

MINUTES
FOURTH WALNUT CREEK MUTUAL
MONDAY, JANUARY 20, 2020 AT 1:30 P.M.
BOARD ROOM – GATEWAY

President Swisher called to order a regular meeting of the Board of Directors of Fourth Walnut Creek Mutual at 1:30 p.m. on Monday, January 20, 2020 in the Board Room at Gateway complex, 1001 Golden Rain Road, Walnut Creek, California.

ROLL CALL: PRESENT:	Vicki Swisher	President
	Linda Brown	Vice President
	Carolee Perrich	Treasurer
	Pamela Ovalle	Secretary
	Sheldon Schwartz	Director

ABSENT: None

Representing Mutual Operations were Paul Donner, Director of Mutual Operations; Rick West, Building Maintenance Manager; Rebecca Pollon, Landscape Manager; and Anne Paone, Administrative Secretary.

Ms. Swisher welcomed 11 residents in attendance.

APPROVAL OF CONSENT CALENDAR

Ms. Ovalle moved to approve the consent calendar with the minutes listed as follows: November 18, 2019 Regular Board Meeting and Executive Sessions as follows: November 18, 2019, December 11, 2019 and December 23, 2019. Ms. Brown seconded and the motion carried without dissent.

RESIDENTS' FORUM

Resident asked about work order follow-up. He was wondering if a leg of a walkway was going to be taken off because work horses are still there. Mr. West reported that the work horses just need to be picked up. Resident asked about some plantings. Ms. Pollon reported that the Rosemary just needs to be picked up. A resident thanked everyone, especially Ms. Pollon for replacing the Oak Tree that went down. It was much appreciated. Resident attended with her sister. She was requesting that repairs be done and had some demands. Ms. Swisher asked them to please give her a date and time of availability so they will be there to let workers into the manor. The Board sent a 10-page letter in response to their emails. A resident requested installation of hard-surface flooring for a second floor manor. The Board agreed a test should be done by an independent company regarding the sound transmission of the floor she wants to have installed. A resident asked about green bins. Ms. Swisher reported that the Mutual only has 7 because there is no room for more. A resident asked where he could post political signs. Ms. Swisher responded they must be in a window and of certain dimensions.

MANAGEMENT REPORT

Mr. Donner reported that he will discuss insurance later in the agenda. January 31 is the last day that Mary Ann Gannon-McCooley will work full time. She will transition to 20 hours

per week and help out in a support role in various positions. Her replacement has a lot of experience and is being trained. She has 25 years working with BrightView.

PRESIDENT'S REPORT

As part of Ms. Swisher's report, she would like to share some of the information from the December President's Forum.

Ms. Swisher reported that Sheldon Schwartz attended the Presidents' Forum since she was out-of-town.

Mr. Schwartz reported that the SWCM fire was discussed. The cause is undetermined. Construction will take over a year. Insurance was discussed. Generators were mentioned. Some people have asked to use them. The conclusion was no gas or propane generators should be allowed. Rossmoor is a retirement community for active adults. GRF has no responsibility for every aspect of a resident's health. Mr. Donner reminded everyone that GRF has no authority to make policy for the Mutuals.

- The second item in her report is the trespassing issue that Mutual 4 has encountered in the laundry rooms at Tice Creek Entry #A. In response to this problem, the Board approved a letter on December 23, 2019 to Securitas authorizing the Walnut Creek Police Department to arrest anyone trespassing on Mutual 4 property. Since that time, the same individual has been arrested another 3 or 4 times. She asked the Board to suggest further actions to discourage trespassers from staying overnight in our laundry rooms. She would like to consider options other than disconnecting the wall heaters, as this creates a hardship for our residents. Also, placing keyed locks on the sliding glass doors would result in needing to distribute 286 keys. After discussion a motion was made as follows;

Mr. Schwartz moved to approve installing keyed door handles and combination lock box containing a key with lanyard on the two laundry rooms in Entry #A Tice Creek at a cost not to exceed \$750.00. Ms. Ovalle seconded and the motion carried without dissent.

Mr. West will have Bomac take care of this.

- The third item in her report is related to composting. More than one member has asked to be assigned usage of a compost bin in an adjoining entry. These members claim some of the bins are never full, so they should not have to transport their compost to MOD. She agreed to meet with the compost coordinators in Entries 11, 13, 15, and 16 to determine if this is feasible. She will provide the results of this meeting at the next Board meeting.
- Next is the Board's response to Senate Bill 323 that changes the Mutual election process. Since there was no monthly Board meeting in December 2019, the Board discussed Senate Bill 323 in the December 11, 2019 Executive Session to provide a path forward before the Bill went into effect on January 1, 2020. At the conclusion of the discussion, the Board approved purchasing the following items from our legal firm of Adam-Stirling:
 - Restated Election Rules Package at a cost of \$750.
 - Summary of current Mutual 4 Bylaws that are out compliance at a cost of \$350.
 - Restated Bylaws impacted by Senate Bill 323 at a maximum cost of \$1750 in

conjunction with the Board and our attorneys reviewing the remainder of the bylaws for necessary revisions.

She was directed by the Board to discuss two other items with legal counsel before the Board would make a decision on purchasing these items. They include the Restated Election Rules and Membership List Request Policy. All governance changes associated with Senate Bill 323 should be incorporated 90 days before our next Director election to ensure compliance with the new timeline.

- At the request of the Owner of 1301 Skycrest Drive #4, the Board agreed to permit the sister of the Owner to present information at the December 23, 2019 Executive Session to resolve concerns associated with a water leak that occurred on December 7, 2019. In addition to the presentation, the Board was asked to consider resolution of items stated in emails sent to Vicki Swisher, President of Mutual 4, on December 19, 2019 and December 21, 2019. After a lengthy discussion, the Board approved details for the written response. The letter was provided to the manor Owner by email and hand delivery Sunday, January 19, 2020. The letter will also be sent by certified US mail on January 20, 2020.
- The final item for this report is associated with foreclosure proceedings. The Board has requested our legal firm identify the process involved in foreclosure proceedings, and the advantages and disadvantages of liens versus foreclosures.

TECHNOLOGY AND PREVENTATIVE MAINTENACE TASK FORCE

Ms. Swisher reported the following:

Last Month's Activities:

- Continued drainage program by clearing debris from catch basins and drain pipes and removing debris from wire mesh, as needed. The wire mesh installation has proven to be very successful and shows little degradation after almost two years.
- Put in place, with Board approval, a sewer line inspection program. 10 sewer lines will be cleaned and inspected for degradation each month such that all lines are completed each calendar year. This is expected to be an on-going yearly program.
- Inspected the PVC panels installed on the trash enclosures in Entries #1 and #7. The materials are holding up well to weather and usage. The bumper pads on the PVC doors in Entry #1 have become unglued and need to be replaced.
- Continued walk-downs of Entries #11 - #17 to identify major dry rot damage that may need to be added to the current replace/repair project.
- Continued research to determine whether there is a hardwood underlayment on the market that reduces noise as effectively as a typical carpet and pad.
- Continued to evaluate EBMUD water reports for Mutual 4 to identify evidence of major underground water leaks.
- Continued researching potential new materials or techniques for repair/replacement of degraded gutters.
- Responded to owner questions regarding potential alterations and structural issues.
- Continued reviewing the Condominium Design Drawings located at MOD to identify drainage, irrigation, and structural details.

Activities Scheduled for Next Month:

- Continue ongoing activities listed above (drainage inspections, water reports, dry rot inspections, etc.).
- Complete update of water pressure and leak test procedure. This testing has become a priority because some Mutual 4 buildings do not have water pressure regulators or likely have failed regulators.
- Continued the draft of the Mutual 4 electrical vehicle charging policy. The policy covers both the use of carport 110 outlets and owner installation of a charging station.

Open Items:

- None

TASK FORCE ON PARKING

- Although this Task Force is currently idle, one parking issue was brought to Linda Brown and Ms. Swisher's attention. A vehicle has been parked for many weeks in Entry #17. The vehicle owner has been identified and the Mutual member related to the vehicle owner has been notified.

LANDSCAPE AND GROUNDS, FIRE CLEARANCE

- Before we proceed with the Landscape Committee Report, I am happy to announce that Linda Brown has volunteered to be the Mutual 4 Landscape Committee Liaison. Ms. Swisher ask for a motion.

Mr. Schwartz moved to appoint Linda Brown as Landscape Committee liaison. Ms. Perrich seconded and the motion carried without dissent.

Ms. Pollon reported the following 3 goals for 2020.

- 1) *Renovate (minor) entries 1 and 3*
- 2) *Remove unnecessary or underperforming lawns (behind E12-E14)*
- 3) *Improve roadway aesthetics*

Ms. Pollon will get a bid from Ed Waraner for the tree management.

Ms. Swisher thanked Ms. Pollon for requesting a fire abatement reimbursement for Mutual 4. Per her email, the Mutual received a \$5000 reimbursement in mid-December.

Ms. Swisher reported that the Board received the Independent Mutual Landscaping schedule for 2020. She asked Ms. Pollon why Mutual 4 isn't included on the Entry Maintenance Schedule? Ms. Pollon reported it was an oversight, but they are scheduled.

Ms. Swisher thanked Ms. Pollon for the Mutual 4 Annual Worksheet. Since Linda Brown is the new Board Liaison, she asked her to meet with Ms. Pollon to discuss the worksheet and notify the Board at the next monthly meeting if there are any issues requiring Board approval.

BUILDING MAINTENANCE REPORT

Mr. West reported that he just ordered new lock from Bomac.

Mr. West reported the following:

PENDING ITEMS: Proposal review for Approval

1. 2109 SC #7 – Rear Deck Excel Coating – Contractor: A One Construction.
(revised estimate presented to the board for approval).

INFORMATION ITEMS: Work in progress or completed.

1. 2019/2020 Phase II Dry Rot and Painting Project – Contractor: MOD
This project will include repairs and paint to 18 Buildings and 12 Carports.
This will include entries 10 and 11 Skycrest Dr.
The Board has approved NTE \$32,600.00 to complete entry 10 first.
(Work scheduled to resume in February as the weather permits).
Total YTD Costs - Carpentry rehab \$158,614 Balcony rehab \$29,167
Paint \$20,600.00.
2. Interior electrical building and unit panels inspections - Contractor: Sang Electric
(scheduled to start in February). Will start in March/April.
3. Installing new Main Line Galv. to Copper piping on seven G – 11 Buildings. Contractor: Davis Plumbing – 1509 is complete/ 1901 is piped and needs change over / 1933 is piped and needs change over / 1133 has been started / Buildings Remaining -1940 SC / 1941 SC / 1309 SC (Project is still in progress).
4. 1149 SC # 4 – Cold water copper line break in the wall. Contractor: Five Star cost \$1,175.00.
(Work in progress).
5. 2152 TC #1 – Toilet water supply line burst. Resident billable damage to units # 1 and # 2.
Secondary sanitation overflow due to sewer line blockage Mutual billable damage.
(All Work in both units has been completed).
6. 1301 SC #4 – Roof downspout leak into unit. Contractors: ERI / Protera / AMAC
(All mutual property repair work has been completed).

7. Sewer line drain annual preventive snaking. Five Star to complete ten buildings per month for \$2,100.00. Additional estimate will be sent to the board to install a cleanout as needed.
(Work in Progress).

8. 1801 SC #6 – Dishwasher leak / Resident billable. Contractor ServPro.
(Work in Progress)

- Ms. Swisher reported the A-One Construction estimate for the deck coating at 2109 Skycrest Drive #4 was approved at the November 18 monthly meeting for \$5,396. On January 13 MOD emailed Ms. Swisher a formal proposal from A-One containing two options. The cost of the first option was what the Board had approved. However, you are requesting that we select the second option for \$9,968. That is equivalent to just under \$35 a square foot. This cost seems excessive for only a 5 year warranty.

Mr. West reported that they can continue with option 1. The second option would be to replace the subfloor with a 5 year warranty on that. The Board plans to continue with option 1.

- The Board received a Work Order for \$1,500 to replace 20 feet of damaged gutter on 2100 Skycrest Drive. Ms. Swisher thought this seemed very expensive for only 20 feet. Ms. Swisher asked Mr. West to find out if they can get gutters for the whole length and what would be the cost?

ARCHITECTURAL CONTROL AND ALTERATIONS; COMPLIANCE

Ms. Swisher reported the following:

- Alterations Updates - Resident alteration requests covering the period 07/01/2019 to 12/31/2019 include:
 - 14 alterations were approved by the Board and are in progress.
 - 28 alterations were completed.
 - 1 alteration required further evaluation by the Board before approval.
- Compliance Updates
 - No compliance issues were identified in any of the above approved alterations.

EMERGENCY PREPAREDNESS COMMITTEE

Steve Adza reported that the January 6th meeting included an entry coordinator guide review. They identified 5 biggest challenges. One challenge is a resident's mobility. A request for Red Cross help is made at the City level. Tomorrow there will be a CERT meeting in the Fireside Room from 10-12 p.m.

COMMUNICATIONS COMMITTEE

Mr. Brown reported he is still looking for a newsletter editor. Ms. Swisher will give him the list for articles. Mr. Brown reported the website is on hold due to SB323 changes.

POLICY COMMITTEE

A. Status Updates

- Ms. Swisher reported that since the Board Director previously designated as Chairperson of the Policy Committee is no longer on the Board, she will provide the report on behalf of the Committee:
 - Work on the new electric vehicle charging policy is still underway.
 - There remain open items regarding golfport usage, rent, and ownership.
 - The policy on fines needs to be updated to be in compliance with Davis-Stirling. This remains an open item.

OFFICERS REPORTS

1. President: Ms. Swisher reported that she would like to use the President's report as the mechanism for listing any work orders or invoices between \$500 and \$5000 that were signed during the past 2 months by her per the requirements of the Board to ensure financial disclosure in the meeting minutes. These include:
 - Steve Adza for \$175.00 for miscellaneous November expenses.
 - Nice Cans for \$176.40 for November cleaning of the compost bins.
 - Nice Cans for \$176.40 for December cleaning of the compost bins.
 - Five Star for \$800.00 to repair sheetrock at 1509 Skycrest Drive #6.
 - ERI for \$4,325 to removed asbestos flooring and mastic from 1301 Skycrest Drive #4.
 - Five Star for \$1,850.00 to repair concrete sidewalk in Skycrest Drive entry #7.
 - Steve Adza for \$175.00 for miscellaneous December expenses.
 - Protera for \$395.00 for post abatement air sampling at 1301 Skycrest Drive #4.

Ms. Swisher reminded the Board that the 2020 Legal Seminar is January 29 in the Fireside Room at 8:15 AM in the Fireside Room.

2. Vice President: No report.
3. Treasurer: Ms. Perrich gave the Treasurer's report. Based on the Financial Report, as of 11/30/2019, the YTD Reserve Fund ending balance is \$1,589,323 and the YTD Mutual Operating Fund balance is \$58,190. The Reserve Fund shows an excess of Revenue over expenses of \$8,795 for the month of November and an excess for YTD of \$37,683. The Operating Fund shows a deficiency of revenue over expenses of \$7,381 for November and a deficiency for YTD of \$6,118. During November, we had expenditures in Building Maintenance and Public Works, Landscape Maintenance, Custodial Services, Insurance, and Utilities that were higher than budgeted. Expenditures in Professional Services, and Other General and Administration were lower than budgeted.

Mr. Schwartz moved to certify the Board's compliance with Civil Code Section 5500. Ms. Ovalle seconded and the motion carried without dissent.
4. Secretary: No report.

UNFINISHED BUSINESS

A. Installation of Hardwood Floors in Second Story Manors

- The Technology and Preventive Maintenance Task Force reported in the November monthly Board meeting that a noise test was performed at 2109 Skycrest Drive #7 to assess whether a sample of hard surface flooring and underlayment was equivalent to carpet. The neighbor below was permitted to grade the noise levels. The selected flooring and underlayment failed the noise test. As such, the Alteration Committee Chairperson has not agreed to permit this type of alteration without further research of other materials and further noise testing. As presented by the Owner of 2109 Skycrest Drive #7 in today's Resident's Forum, she would like the Board to re-consider approving the installation of hard surface flooring in her second story manor since she feels that the Board is not complying with the law regarding disabilities. Per a request made by Ms. Swisher, she delivered to the Board a formal written request on January 11 to be allowed to install the hard surface flooring as a result of a dust allergy. She included a letter from her allergist that specifies "...hardwood flooring would help her allergies as it is easier to clean allergens off the hardwood floor." What the Board needs to consider today is:
 - Has the Owner of 2109 Skycrest Drive #7 demonstrated she has a disability in accordance with ADA definitions?
 - Does the Board believe we are in compliance with the law?
 - What negative consequences may ensue if the Board approves this request?
 - What alternatives are available?

Ms. Perrich was concerned because the manor was purchased when the owner had a pre-existing condition and knew the rules.

Ms. Swisher called for a motion.

Ms. Swisher moved to request the manor Owner to permit a formal and independent noise assessment test with a sample of the new flooring and underlayment for acceptability and that the Board request our legal firm to determine whether denial of the alteration may be unlawful. Ms. Ovalle seconded and the motion carried without dissent.

NEW BUSINESS

A. Year 2020 GRF Blanket Insurance Policy

- Ms. Swisher reported the Board was notified last Wednesday that the 2020 GRF Blanket Insurance Policy was increasing by 49%. The basis is a very tight market due to national and global disasters in the past year and the age of our structures. Our Broker attempted negotiations with over one hundred insurance companies.

In addition, the deductible for the property insurance portion of the policy, which is 85% of the total policy, had to be increased from \$100,000 to \$250,000. As a result, the overall deductible is \$227,500.

- Since the deductible has changed, the Board needs to approve a new deductible pooling agreement with the other Mutuals in Rossmoor in accordance with Bylaws section 8.2.13. Previously, the affected Mutual was required to pay 10% of the \$100,000 deductible and the remaining 90% was divided amongst all of the Mutuals based on the number of manors. Our CFO has requested that we consider a change in the pooling agreement to reduce the impact on our smaller Mutuals. The CFO proposes that the affected Mutual still pay only \$10,000 and the remaining deductible of \$217,500 be divided amongst all of the Mutuals based on the number of manors. The difference in cost per manor in Mutual 4 between the old pooling agreement and the one proposed by the CFO is \$1.91/manor. Mutual 4 also benefits by retaining the \$10,000 limit on the affected Mutual. That limit equates to \$34.97/manor. If the limit was increased to 10% of the new deductible, the cost per manor would be \$79.55.

Ms. Swisher asked for a motion.

Mr. Schwartz moved to retain the \$10,000 limit for the affected Mutual and the remaining deductible be paid by all Mutuals based on number of manors in the Mutual. Ms. Perrich seconded and the motion carried without dissent.

B. Funding January 2020 Premium for GRF Blanket Insurance Policy

- Ms. Swisher provided a summary of the impact to the Mutual's budget and the expected shortfall for 2020. Based on the shortfall in funding the January insurance premium, it appears the Board has three options:
 - Option #1: Borrow monies from the Reserve fund, with the expectation that it be paid back within the year.
 - Option #2: Have a Special Assessment to raise the monies for the shortfall, although it could not be accomplished by the end of January.
 - Option #3: Borrow monies from the Reserve fund, and after the Mutual receives the expected refunds and assesses the Mutual Operating budget in August 2020, determine whether a Special Assessment is needed to eliminate the debt.

Ms. Swisher called for a motion.

Ms. Swisher moved to borrow up to \$130,000 from the Reserve Fund to pay the insurance premium and then assess the budget in August 2020 to determine whether a Special Assessment is needed to pay back the Reserve. Ms. Perrich seconded and the motion carried without dissent.

ANNOUNCEMENT

The next meeting is the Regular Meeting scheduled for Tuesday, February 18, 2020 at 1:30 p.m. in the Board Room at Gateway. (Monday, February 17 is a Holiday)

ADJOURNMENT

Having no further business, the meeting adjourned at 4:25 p.m.



Anne Paone, Assistant Secretary
Fourth Walnut Creek Mutual

***The Board of Directors met in executive session on November 18, 2019 at 3:30 p.m. to discuss the following:

1. Personnel – reimbursement matter
2. Legal – information requested from attorney on SB323
3. Member Compliance – Billing for carport work-final invoice not received yet; waiting for response regarding bankruptcy filing; invoice to be sent for payment for work that is member's responsibility
4. Payment Plans – Letter to be sent for hearing, possible foreclosure due to non-payment, loss of past dues to be reviewed

Having no further business, the executive session adjourned at 4:45 p.m.

***The Board of Directors met in executive session on December 11, 2019 at 1:50 p.m. to discuss the following:

1. Legal – Board to receive packet requested from attorney on SB323 inquiry made regarding Bylaws update
2. Contracts – major water leak-will be discussed at regular Board meeting; preparation of contract for sewer line clean-out and inline camera investigation
3. Member Compliance – Billing for carport work-final invoice received – owner to be billed; action to be taken regarding bankruptcy and the Mutual's ability to collect debts owed
4. Payment Plans – Letter to be sent to owner for hearing regarding foreclosure

Having no further business, the executive session adjourned at 4:30 p.m.

***The Board of Directors met in executive session on December 23, 2019 at 2:17 p.m. to discuss the following:

1. Discussion regarding intruder in laundry room.
2. Sister of resident represented resident regarding a drainpipe overflow. Discussions followed. Representative provided with the policy that clearly states the process followed in the event of damage. Motion was made approving various items to be performed.

Having no further business, the executive session adjourned at 4:25 p.m.