

MINUTES

SECOND WALNUT CREEK MUTUAL REGULAR MEETING OF THE BOARD OF DIRECTORS THURSDAY, JANUARY 18, 2018 AT 10:00 A.M. PEACOCK HALL – GATEWAY COMPLEX

President Sanford Skaggs called to order the regular meeting of the Board of Directors of Second Walnut Creek Mutual at 10:00 a.m. on Thursday, January 18, 2018 in Peacock Hall, Gateway Complex, 1001 Golden Rain Road, Walnut Creek, California.

ROLL CALL: Present: Sanford Skaggs, President
Frank Mansfield, Vice President
Mark Fehlig, Treasurer
Michael Stotter, Secretary

Absent: Barbara El-Baroudi, Vice President

Mutual Operations staff was represented by Paul Donner, Director of Mutual Operations; Rick Chakoff, Chief Operating Officer; Mark Marlatte, Building Maintenance Manager; Rebecca Pollon, Landscape Manager and Anne Paone, Administrative Secretary.

There were 24 residents in attendance.

The consent calendar consisted of:

- a. Mr. Fehlig moved to approve the Regular Meeting Minutes – November 16, 2017 and the Executive Session minutes – November 16, 2017, as presented. Mr. Mansfield seconded and the motion carried without dissent.
- b. Mr. Fehlig moved to ratify the Execution of the Contract with PRA to regrout test well at 1200 Canyonwood. Mr. Mansfield seconded and the motion carried without dissent.
- c. Mr. Fehlig moved to approve the write off Uncollectible Claim - Tanesha \$14,025.92. Mr. Mansfield seconded and the motion carried without dissent.
- d. Mr. Fehlig moved to certify compliance with Civil Code Section 5500 Q1 2018. Mr. Mansfield seconded and the motion carried without dissent.
- e. Mr. Fehlig moved to ratify the Execution of Contracts - 2018 renewals with existing contractors:
 1. Prograss (gutter cleaning and manor lube)
 2. Five Star (3 years; cleaning bathrooms)Mr. Mansfield seconded and the motion carried without dissent.

RESIDENTS' FORUM

A resident asked that MOD consider using more than one contractor. Mr. Donner

stated that MOD has other contractors that they can and do use. Mr. Skaggs stated that the Mutual has used the contractor with good results.

A resident wanted to keep her battery in a cabinet in the golf port. Mr. Skaggs explained the background of storage cabinets and that they are in violation of the policies.

A resident reported that the half-sized trash bin will not hold all of the garbage. Mr. Fehlig introduced Jency James from Republic Services. She works closely with him. Mr. Fehlig told the resident to call him regarding the bins and he will help him.

A resident commented that she thought the plumbing can't handle items that go down the garbage disposals. She wanted some educational materials given to residents on how to use the disposals. She asked about the BBQ policy. Mr. Skaggs reported that only electric and propane BBQs are allowed. The SWCM policy complies with the law and is okay with the fire district.

With Board concurrence, Mr. Skaggs revised the agenda to consider the proposed policy revision at this point.

REVISION TO POLICY 2.1

A resident wanted to comment on the proposed changes to Policy 2.1 regarding subleasing. He reported that he thinks the changes will be too restrictive. It is taking away benefits for residents. It takes away opportunities for residents to travel, especially if they rely on that income to do so.

Mr. Skaggs reported that not everyone actually registers their renters. In other communities, many are using AirBnB to rent. This is distressing to residents.

The resident stated that GRF is taking steps to monitor renters by having and issuing badges. He doesn't see AirBnB as a problem.

Mr. Fehlig stated that he purchased here because of the high level of owner occupancy.

Another resident reported that her neighbors constantly rent out their unit.

A resident said she would like the Board to look into renting out for more than 3 months each year.

Another resident wants the Board to make it harder to rent out a manor explaining this is not the place to get money from rentals. The dumpsters get full and there is more traffic.

With the discussion over, Mr. Skaggs called for a motion.

Mr. Mansfield moved to adopt the changes to Policy 2.1 as presented. Mr. Stotter seconded and the motion carried without dissent. (A voice vote was taken and each Board member responded yes.)

RESIDENTS' FORUM CONTINUED

A resident reported that he purchased a BBQ and the directions said not to use it with a roof above. He returned it.

A resident is concerned about break-ins to storage units in parking areas. He wants to put a special lock on the storage locker door in the carports. He is an entry coordinator and would also like to have storage in a laundry room for emergency supplies. Mr. Skaggs asked that he put a proposal in writing to the Board.

A resident asked about a financial recovery plan if there is an earthquake disaster. Mr. Skaggs stated that they don't have it. The Board will try to get a plan together. The resident also stated that individual manor residents are not able to get earthquake insurance for their units. What does the Mutual have planned to do after an earthquake? Mr. Skaggs strongly urged residents to get a loss-of-use policy from their insurance company.

LANDSCAPING REPORT – Rebecca Pollon, Landscape Manager

Ms. Pollon reported the following:

MAINTENANCE REPORT;

Maintenance crews are transitioning to winter schedules hard pruning large shrubs for size control and good health.

REHAB REPORT

- STANLEY DOLLAR ENTRY 1 and 2;

In progress; replanting will resume within one week. When done, they will move to Tice Creek, Entry #1.

-PLANT REPLACEMENTS AND RESIDENT REQUESTS

In progress

-TREE WORK

The remaining Eucalyptus in SD1 will be removed this month pending weather.

-ENTRY REHABS

A meeting has been announced with residents of Canyonwood 9 to plan their future entry rehab. The meeting is on January 31st at 1pm.

BUILDINGS AND FACILITIES REPORT – Mark Marlatte, Bldg. Maintenance Mgr.

Mr. Marlatte reported the following: Carpentry and Painting Maintenance-Carpentry Preventative Maintenance and Painting is at entry A and AA on Tice Creek Drive; Roofing Program-Fourteen roofs planned for 2018; Bridge and Stair Replacements-Reviewing 2018; Deck Coating-Scheduling as required in Preventative Maintenance area and as needed; Appliance Replacements-Appliance replacement for the month of December has not yet been provided; Roof and Gutter Cleaning-all roofs and gutters have been cleaned. Please call the order desk for additional roofs or downspouts that need to be cleaned; Manor Lube-2017 is completed. 2018 manor lube has started; Paving and Seal Coat-2017 Done. Preparing 2018 schedule for Board review; 1200 Canyonwood Ct.-Aquifer and building movement-Ned Clyde proposal with SWCM attorney for contract review; 1537 Canyonwood Court – Insurance company and SWCM attorney are reviewing bids.

Mr. Skaggs reported that 1537 Canyonwood was damaged when a car crashed into the

pillars. This event is covered by insurance. Repair work will commence soon. The maximum exposure to the Mutual is approximately \$29,000. 1200 Canyonwood had building movement. This is a difficult project with a lot of water underground. There has been lots of testing done and is a long, slow process. The contract is being reviewed and there is no start date yet. There is a meeting scheduled with Ned Clyde on Tuesday. It is more costly and serious than anticipated, but reserves can handle this project. The Board will try to get more reports to the owners in the building.

TREASURER'S REPORT – Rick Chakoff

Mr. Chakoff reported there is a \$116,000 deficit to the budget. Income was over budget due to the Mutual receiving a refund from MOD. Building maintenance was over budget by \$107,000 due to rain leaks and mechanical and electrical issues. Landscape was under budget by \$84,000. Insurance is over budget by \$56,000. This was mostly due to the Mutual's share of deductibles for events. Utilities were over budget by \$79,000 due to water usage. These are all preliminary numbers.

Mr. Fehlig reported there were 7 resales in December for a median price of \$399,000. YTD, there were 120 resales for a median price of \$352,000.

PRESIDENT'S REPORT

Mr. Skaggs reported that the policies of the Mutual require members to have insurance. HO6 is the appropriate form. Indoor plumbing is a resident responsibility. Residents should insure their personal property, even though this is a co-operative and residents must have insurance.

BYLAWS

Mr. Skaggs reported that the Bylaws will be sent out for review and to be voted on. The Board hopes to have this happen very soon.

RECYCLE

Mr. Fehlig introduced Jency James from Republic Services. The Mutual is downsizing the landfill bins and up-sizing the recycling bins. This has been done on Canyonwood and Singingwood. They are working on Tice Creek now. If there are any issues, report them to Mr. Fehlig. They are also starting a pilot project for organics/composting on Singingwood and Canyonwood. Ms. James reported that there will be a workshop on January 23 in the Fireside Room from 2-3 p.m. She reminded residents that grass trimmings and food waste go in the green container. They will be picked up once a week. A pail will be provided to residents to place food scrapes. You can bring it to the trash bin to empty and take the pail back home. Mr. Skaggs thanked Mr. Fehlig for his work.

UNFINISHED BUSINESS

None

NEW BUSINESS

Mr. Skaggs explained the valley-wide insurance policy. There is a \$100,000 deductible and the Mutual that has the event pays the first \$10,000. The rest of the Mutuals share the balance on a door-by-door basis.

Mr. Mansfield moved to authorize the execution of the renewal of the Agreement of the Shared Deductible. Mr. Fehlig seconded and the motion carried without dissent.

Mr. Skaggs reported that the Mutual has work done on the roofs every year.

Mr. Mansfield moved to ratify the execution of the contract with State Roofing for 2018 roof repairs and replacements. Mr. Stotter seconded and the motion carried without dissent.

Mr. Skaggs reported the Mutual has a policy for financial requirements to become a member in Second Walnut Creek.

Mr. Mansfield moved to adopt Appendix C regarding the financial requirements for membership in Second Walnut Creek Mutual. Mr. Fehlig seconded and the motion carried without dissent.

Mr. Fehlig reminded residents that if they have any questions about charging electric vehicles, they should contact him.

ANNOUNCEMENTS

Mr. Skaggs announced the following meetings:

Second Mutual Regular Monthly Meeting – Thursday, February 15, 2018
10:00 a.m. Peacock Hall – Gateway Complex

GRF Regular Board Meeting – Thursday, January 25, 2018 at 9:00 a.m.
Peacock Hall – Gateway complex

ADJOURNMENT

Having no further business, Mr. Skaggs adjourned the meeting at 11:40 a.m.

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

**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. Member Matters – violations, outstanding balances, request for credit
No fines were imposed, a credit was issued, an owner was advised issue is her responsibility, and Hearings to be scheduled to consider termination of memberships.

Having no further business, the executive session adjourned at 11:15 a.m.