pop-ups) on all 6 three-story buildings. Touch up paint is needed. State Roofing has completed entry 4. Entry 6 will be completed on Monday, 8/25/14. Entry 7 will start on Tuesday, 8/26/14. They will put out flyers tomorrow to alert residents that they will be starting on Tuesday.

Inspections are being done on the roofs so that warranties will be issued. Everything is passing. The warranty is for twenty years. MOD roofing crew completed phase 1 and 2 deck hole repairs and removal of downspouts.

Regarding 3288 Terra Granada installation of sump pump in the elevator pit, Stoddard Plumbing will follow the recommendations of Contra Costa County Sewer District for sewer line disposal. The inspector wants an in-line filter (oil separator filter) installed. They want to do a scope-of-work for Stoddard Plumbing. Additionally, 3874 Terra Granada has an existing sump pump inside of the larger pit, but it is currently not working. It is good news that both 3288 and 3874 have the smaller pit inside of the larger pit. The sump pump sits in the lower pit. The water from the larger pit will run into the lower pit and the sump pump will carry it away.

All Clear has completed checking and installing batteries for 102 resident homes. There was some discussion regarding having MOD do the inspections next year.

Mr. Cunningham suggested looking at having termite inspections and would like this addressed when doing the draft budget for 2015.

EMERGENCY PREPAREDNESS COMMITTEE

Ms. Dietschy reported that next Tuesday there will be a presentation in the Fireside Room regarding fire prevention. There will also be an article in the Rossmoor News. On September 27th, EPO is planning its second annual Emergency Preparedness Fair from 10-2 p.m. in the Diablo Room at Hillside. Map Your Neighborhood will be there.

ALTERATIONS

Mr. Matthews reported that 18 alterations are in progress and 20 have been completed from January through August 14, 2014.

GOVERNING DOCUMENTS

Mr. Cruson reported that the Alterations (1.0) document needs to be mailed out as corrected. Mr. Rowe said there was a question about the issue that the City of Walnut Creek is not giving permits for cabinets in the carports. Mr. Donner said he is not aware of this. Mr. Rowe asked that we hold off on mailing out the documents until they are sure there isn't a change regarding installation of cabinets. The Board doesn't want to send out documents twice. Mr. Donner thinks it may be a miscommunication. He will follow-up and advise the Board.

HELSING REPORT

Mr. Cruson reported that Helsing has made the correction that the Board requested. The recommended contribution to the reserves for next year is \$235.90 per manor and is only \$6 more than in 2013. If the recommendation is followed, there is no projected special assessment in the near future.

OLD BUSINESS

Mr. Rowe reported that the GRF Trust Agreement committee is still on hiatus, probably until October.

Mr. Rowe reported that he had a conversation with Mr. Rick Scheibley with Reliable Paving Services, LLC. He was recommended by attorney Mike Hardy. He came on site and looked at the sealcoat and his suggestion is to never do sealcoating again. He also reviewed all of the documents. He is not charging for his services. He also said that the ultra violet effect on the chemical composition has already degraded it so that tests could not be definitive. He did say if this problem occurred over 72 hours of application, there was something wrong with the application. He could not give any other answer. Mr. Rowe thanked him very much. Mr. Rowe feels that the Board has addressed the concerns of the residents and he doesn't think the Mutual should take this any further. All money should be saved for asphalt replacement, not sealcoating. Mr. Cruson recommended getting an opinion letter from the attorney, Mike Hardy. Mr. Rowe commented that Mr. Hardy indicated that he would go along with Mr. Scheibley's findings. Mr. Rowe will create a letter for Anne Paone to mail to residents.

NEW BUSINESS

Mr. Rowe reported that Mr. Matthews asked the Board to consider increasing the Board size from 5 members to 7 members. This request came about because of the desire to have another person on the Building Committee. After discussion, it was decided that it would be better to try to find a volunteer that would be a good fit for the Building Committee. That would be more advantageous than adding more Board members. Mr. Rowe asked each Board member to try to find someone interested in serving on the Building Committee.

Mr. Rowe reported that the Board received a letter from Margaret Ghirardo of 3535 Terra Granada, 1A. Mr. West reported that there was a letter that stated that a report was sent in that there was fluid on the street. An employee of MOD said there was transmission fluid running down the street to entry 5. The resident went through her insurance, but was denied because it was her caregiver's vehicle. The caregiver's agency's insurance said they would put the claim through their insurance. They were recently refaxed the information and they reiterated that

they will put it through to their insurance company. Mr. Rowe would like a lien placed on the unit to protect the interests of the Mutual.

ANNOUNCEMENT

The next regular board meeting: Thursday, September 18, 2014 at 2:00 p.m. in the Board Room in Gateway.

ADJOURMENT

Having no further business, the meeting adjourned at 3:40 p.m.

/s/

Ellen Dietschy, Secretary
Walnut Creek Mutual Seventy