

MINUTES
FOURTH WALNUT CREEK MUTUAL
MONDAY, MARCH 18, 2019 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, March 18, 2019 in the Board Room at Gateway complex, 1001 Golden Rain Road, Walnut Creek, California.

ROLL CALL: PRESENT: Vicki Swisher President
 Vacant Treas/Sec
 Sheldon Schwartz Director
 Eva Angvert Harren 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 7 residents in attendance.

BOARD APPOINTMENTS

Ms. Swisher announced that it was her pleasure to complete the next two items on the agenda, Board Appointments and Election of Officers. She stated that the current Board is delighted that two Mutual 4 Owners have volunteered to fill the two open positions on the Board. Both of these individuals have excellent backgrounds needed to support Board duties and have each expressed an interest in maintaining Mutual 4 as a premier living environment for our residents.

Mr. Schwartz moved to appoint Carolee Perrich and Linda Brown to the Board. Ms. Harren seconded and the motion carried without dissent.

ELECTION OF OFFICERS

Ms. Swisher reported that the Board currently has vacancies for VP, Treasurer, and Secretary. Linda Brown has volunteered for the position of VP, Carolee Perrich has volunteered for the position of Treasurer, and Sheldon Schwartz has volunteered for the position of Secretary.

Mr. Schwartz moved to approve the election of officers as stated. Ms. Harren seconded and the motion carried without dissent.

APPROVAL OF MINUTES

Mr. Schwartz moved to approve the minutes as follows: February 13, 2019 and February 19, 2019 Executive Session; February 19, 2019 Regular Board Meeting and February 26, 2019 Special Board Meeting. Ms. Harren seconded and the motion carried without dissent.

RESIDENTS' FORUM

The residents' forum was held. A resident discussed the issues of dogs off leash. She suggested the policy be reviewed or at least presented at the new resident meetings. Ms. Swisher agreed and will add it as a handout for the meeting. The resident thanked the Board for installing a sign at her entry regarding parking.

MANAGEMENT REPORT

Mr. Donner will report under New Business.

PRESIDENT'S REPORT

As part of her report, Ms. Swisher shared some of the information from the February President's Forum.

- There was a follow-up discussion on Solar Panel installation policies. The conclusion was that each Mutual's policy must consider the unique design of their buildings, ensure that the policy does not violate civil codes 714. 714.1 and 4746, and does not negatively impact future owners.
- Recycle Smart made a presentation regarding the upcoming food waste recycle program being implemented in Rossmoor in mid-April 2019. I will provide more details under New Business later in the agenda.
- Paul Donner announced that Rapid Recycle has been contracted to collect e-waste in Rossmoor. There is no cost to residents for small electronics, but fees of \$20 will apply for large TVs and appliances. An article describing details is scheduled for the March 6 Rossmoor News.
- Rick Chakoff discussed the new civil code requiring Board members to review financials on a monthly basis instead of quarterly. In addition to the current monthly financial reports given to each Mutual Board, MOD will also provide a copy of the General Ledger monthly to aid in compliance. In order to ensure compliance, Mutual 4 has a motion to certify the Board has reviewed the financials in accordance with Civil Code Section 5500 after the Treasurer's report.
- Paul Donner discussed PG&E gas meter testing. PG&E has found some shutoff valves frozen during testing. If Mutuals want more frequent testing and enhanced response for emergency gas shutoff, MOD is willing to obtain training from PG&E and perform this as a billable service. The Presidents will discuss this option with their Boards. Indications are that the only buildings in Mutual 4 having gas utilities are in Tice Creek entry A.
- Dennis Bell specified that residents should update their Guest Lists regularly. Mutual 4 placed a reminder in our latest newsletter.

TECHNOLOGY AND PREVENTATIVE MAINTENANCE 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.
- Continued to evaluate EBMUD water reports for Mutual 4 to identify evidence of major underground water leaks.
- Continued inspections of entries #10 through #17 Skycrest Drive for wood rot and painting issues.
- Inspected entries for flooding or areas of major water retention during and after the recent heavy rains. Some problems were noted and work is in progress to alleviate the issues.
- The Task Force started reviewing the Condominium Design Drawings located at MOD to identify drainage, irrigation, and structural details. The drainage and irrigation layout will be highlighted on the Task Force project drawings for future use.
- Inspected various manors, at the owner's request, to identify maintenance issues.
- Completed testing of the Mutual Modifications computer program to permit entry and retrieval of modifications data that could impact future work (e.g. changes to water line locations, types of piping used in modifications, installation of foundation piers, etc.). The IT and User documentation will be provided to MOD next week. After beta testing by MOD personnel, the software will be turned over to MOD for final implementation.

Activities Scheduled for Next Month:

- Continue to perform inspections for maintenance issues (drainage, irrigation, subfloor insulation, tree root problems, lighting issues, tripping hazards).
- Perform water pressure and leak testing at 1902 Skycrest Drive.
- Continue working on the solar policy. There are various issues that have come to the attention of the Task Force during policy preparation. These need to be resolved prior to completion of the policy.
- Continue inspections of entries #10 through #17 Skycrest Drive for wood rot and painting issues.

Open Items:

- Preparation of electric vehicle policy (waiting for external electrical inspection by Sang Electric).

TASK FORCE ON PARKING

No report.

LANDSCAPE AND GROUNDS, FIRE CLEARANCE

Ms. Pollon presented her report as follows:

SPRING LANDSCAPE REPORT

ENTRY RENOVATIONS

Discuss considering beginning medium scale entry renovations starting in entry 1 so that we can keep the landscape current. The

proposed order of renovations is attached. IF THE BOARD AGREES I CAN ARRANGE A MEETING WITH THE RESIDENTS OF ENTRY ONE

Ms. Pollon suggested doing mulching throughout the Mutual and start with Entry 1 next year.

TREE ITEMS Fire abatement; Approved to 2nd v-ditch.
**Abatement behind entry 17 within 100' of building-
Have applied for grant from Mt. Diablo Fire Safe
Council**

Ms. Pollon reported that funds are matched up to \$5,000.

RESIDENT REQUESTS

If you have landscape *maintenance* requests (pruning or irrigation), please direct them to the MOD work order desk. If you have landscape *improvement* requests please contact your mutual landscape representative.

WORK ORDER DESK

By phone: **988-7650**

By email: **WORKORDER@ROSSMOOR.COM**

Ms. Swisher asked Ms. Pollon to provide the Board with an estimate of the cost and schedule for the re-mulching of the entire Mutual.

Ms. Swisher advised Ms. Pollon that a resident had called her and stated that there is a law requiring the Board to notify manor owners living within 200 feet of a tree being removed at least 30 days before the removal so they may object. She asked for Ms. Pollon's reply.

Ms. Pollon stated that Walnut Creek has a tree ordinance. Landscaping sends out flyers to residents when they apply for a removal permit from Walnut Creek. A notice goes to residents that will be affected by the removal, even if they are outside of the required 300 feet.

BUILDING MAINTENANCE REPORT

Mr. West reported the following:

ACTION ITEMS: Proposal review and Approval

1. 1909 SC Bldg. Re-piping – Contractor: Five Star – Estimates Units #1 & #2 - \$30,500.00. (replace galvanized pipes with copper)
Units #3, #4, #5 & #6 - \$48,000.00. (same SOW)
(Total cost to complete the re-piping of the 1909 Building is \$78,500.00 presented to the board for approval).

The Board wants to speak to the affected residents before they make a decision. The Board would rather replace the galvanized domestic water lines under 5 of the G-11s with copper pipe and separate shutoff valves. They requested bids for this work from Rick West as soon as possible.

This matter has been tabled.

INFORMATION ITEMS: Work in progress or completed.

1. 2019 Phase I Deck Repair and Deck Coating – This will go out to bid per Scope of work when identified as needing repairs or coating. (2019 Deck Budget \$137,700.00).
2. Inspection of Buildings for water pressure and slab leaks – Contractor: Five Star – (Work in progress).
3. Replacement of Trash enclosure doors in entry #1 – Contractor: Five Star - 2 new PVC Vinyl Doors – (scheduled for install as soon as rubber/ foam padding is purchased).
4. Interior Panel Inspection and Lube - Contractor: Sang Electric – Cost \$7,000.00 (Scheduling April Start date).
5. Exterior electrical Panel inspection and Lube – Contractor: Sang Electric. NTE. \$5,000.00 (Entry 1 and 3a completed). (Sang is scheduled to start up inspections in April).
6. 6” Domestic water line leak and emergency repairs by 1910 SC – Contractor: Five Star (Repairs Completed – Cost \$14,424.00).

Mr. Schwartz moved to approve the proposal from Five Star for 1910 Skycrest in the amount of \$14,424.00. Ms. Harren seconded and the motion carried without dissent.

Work Order 523116 describes the emergency work. It does not include replacing the concrete cable TV junction box that had to be destroyed during the work. This work has not been completed. Ms. Swisher asked Mr. West to ask Five Star to provide a bid for installing a new plastic composite housing in place of the concrete box.

7. 2019 Phase I Dry Rot Repair Project - Entries 1 thru 9 - This includes 19 buildings and 14 carports.
Contractor: MOD – Total estimated cost \$ 136,540.00. including Material and Labor.
Staging has begun and project start scheduled for April 1st.
(General Building Repair Budget for 2019 is \$182,600.00.)
Mr. West reported that notices will go out to each resident.

Ms. Swisher reported that in the last Board meeting, we asked to have Five Star re-pour the new concrete slab in the walkway from the parking lot to building 1801 Skycrest Drive that has already cracked in numerous places after only a few months. Since re-bar was supposed to be installed during the pour to eliminate this problem, the Board expects that Five Star will re-pour this slab at no cost to the Mutual. Was this work completed?

Mr. West reported that Five Star knows about this and will take care of it.

ARCHITECTURAL CONTROL AND ALTERATIONS; COMPLIANCE

Ms. Swisher reported the following:

- Alterations Updates - Resident alteration requests covering the period 09/01/2018 to 2/28/2019 include:
 - 9 alterations were approved by the Board and are in progress
 - 5 alterations require clarification by the Board before approval.
 - 34 alterations were completed.
- Compliance Updates
 - No compliance issues were identified in any of the above approved alterations. However, one alteration has requested enclosing a balcony. In light of Davis-Stirling Article 4, Restrictions on Transfer, the Board obtained input from our attorneys to determine whether enclosing the balcony constituted a transfer of property which requires a vote by the Mutual members. The attorney specified that the enclosure did not change the balcony from Exclusive Use Common Area to manor square footage. However, the attorney recommended that the Board develop an agreement specifying this condition, as well as any other considerations, be signed by the manor owner prior to alteration approval. One additional condition is that the manor owner will be required to have a structural engineer of our choosing certify that the new maximum loading of the balcony can be sustained by the existing concrete column supports. This agreement is currently being developed.
 - It should be noted that increasing patio size in an alteration does constitute a transfer of Common Area to Exclusive Use. This now requires a vote of the Mutual membership before the alteration can be approved.

EMERGENCY PREPAREDNESS COMMITTEE

Steve Adza reminded the membership that Sheila Gorsuch is the co-chair. EPO meets the first Monday of the month at Creekside at 9:30 a.m. The March meeting was for entry coordinator workshops. There are two FRS radio classes per year. The first class will be on the first Monday in May.

CERT will meet on March 19 at 10:00 a.m. at Creekside. There will be a discussion on the role of communications to and with the community.

Mr. Adza will be giving the Board a list of entries that have Junipers and a list of electrical boxes which have vegetation in close proximity to them. This can be a fire hazard. He will provide weed abatement information for the April meeting.

COMMUNICATIONS COMMITTEE

Ms. Swisher reported the following:

- The Winter 2019 newsletter was sent out to all Mutual 4 members.
- The Board is working with Carl Brown, our webmaster, to develop user profiles for future implementation of pin numbers to control access to portions of the website.

The Board is going to ask other members of the Committee if they are willing to take over as Chairperson.

POLICY COMMITTEE

Ms. Swisher reported the following:

The Committee has completed the following sections of the Mutual Policies: Definitions, Section 4 Emergencies, Section 8 Occupancy of a Manor, and Section 12 Use Restrictions.

There is an open item regarding golfports. Once this item is resolved and the Solar Policy is completed, these revised policies will be distributed to Mutual Members for review.

The Board needs more members on this Committee and someone willing to take over as Chairperson.

OFFICERS REPORTS

1. 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 month by her per the requirements of the Board to ensure financial disclosure in the meeting minutes.

The following was approved by Ms. Swisher after clarification of the line item charges:

- MOD Supervision and Consulting charges for \$2175 per blanket work order 520119.

In order to avoid approving these charges at the end of each month and to establish a yearly limit on these charges, the Board discussed having 2 blanket work orders with one for Reserves and one for Operating. This would be for supervision and consultation charges. Reserves would have a NTE amount of \$25,000 and operating would have a NTE amount of \$10,000.

Mr. Schwartz moved to place a NTE limit on a blanket work order for MOD Supervision and Consulting of a contract related work billable to the Reserve budget for a total of \$25,000 and to place a NTE limit on a blanket work order for MOD Supervision and Consulting of non-contract related work billable to the Operating budget for a total value of \$10,000. Ms. Harren seconded and the motion carried without dissent.

Ms. Swisher asked Mr. Donner to consider adding line items in the Mutual financial statements for these blanket work orders instead of including them under Carpentry. Mr. Donner will check with accounting, but doesn't think that will be a problem.

2. Vice President: The VP was just appointed, so no report.
3. Treasurer: Ms. Swisher gave the Treasurer's report. Based on the Preliminary Financial Report, as of 2/28/2019, the YTD Reserve Fund balance is \$1,500,393 and the YTD Mutual Operating Fund balance is \$94,384. The Reserve Fund shows a deficiency of revenue over expenses of \$31,708 for the month of February and \$51,247 for the YTD. The primary reason for this deficiency is having to borrow monies from the Reserve to pay the entire year's insurance premium in January 2019. These monies must be repaid from the operating Budget to the Reserves during the calendar year. The Operating Fund shows an excess of revenue over expenses of \$8,781 for the month of February and \$21,783 for the YTD. Expenditures in Building Maintenance & Public Works, Custodial Services, and Insurance were higher than budgeted, while expenditures in Landscape Maintenance, Utilities, Professional Services, and General & Administration were lower than budgeted.

Delinquent Accounts: Fourth Mutual continues to have one account that is 90 days overdue. The Board previously voted to approve a payment plan with the owner.

The owner has not been paying. The Board is taking steps to ensure payment is forthcoming.

Based on the new Davis/Stirling requirement that the Board perform a monthly review of the HOA financials, Ms. Swisher asked for a motion to certify the Board's compliance with Civil Code Section 5500.

Ms. Brown moved to certify the Board's compliance with Civil Code Section 5500. Mr. Schwartz seconded and the motion carried without dissent.

4. Secretary: The Secretary was just appointed, so no report.

UNFINISHED BUSINESS

None

NEW BUSINESS

Ms Swisher reported the following:

- The Food Waste organic recycling program is scheduled for implementation between April 15 & 19. Look for information in the Rossmoor News.
- Although Mutual 4 is not against organic recycling, Ms. Swisher indicated to Recycle Smart that the Mutual has to consider health and safety issues that may result from this program. Concerns include trash enclosures that are too small to accommodate another bin, foul smells entering open manor windows and balconies, increased rodent problems, and food debris that will likely occur in the enclosures as a result of organic recycling. Some of these concerns can be managed by increasing our trash enclosure cleaning contract to include washing out the organic bins each month and spraying them with vinegar to reduce smell and maggots. Additional cost is unknown at this time.
- Ms. Swisher asked if this program was required in each Mutual. During the Presidents' Forum presentation, the Recycling Coordinator indicated it was not required as long as the Mutual recycles green waste (grass, leaves, prunings). However, a subsequent telephone call to Republic Services indicated this program is only optional if a trash enclosure is too small to handle another bin. If a Mutual disagrees with what is an acceptable space in the trash enclosure, we have to negotiate with Recycle Smart.
- Bart Carr of Recycle Smart advised that , per AB1826, everybody gets a bin. However, you don't have to use them. They just have to be there. Fourth Mutual can decide to phase in the use of them. The Mutual can have a presentation from Jency James of Republic Services.
- Instructions and individual food waste pails will be distributed by Recycle Smart at multiple Town Hall meetings.
- Republic will issue fines to the Mutual, the same as for blue bin recyclables, if non-food materials are placed in the green organic bins.

Mr. Donner suggested that the Mutual first decide what they are going to do, use or not use organic recycling and then see what the Mutual's needs will be.

ANNOUNCEMENT

The next meeting is the Regular Board Meeting scheduled for April 15, 2019 at 1:30 p.m. in the Board Room at Gateway.

ADJOURNMENT

Having no further business, the meeting adjourned at 3:42 p.m.



Anne Paone, Assistant Secretary
Fourth Walnut Creek Mutual

***The Board of Directors met in executive session on February 13, 2019 at 1:16 p.m. to discuss the following:

1. Member Matters - Occupancy matter was resolved; three liens were prepared and need to be clarified
2. Legal Issues – Invoice clarification, not provided yet; review of Designated Occupant form is underway
3. Contracts – Various contracts were reviewed and requested

Having no further business, the executive session adjourned at 4:32 p.m.

***The Board of Directors met in executive session on February 19, 2019 at 3:50 p.m. to discuss the following:

1. Member Matters – Board approved liens-will be done in open session meeting
2. Contracts – Reviewed bid from Five Star

Having no further business, the executive session adjourned at 4:15 p.m.