

MINUTES
FOURTH WALNUT CREEK MUTUAL
MONDAY, OCTOBER 15, 2018 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, October 15, 2018 in the Board Room at Gateway complex, 1001 Golden Rain Road, Walnut Creek, California.

ROLL CALL: PRESENT: Vicki Swisher President
 Sheldon Schwartz Director
 Eva Angvert Harren, Director

ABSENT: Kate Williams Treas/Sec

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 MINUTES

Mr. Schwartz moved to approve the minutes as follows: September 17, 2018 - Regular Board Meeting Minutes, September 12, 2018 and September 17, 2018 - Executive Session Meeting Minutes. Ms. Harren seconded and the motion carried without dissent.

RESIDENTS' FORUM

The residents' forum was held.

A resident reported turkeys leaving messes that residents sweep up. Ms. Pollon responded that they will install a wide cobble border to mitigate the mess on the sidewalk from the turkeys. Resident reported tall weeds across from E11 abatement. Ms. Pollon reported those grasses/weeds are on schedule to be taken down.

A resident asked for an update on additional lighting. Ms. Swisher put in a work order request for it to be done.

MANAGEMENT REPORT

Mr. Donner presented the 2019 proposed budget line-by-line. There will be a \$48 increase per manor per month for a total of \$753.00 per manor per month.

Ms. Swisher thanked Paul Donner, Rick West, Rebecca Pollon, and Jo Ann Cooper for working many hours with the Board over the past two months in developing the 2019 budget. Their input has been invaluable in determining an equitable budget.

Ms. Swisher reported that it is important to point out the following budget factors that are not negotiable by the Board and require an automatic increase in the coupon. These include an estimated insurance increase of 25%, an EBMUD rate increase of 9% starting July 2019, a

MOD Management fee increase of 3.8%, a GRF assessment increase of 1.6%, and an estimated increase in PG&E rates. With these increases as a given and the need to ensure that funds are available to maintain the aging structures in Mutual 4, the Board was challenged to finalize a proposed budget that met all of the needs without placing an undue burden on the Mutual 4 members. As presented by Paul Donner, an increase of 6.8% in the coupon was concluded by the Board.

Ms. Swisher stated that although the Board meeting is not typically open to resident comments other than in the Residents' Forum, we are prepared to respond to questions from residents regarding the budget presentation. No questions from the residents were presented.

Because we have a Board member that must leave the meeting by 2:30 pm due to personal business, Ms. Swisher moved the vote for the adoption of the 2019 budget listed under New Business to this portion of the agenda. Ms. Swisher asked for a motion to approve the 6.8% increase in the Mutual coupon for 2019.

Mr. Schwartz moved to approve the 2019 budget as presented. Ms. Harren seconded and the motion carried without dissent.

Ms. Swisher stated that the Board will not have a quorum after 2:30 pm, and moved the proposal for investing Reserve Funds listed under New Business to this portion of the agenda. This proposal is being made in accordance with Duties of the Board of Directors per Bylaws 8.1.7 and 8.2.5 which specifies the Board shall invest reserve funds in prudent investments to preserve principal while realizing a reasonable return. Since Kate Williams was unavailable, Ms. Swisher provided a summary of the proposal.

Ms. Swisher asked for a motion to accept the Reserve Fund proposal to invest \$300,000 in a 4-week CD and \$300,000 in a 13-CD made in \$100,000 increments over a period of six weeks.

Mr. Schwartz moved to accept the Reserve Fund proposal as presented. Ms. Harren seconded and the motion carried without dissent.

PRESIDENT'S REPORT

Ms. Swisher stated that she would like to share some of the information from the September President's Forum.

- Manor Rental Reports - Mutuals are concerned with regard to regulating rental policies. MOD will provide Mutual Boards monthly updates on rental agreements due to expire.
- RV Relocation - During the installation of the solar panels in the RV parking area, many of the RVs have been temporary relocated to parking areas on Golden Rain and other Rossmoor streets. Some Mutuals were concerned about the RVs creating a driving hazard. Any RVs located adjacent to an intersection have been moved.

- Earthquake Insurance - One Mutual discussed their joint dealings with an insurance broker regarding earthquake insurance for manors. The policies are quite expensive. Manor owners should get further information from the California Earthquake Authority. Also manor owners need to realize that subsequent damage to buildings resulting from an earthquake are not covered by the GRF blanket policy such as a fire from ruptured gas lines due to earthquake.

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.
- Completed procedure for water pressure and leak testing of Mutual buildings.
- Awaiting bid to test domestic water lines for low flow, under slab pipe leaks, and adequacy of pressure regulator. 5 Star Contractor to provide a bid on performing the work on building 1902 Skycrest Drive.
- Started walking down the 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.
- Due to coordination problems, ceramic-based paint was not applied to 1409 Skycrest Drive entry #8 during dry rot repairs to test paint performance. The task force will select another location.
- Evaluated problem with window framing separation in two manors at 2128 Tice Creek. This problem does not appear to be related to foundation settling. Contractor to repair under warranty.
- Identified test cases for evaluating gutter liners. Work to start following the November gutter cleanout.
- Started walk down of each entry to identify outstanding maintenance issues. Entry #10 is completed.
- 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 alteration, installation of foundation piers, etc.). Target completion date for beta testing is end of October. At the completion of testing, MOD will 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).

- Awaiting proposal for replacement of one trash enclosure with PVC vinyl material. First effort is to replace the “doors only” on the enclosure in entry #1 Skycrest Drive.
- Perform water pressure and leak testing at 1902 Skycrest Drive.
- Complete solar policy to support alteration request.

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 submitted her report as follows:

FALL 2018 MAINTENANCE REPORT-no change from September

As the weather cools and the day lengths shorten irrigation will become less frequent even if the warm weather continues.

Residents can look forward to the fall colors of Red Maples, Liquidambar and Nyssas.

LAWN MAINTENANCE Lawns will be over seeded between October 1st and November 15th.

WATER USE August is the highest water consumption month of the year due to high temperatures and long day lengths. After September irrigation use will continue but drop steeply even if warm weather continues.

ENTRY MAINTENANCE Entry maintenance crews will finish summer pruning tasks and start transitioning to fall cleanup.

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**

INFORMATIONAL ITEMS

MOD CREW DAYS: MOD will return for 13 days in early November. The landscape representative and I will walk ahead of time to identify projects to undertake with these allocated days.

TREE ITEMS: Permit applications to remove 2 trees have been submitted to the city of Walnut Creek as follows

- 1941 and 1957 Skycrest 2 Pine trees

Discussion Item

- 2101 Skycrest #1, e .17 Resident is concerned that Liquidambar tree may damage foundation. COWC requires an engineer's report to grant a permit on this basis. Please advise.
- 1217 Skycrest view pruning

Permission was received from the city and by the board to remove a Pine tree at 1909 Skycrest. That work will occur in the coming weeks

Remaining Landscape rehab funds ~8k. Will be used for MOD days
Remaining Tree funds ~4k

BOARD ACTION ITEMS: None

Ms. Swisher will create a work order for an additional defensible zone of an extra 50 feet (will bring total footage to 150 feet).

BUILDING MAINTENANCE REPORT

Mr. West reported the following:

ACTION ITEMS: Proposal review and Approval

1. 1617 SC under slab hot water leak – Five Star estimate to replace hot water line (Proposal presented to the board).
Rick is waiting for the proposal.

INFORMATION ITEMS: Work in progress or completed.

1. Entry 10 - 2018 DuraLast Roofing Project for 13 Buildings – Contractor: A-One Construction
Estimated Completion date October 26th. (work in progress).
2. Inspection of Buildings for water pressure and slab leaks – Contractor: Five Star – T & M work.
(work scheduled).

3. Exterior electrical Panel inspection and Lube – Contractor: Sang Electric. NTE. \$5,000.00 (Scheduled).
GFCI (Ground Fault Circuit Interrupter)– Sang will install them. 2019 – Sang will go inside units to look at electrical panels, which is the Mutual's responsibility.
4. 1409 SC Building Dry Rot Repairs – A One Construction Estimate \$8,148.00. (work completed).
5. 1657 SC #15 Foundation crack and dry rot repairs – Contractor Five Star Cost \$1,580.00 (work completed).
6. E- 10 Leaking fire Hydrant – Contractor Roto Rotor (Status Update). Per Rick, Fire Protection Management will do the fire hydrant.
7. 1605/1609 Skycrest – Move copper piping causing interference with opening of electrical boxes.

ARCHITECTURAL CONTROL AND ALTERATIONS: COMPLIANCE

Ms. Swisher reported the following:

- Alterations Updates - Resident alteration requests covering the period 04/01/2018 to 09/30/2018 include:
 - 15 alterations were approved by the Board and are in progress
 - 3 alterations require clarification by the Board before approval.
 - 1 alteration will be cancelled due to sale of the manor.
 - 25 alterations were completed.
- Compliance Updates
 - One of the new alterations is requesting the installation of solar panels on top of one of the Mutual 4 buildings. The Board is working to develop a solar policy, develop the required insurance and compliance forms, and obtain an independent solar survey prior to approving the alteration request.

***Ms. Swisher announced that Ms. Harren is leaving the meeting. The meeting will continue as the Board will not be taking any actions.

EMERGENCY PREPAREDNESS COMMITTEE

Steve Adza brought a bucket to show residents. It is used to contain emergency supplies such as tools, a small tent, blankets and other items for 2 people. There is a 5-gallon

bucket with a toilet seat lid, too. It has liners and is a good starter kit. American Disaster Supply carries them. Mr. Adza will find out where it can be purchased as a whole or he will put together a list of useful items.

Sheila Gorsuch reminded everyone that there is a list in the Rossmoor phone book.

COMMUNICATIONS COMMITTEE

No report.

POLICY COMMITTEE

No report due to the absence of Ms. Williams. Ms. Swisher reported that the Policy Committee has completed the draft for the Designated Occupant Form for Member Records and it is with the Mutual's attorneys for review.

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 2 work orders were signed by her:
 - Repair of dry rot on exterior wall of 1657 Skycrest Drive #15 and repair of foundation cracks with backer rod and self-leveling Sika-Flex - \$1580 billable to the Mutual.
 - Remove and replace 30 square feet of concrete walkway in front of 2144 Tice Creek entry A - \$750 billable to the Mutual.
- One work order to repair a carport was denied since the Mutual resident using the Carport should be responsible for the minor damage.
2. Vice President: Vacant
3. Treasurer: Ms. Swisher read Ms. Williams' Treasurer's report. As of 09/30/2018, the YTD Reserve Fund balance is \$1,575,086 and the YTD Mutual Operating Fund balance is \$68,863. Both show an excess of revenue over expenses. For the month of August, Mutual operating expenses were over the budget by \$6,596. Expenditures in Utilities, Other General and Administration and Insurance were higher than budgeted, while expenditures in Building Maintenance and Public Works and Landscape Maintenance and Professional Services 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.
4. Secretary: No report

UNFINISHED BUSINESS

None

NEW BUSINESS

Addressed earlier in the meeting.

ANNOUNCEMENT

The next meeting is the Regular Board Meeting scheduled for November 19, 2018 at 1:30 p.m. in the Board Room at Gateway.

ADJOURNMENT

Having no further business, the meeting adjourned at 2:44 p.m.

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

***The Board of Directors met in executive session on September 12, 2018 at 1:30 p.m. to discuss the following:

1. Legal
2. Member Matters – Long-term parking, additional pathway, trash enclosure-recycling, increasing patio
3. Contracts – Various Mutual contracts were reviewed by the Board

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

***The Board of Directors met in executive session on September 17, 2018 at 1:30 p.m. to discuss the following:

1. Contracts – Various Mutual contracts were reviewed by the Board.
2. Member Matters – Common area transference, water damage, forms for designated occupants

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