

MINUTES
FOURTH WALNUT CREEK MUTUAL
MONDAY, JANUARY 21, 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, January 21, 2019 in the Board Room at Gateway complex, 1001 Golden Rain Road, Walnut Creek, California.

ROLL CALL: PRESENT: Vicki Swisher President
 Kate Williams 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; and Anne Paone, Administrative Secretary.

Ms. Swisher welcomed 10 residents in attendance.

APPROVAL OF MINUTES

Ms. Williams moved to approve the minutes as follows: November 19, 2018 - Regular Board Meeting Minutes; November 14, 2018, November 19, 2018 and December 7, 2018 - Executive Session Meeting Minutes. Mr. Schwartz seconded and the motion carried without dissent.

RESIDENTS' FORUM

The residents' forum was held.

A resident reported that his Comcast internet is very slow. It was thought that he might just need a booster, which is free from Comcast. A resident reported that a light really needs to be installed on the corner. Ms. Swisher put a work order in for the south east corner of 2108 Tice Creek. A resident thanked Steve Adza and Vicki Swisher for their hard work.

MANAGEMENT REPORT

Mr. Donner reported that At Your Door is no longer available. MOD is looking for a replacement. This company used to pick up electronics. Residents will need to search for other places such as Martinez to bring their items.

PRESIDENT'S REPORT

- Ms. Swisher reported that on January 8, 2019, she signed the 2019 Agreement to Share the Deductible Amount under the Blanket insurance policy. This is the same agreement that has been in place each year. The maximum deductible is still \$100,000 spread across all Mutuals proportionate to the number of manors within each Mutual, with the first \$10,000 to be paid by the Mutual where the event took place.

- The Board has determined that all Designated Occupants registered between August 12, 2013 and January 15, 2019 were not verified by a Director of the Board as meeting “senior requirements” per CC&Rs. Per discussions with our Mutual attorney, the Board is preparing a list of residents specified as Designated Occupants residing in Mutual 4 after August 12, 2013, verifying they meet “senior requirements” in accordance with our governance documents per Member Records, signing the list, and providing the document to Member Records for a permanent Mutual record.
- As part of Ms. Swisher’s report, she shared some of the information from the November President’s Forum.
 - Mutuals need to be aware that any Mutual governance document changes or Mutual issues that affect GRF must be reviewed by a GRF attorney. These costs will be passed on to the Mutual since GRF no longer has an in-house attorney. Typical costs are \$500/hour.
 - Mutual 4 provided their new Designated Occupant Form to all other Mutuals.
 - Mutual 4 pointed out the following issues associated with solar panel alterations:
 - No solar vendors are willing to provide the Mutual with an independent solar site survey. It will be the responsibility of the Mutual to verify vendor solar site surveys probably using Google Earth and a drone.
 - Solar vendors vary widely in their approach to panel installation. Some vendors want to position panels above roof vents, requiring the vents to be cut off, many are not aware of the clearance required for fireman, some of the vendors do not secure the panel framework to the roof, each takes a different approach to the solar site survey they have to provide, and vendors want to place the panels on the sunniest part of the roof, not necessarily over the owners manor.
 - The new solar policy needs to cover all aspects regarding infringement on other manor owners in the building (e.g., if the panels are over their part of the roof, they cannot install skylights or solar panels in the future).
 - Solar panels for one resident may use up all of the remaining available amperage in an electric panel. Therefore, future solar panel installations on a building would not be available without a completely new breaker panel.
 - Nixle users have increased from 2000 to 6100 in 2018.
 - Co-occupant proof of residency is being implemented in 2019. The residency

requirements are modeled after those required by the school district. This is an attempt to stop fraud where residents list their local friend and relatives as

co-occupants so they can use the GRF facilities for free.

- A. J. Gallagher estimates that our insurance premium for the 2019 GRF blanket insurance coverage is expected to increase 46%. This is because insurers have had many claims related to California fires and large Rossmoor claims over the past few years. This increase allows us to retain our \$100,000 deductible; however, the earth movement/mud slide coverage is no longer covered in our policy. Mutuals typically budgeted 27% in October of last year, so our Operating Budgets must absorb the greater increase.

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 walk down on exterior of each building in Mutual 4 to obtain information needed to complete procedures for water pressure and under slab water leak issues.
- Continued to evaluate EBMUD water reports for Mutual 4 to identify evidence of major underground water leaks.
- Continued walk down of each entry to identify outstanding maintenance issues.
- Entries #1 through #9 Skycrest Drive were inspected with MOD for wood rot and painting issues.
- Inspections for flooding or areas of major water retention were made during and after the recent heavy rains. No significant problems were noted and no calls were made to the Task Force by residents.
- The Task Force requested a bid from Five Star to replace the galvanized common domestic water lines under five G-11 buildings with copper. This upgrade should improve water pressure and reduce the amount of minerals in the water exiting the taps in each manor. Piping upgrades needed between the common water line and manors will be identified following these improvements.
- Continued developing a computer program to permit entry and retrieval of Mutual 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.). Per MOD request, the program is being modified to permit access for data entry and data retrieval through apps located in Cloud storage. After upgrades, MOD plans to become the Administrative Owner of the computer program. It has been designed to accommodate modification information for all of the Rossmoor Mutuals.

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. Issues include:
 - Ability to obtain independent solar site surveys.
 - Standardizing an approach to solar panel installation. This can impact our roofing warranties, building architecture, and impact on future maintenance projects.
 - Potential impact on other manor owners in a building.
- Coordinate efforts between Building Maintenance and Landscaping to remove dirt and install river rock next to buildings before panels with wood rot are replaced.

Open Items:

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

TASK FORCE ON PARKING

Ms. Williams reported there are some outstanding work orders. One is a work order to paint a curb red to discourage people from parking there. It is located by E7. There is also a work order for a No Parking Anytime sign for the red curb between the rows of carports at E13-16.

LANDSCAPE AND GROUNDS, FIRE CLEARANCE

Mr. Donner reported that the usual winter maintenance is being done.

Ms. Swisher reported the Board is prepared to approve the Terra Landscape contract for 1 year as opposed to 3 years per discussions during 2019 budgeting meetings with MOD. She asked for a motion to approve the contract for 12 months.

Mr. Schwartz moved that we accept the Terra Landscape Maintenance contract for Mutual 4 for a term of 12 consecutive months from January 2019 through December 2019 for a sum of \$121,704 to be paid in monthly installments of \$10,142. Ms. Harren seconded and the motion carried without dissent.

BUILDING MAINTENANCE REPORT

Mr. West reported the following:

ACTION ITEMS: Proposal review and Approval

1. 2019 Phase One Dry Rot Repairs – Entries 1 – 9 This includes 19 buildings and 14 carports.

Contractor: MOD - Time and Material project. – Includes monthly progress reports and YTD costs.

General Building Repair Budget for 2019 is \$182,600.00.

2. Interior Panel Inspection and Lube - Contractor: Sang Electric – Cost \$7,000.00 (Board approval needed).

*Ms. Williams moved to approve \$7,000 for Sang Electric to perform interior breaker panel inspections and lube work for all 286 manors in Mutual 4.
Ms. Harren seconded and the motion carried without dissent.*

INFORMATION ITEMS: Work in progress or completed.

1. 2019 Phase I Painting Project – This will go out to bid with the Board's approval.
(2019 Painting Budget \$415,200.00).
2. 2019 Phase I Painting Project – This will go out to bid with the Board's approval.
(2019 Painting Budget \$415,200.00).
3. 2019 Phase I Deck Repair and Deck Coating – This will go out to bid with the Board's approval
(2019 Deck Budget \$137,700.00).
4. Exterior electrical Panel inspection and Lube – Contractor: Sang Electric. NTE. \$5,000.00 (Work in progress).
5. Inspection of Buildings for water pressure and slab leaks – Contractor: Five Star – T & M work.
(Work in progress).
6. 2128 TC Window warranty work – Five Star to inspect and repair as needed. (Work in progress).
7. Replacement of Trash enclosure doors in entry #1 – Contractor: Five Star -
To install
2 new PVC Vinyl Doors – (On order). Five Star is holding off until they get mats to install on the inside of the doors.
8. 1617 SC under slab hot water leak – Five Star to replace hot water line (Work Completed).
9. E- 10 Leaking Fire Hydrant – Contractor: Fire Protection Management to replace Hydrant. (Work Completed).

Ms. Swisher reported that based on her inspection of the buildings in entries #1 - #9, there appears to be a limited amount of wood rot and no buildings require complete re-painting. As discussed in their meeting on January 14, she believes the amount of monies earmarked for dry rot repair this year may extend to include other entries. Also, Mutual 4 is requesting the following considerations related to this General Building Repair work:

- Smart Panel will be used for most of the dry rot replacement since it has a longer life than regular wood siding. Also, in some places
- Flashing be installed to protect the siding from water and termite intrusion.
- Hardy Plank, which is less susceptible to dry rot, will be used in areas where entire walls are being replaced. This is mostly on carports and solid fences.

- Decorative wood plaques, designated by the Mutual Building Committee Chairperson, will be removed completely and not replaced, which will save money.
- It is expected that MOD will do the wood replacement work and prime the new materials; then MOD will put out a request for proposals for the painting from an outside vendor.

After discussions in the January 16, 2019 Executive Session, the Board is asking MOD to provide a list of the specific dry rot repairs, types of materials that will be used for each repair, and an estimate of hours and material costs. However, the Board is willing to approve \$50,000 at this time so MOD can start purchasing some of the materials. Further dollars will be approved after receiving and evaluating the specific MOD estimate for T&M dry rot work for entries #1 - #9.

Ms. Swisher asked for a motion to approve the \$50,000 for MOD dry rot work.

Mr. Schwartz moved to approve \$50,000 to permit MOD Building Maintenance to start the Phase One Dry Rot repairs with the following understanding:

These monies may be expended by MOD on building materials previously discussed with the Mutual 4 Building Committee Chairperson during inspections on January 9 & 10.

MOD will provide a list of the specific dry rot repairs, types of materials that will be used for each repair, and an estimate of hours and material costs before starting any repairs.

Ms. Williams seconded and the motion carried without dissent.

Ms. Swisher asked Mr. West if Sang Electric completed the external electrical inspections scheduled for 2018. Mr. West reported they have not been completed yet, but they will be done.

Ms. Swisher reported the Board discussed the results of the January 9 & 10 building inspections and concluded that painting of the buildings in entries #1 - #9 is not necessary at this time, except where dry rot repairs are made. After consulting the Helsing Report, it came to the Board's attention that the current useful life was set anywhere from 8 to 13 years for painting the wood and stucco on our buildings. Although 13 years may be too long, it is obvious that the buildings in entries #1 - #9 have at least 2 to 3 more years before repainting is required. The Mutual Building Committee Chairperson will continue building inspections in the other entries to determine if the exterior paint degradation is similar.

Ms. Swisher asked for a motion to approve delaying the 2019 Phase 1 Painting Project to 2021.

Ms. Harren moved to approve delaying the 2019 Phase 1 Painting Project to 2021, change the Current Useful Life for wood and stucco painting in the Helsing Report for buildings in Entries # 1 - #9 to 10 years, change the Remaining Useful Life to 2

years, require inspection of the paint on the remaining buildings in Mutual 4 in calendar year 2019 to determine their Remaining Useful Life, and update the Helsing Report accordingly. Mr. Schwartz seconded and the motion carried without dissent.

Ms. Swisher reported one of the concrete slabs replaced in the walkway from the parking lot to building 1801 Skycrest Drive has already cracked in numerous places after only a few months. Re-bar was supposed to be installed during the pour to eliminate this problem. The Board is requesting that Five Star re-pour this slab at no cost to the Mutual. Mr. West reported that Five Star will warranty it.

ARCHITECTURAL CONTROL AND ALTERATIONS; COMPLIANCE

Ms. Swisher reported the following:

- Alterations Updates - Resident alteration requests covering the period 07/01/2018 to 12/31/2018 include:
 - 20 alterations were approved by the Board and are in progress
 - 3 alterations require clarification by the Board before approval.
 - 3 alterations will be cancelled due to manor owner cancelling alteration.
 - 28 alterations were completed.
- Compliance Updates
 - No compliance issues affect any alterations. However as Chairman of the Alteration Committee, I would like to specify for purposes of these meeting minutes that many Alteration Permit Requests over the past few months include changes that can impact building architecture, changes available to future residents, and converting common property to exclusive use property. Since these alterations have Mutual impact, the Alteration Committee will always present these alterations to the entire Board for approval.

EMERGENCY PREPAREDNESS COMMITTEE

Steve Adza reported the January meeting for EPO discussed the entry coordinators guide. They talked about strokes and heart attacks. EPO has its own website. There is lots of information there.

CERT meetings are held on the third Tuesday of every month.

COMMUNICATIONS COMMITTEE

Ms. Williams reported there will be a newsletter in early March. The articles must be submitted by January 29th. Ms. Williams sends the articles to Ms. Wade. Ms. Wade ultimately sends them to Molly for the newsletter set-up.

Ms. Williams will check with Carl Brown regarding links for the newsletter articles on Fourth's website.

POLICY COMMITTEE

Ms. Williams reported there will be a policy meeting on January 24th.

OFFICERS REPORTS

1. Ms. Swisher reported that she would like to use the President's report as the mechanism for listing any work orders over \$500 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 work order was signed by Ms. Swisher:
Change Order to add 120 sq. ft. of concrete walkway in front of 1801 Skycrest Drive for \$3,100.
2. Vice President: The Board is currently looking for volunteers for this vacant position.
3. Treasurer: Ms. Williams informed the Board she has no report because she just received the Preliminary Financials today.
4. Secretary: No report

UNFINISHED BUSINESS

None

NEW BUSINESS

None

ANNOUNCEMENT

The next meeting is the Regular Board Meeting scheduled for February 19, 2019 at 1:30 p.m. in the Board Room at Gateway. This meeting is on Tuesday, due to a holiday on Monday.

ADJOURNMENT

Having no further business, the meeting adjourned at 2:50 p.m.



Anne Paone, Assistant Secretary
Fourth Walnut Creek Mutual

***The Board of Directors met in executive session on November 14, 2018 at 1:30 p.m. to discuss the following:

1. Personnel Matters
2. Legal Issues
3. Contracts
4. Member Compliance

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

***The Board of Directors met in executive session on November 19, 2018 at 3:30 p.m. to discuss the following:

1. Member Matters
2. Legal Issues
3. Contracts

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

***The Board of Directors met in executive session on December 7, 2018 at 10:00 a.m. in the patio area at Gateway to discuss the following:

1. Personnel Matters
2. Legal
3. Contracts
4. Member Compliance

Having no further business, the executive session adjourned at 12:00 p.m.