

MINUTES

SECOND WALNUT CREEK MUTUAL REGULAR MEETING OF THE BOARD OF DIRECTORS THURSDAY, AUGUST 24, 2017 AT 9:00 A.M. BOARD ROOM – GATEWAY COMPLEX

President Sanford Skaggs called to order the regular meeting of the Board of Directors of Second Walnut Creek Mutual at 9:00 a.m. on Thursday, August 24, 2017 in Peacock Hall, Gateway Complex, 1001 Golden Rain Road, Walnut Creek, California.

ROLL CALL: Present: Sanford Skaggs, President
Mark Fehlig, Secretary
Frank Mansfield, Vice President
Susan Williamson, Director

Absent: Barbara El-Baroudi, Vice President/Treasurer

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

There were 28 residents in attendance.

The consent calendar consisted of:

- a. Regular Meeting Minutes – July 20, 2017
- b. Executive Session Minutes – July 20, 2017
- c. Approval of Engagement of Bong Hillberg Lewis Fischesser LLP to conduct 2017 audit, at a cost of \$9,325 and \$525 for tax prep
- d. Authorize posting of revision to Policy 5.3 regarding hard surface flooring installed prior to December, 2003

Mr. Mansfield moved to approve the consent calendar as presented. Ms. Williamson seconded and the motion carried without dissent.

RESIDENTS' FORUM

A resident thanked Mr. Marlatte for his prompt response to an issue. She asked about the status of the inspections of smoke detectors. Mr. Marlatte explained that residents will be contacted by Prograss. They will leave a door hangar, too.

Manor lubes are not voluntary. They are performed as a matter of safety for the residents and the Mutual.

A resident thanked Mr. Fehlig and Jency James for their efforts to improve recycling. The distribution of the signs and tote bags was much appreciated.

A resident had some landscaping questions regarding removal of lavender because it looks scraggly. She wanted to know what will be done with the gorilla hair and she would like the 6 residents in that area to be included in the decision. She asked when

the walkways are blown. Mr. Donner reported it takes place once a month.

A resident asked if a golf port space could be converted to an extra trash enclosure. Mr. Fehlig reported that the size of the bins might change and that could help. Mr. Skaggs stated that messy trash areas are hard to police. Residents need to be responsible and pick up after themselves.

A resident inquired about someone that is smoking and is no longer authorized to reside in the Mutual. Mr. Skaggs reported that it is a difficult situation. She was registered as a caregiver for her grandmother who has since permanently relocated with the result that she is no longer entitled to reside in Rossmoor. The grandmother's representative has commenced eviction proceedings. Mr. Skaggs reminded everyone to be careful when they allow someone to be a co-occupant. It can be hard to get them out. Exercise caution when considering a co-occupant.

A resident discussed an area that used to be used for neighborhood gatherings. The landscaping had died. She would like some wood chips placed there, so the area may be used again. Mr. Skaggs reported that the Board is in the process of formulating plans for next year. This will be added to Ms. Pollon's list.

A resident thanked the Board and Mr. Fehlig for piloting the recycle trash program. He is willing to help, too.

A resident thanked the Board for their service. Her concern was that the pine trees are dropping so many needles on the sidewalks. They get blown into the gutter, but not really cleaned up.

A resident asked about the A/C compressor problem. The upstairs unit makes so much noise. Mr. Marlatte will have an HVAC person take a look at his neighbor's unit.

LANDSCAPING REPORT – Rebecca Pollon, Landscape Manager

Mr. Donner read Ms. Pollon's report as follows:

LAWN MAINTENANCE: Turf mowing is occurring weekly. Irrigation is running frequently during the hot spell. Evidence of breaks or 'hot spots' in lawns should be reported to the work order desk.

ENTRY MAINTENANCE: Entry maintenance crews are on summer schedule pruning shrubs for size control.

TREE MAINTENANCE: Tree removal permits are pending for 4 trees near Running Springs entry 5; Two pines that are leaning towards buildings, one Liquidambar with Crown Rot, and one Pine that is infested with beetles.

LANDSCAPE REHAB: The MOD crew is working on irrigation upgrades during the hottest months of summer. In the last quarter of the year they will turn their attention 'Focal Point' rehabs, entry renovations and at the end of the year, resident requests.

The SWCM board together with the Landscape Manager is currently developing a plan to address the worst lawns in 2017 through 2018.

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 16 on Tice Creek Drive; Roofing Program-Carports are complete and roofs almost complete; 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 July was \$23,856.00; Roof and Gutter Cleaning-preparing final list for 2018; Manor Lube-2017 at 56%. Letters are being sent to residents that did not respond; Paving and Seal Coat-2017 Done. Preparing 2018 schedule for Board review; 1200 Canyonwood Ct.-Aquifer and building movement-Ned Clyde engineer is analyzing data. Purcell, Rhoades & Associates contract to be reviewed and signed. Drilling and monitoring to start asap.

Mr. Mansfield moved to ratify the execution of the contract with Purcell, Rhoades and Associates (PRA) to evaluate soil conditions at 1200 Canyonwood, and to provide recommendations for site remediation and improved drainage at a cost not to exceed \$26,000. Ms. Williamson seconded and the motion carried without dissent.

Mr. Marlatt reported that it took 17 years to go through the Mutual rehabilitating as necessary and painting. Now that the major rehabilitation has been accomplished, it should take between 8-10 years to again go through the Mutual to paint and perform necessary rehabilitation. This means the rehab portion of the budget can be reduced and money can be used to address deferred asphalt repair and replacement. .

Mr. Donner thanked Mr. Marlatt and Mr. Mansfield for all of the years dedicated to the Mutual. The Mutual is lucky to have Mr. Marlatt for the past 28 years. Mr. Mansfield is a licensed architect. Mr. Skaggs agreed and thanked Mr. Donner for all of his efforts over the years.

TREASURER'S REPORT – Rick Chakoff

Mr. Chakoff reported that the operating fund for July had a surplus-to-budget of \$94,000. This was mostly due to utilities and the MOD refund. Building maintenance was over and this was due to seasonal rain leaks.

Everything looks fine.

Mr. Skaggs reported a building on Canyonwood has had some movement. The reserve fund should be able to handle the cost to repair. The engineers have been busy, due to the rain, and this has delayed the inspections for a while.

Mr. Skaggs reported that there were 9 sales in July at a median price of \$385,000. YTD, there were 77 sales at a median price of \$369,000.

PRESIDENT'S REPORT

Mr. Skaggs reported the Presidents' Forum will take place on Monday, the 28th.

BYLAWS

Mr. Skaggs reported that the Bylaws are almost ready to send to the residents. He hopes to have them in the mail by next month. They need to be cleaned up so that they are consistent with state law and the current status of the Mutual. HUD provisions need to be removed. The original loan has been paid. The Mutual will hold at least one forum for residents to have the opportunity to ask questions. The Bylaws must go

out to a vote by the membership. The next project will be to revise the Mutual policies. The Bylaws deal with governance. The rules need to be clear and located in one place.

RECYCLE

Mr. Fehlig is working in lockstep with Carol Weed of TrashTalkers and Sustainable Rossmoor. Recycling is done to help save the planet and save the Mutual money. Recycled materials are hauled away for free. The Mutual needs to make sure the right size bins are being used in the trash enclosures. He is conducting a pilot program in 3 entries. He anticipates doing the entire Mutual next year. In September, all of Canyonwood will be done. There will be posters on all of the enclosures. Visual aids help residents know where to put their trash. Mr. Fehlig introduced Ms. James who is the recycling coordinator for Republic Services.

Ms. James showed the tote bag they are giving out to the residents. It has pictures on it to show which items go into recycling bins and it has handles, even on the bottom, to assist residents in carrying and emptying it in the recycling bin. Republic also gives out large posters, which will be posted in the trash enclosures. Mr. Skaggs asked and Ms. James confirmed that more items can go in the recycle bins than was previously allowed.

Mr. Fehlig reported that the test props have been placed on the lids of the trash bins. The resident will need to prop open the lid, toss the trash in, and then release the prop. In the future, the Board expects to consider organic compost bins.

On behalf of the Board, Mr. Fehlig thanked Ms. James for attending.

UNFINISHED BUSINESS

None

NEW BUSINESS

The Board's assistant secretary and inspector of elections, Anne Paone, announced that Mr. Fehlig came forth by the deadline to announce his candidacy. No other candidates came forward and, therefore, he was elected by acclamation.

ANNOUNCEMENTS

Mr. Skaggs announced the following meetings:

Second Mutual Regular Monthly Meeting – Thursday, September 21, 2017
9:00 a.m. Peacock Hall – Gateway Complex

GRF Regular Board Meeting – Thursday, August 31, 2017 at 9:00 a.m.
Peacock Hall – Gateway complex

ADJOURNMENT

Having no further business, Mr. Skaggs adjourned the meeting at 10:20 a.m.

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

**The Board of Directors met in executive session on July 20, 2017 following the adjournment of the open Board meeting to discuss the following:

1. Insurance matter-outstanding balance. It was reported that a family member is helping resolve this issue. The matter was continued to the August executive session meeting.
2. Carports-Certain Residents violating policies were fined. However, the Board decided to waive the fines if the violation was cured by a date certain.

Having no further business, the executive session adjourned at 10:35 a.m.