

MINUTES
FOURTH WALNUT CREEK MUTUAL
MONDAY, MAY 18, 2015 AT 1:30 P.M.
BOARD ROOM – GATEWAY

President Kelzer called to order a regular meeting of the Board of Directors of Fourth Walnut Creek Mutual at 1:30 p.m. on Monday, May 18, 2015 in the Board Room at Gateway complex, 1001 Golden Rain Road, Walnut Creek, California.

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| ROLL CALL: PRESENT: | Pauline Kelzer | President |
| | Donald Cardinal | Vice President/Treasurer |
| | Sara Seltzer | Secretary |
| | Nancy Partovi | Director |
| | Mike Leinbach | Director |

EXCUSED: None

Representing Mutual Operations were Rich Perona, Landscape Manager; Rick West, Building Maintenance Manager; and Anne Paone, Administrative Secretary.

Ms. Kelzer welcomed twenty-two residents in attendance.

APPROVAL OF MINUTES

Mr. Leinbach moved to approve the minutes of the regular session Board meeting of April 20, 2015. Ms. Partovi seconded and the motion carried 4-0 (Mr. Cardinal abstained because he was absent for the meeting.)

Ms. Seltzer moved to approve the minutes of the executive session Board meeting of April 20, 2015. Mr. Leinbach seconded and the motion carried without dissent.

Ms. Seltzer moved to approve the minutes of the annual members meeting of August 7, 2014. Mr. Cardinal seconded and the motion carried without dissent.

Ms. Seltzer moved to approve the minutes of the executive session Board meeting of April 29, 2015. Mr. Cardinal seconded and the motion carried without dissent.

RESIDENTS' FORUM

Marilyn Davin - Ms. Davin spoke on Sheila Gorsuch's behalf. She was there to answer any questions that anyone might have about the landscape project for Entry 16. Ms. Kelzer reported that it is on the agenda.

ENTRY REPRESENTATIVE'S REPORTS

Dulcie Andres reported that Entry 10 is missing a recycle bin which is opposite 1649 #9. Mr. Perona will check on this.

LANDSCAPE AND GROUNDS, FIRE CLEARANCE:

Ms. Seltzer reported that the priorities for rehab are Entry 10 and Entry 16. There has been discussion regarding bark and how flammable it might be. Shredded bark is the best

solution for the top of the slope to prevent erosion. Redwood bark is less/non flammable. Junipers are scheduled to be removed and replaced by plants that are already included in the plan for the top of the slope area. Entry 10 has had a Liquidambar removed. The stump needs to be ground. There were some issues regarding private gardens. No private gardens are allowed. Entry 15 is having some filler plants installed.

Mr. Perona reported the following:

LAWN MAINTENANCE: Lawns were fertilized with sulfur coated urea in late April. Irrigation systems have been turned on for two days a week.

ENTRY MAINTENANCE: Entry crews are working on scheduled pruning, spot spraying weeds, debris cleanup.

TREE MAINTENANCE: Waraner Brothers Tree Service handles all work orders.

A Liquidambar tree was removed in Skycrest Drive entry 10.

An Olive tree at Tice Creek entry 'A' is scheduled to be removed.

LANDSCAPE REHAB: The MOD landscape crew is scheduled to work in the mutual.

Approve Fire Abatement cost sharing with GRF.

Approve 2100 Skycrest Drive landscape projects.

Mr. Perona discussed three proposals from Tree Sculpture for 2100 Skycrest.

The first proposal is to work on drainage for this building. They want to install a French drain along the entire rear of the building, install catch basins, install lodi pea gravel and connect all catch basins and the new French drain to existing drainage. The cost is \$5,904. The second proposal is to remove shrubbery, change sprinkler heads to ones that are recommended by EBMUD, install Gopher Wire, moss rocks at various locations, small bark and approximately 9 yards of Gorilla Hair Mulch from the top of the slope 5 feet down the slope away from the manor. The cost is \$6,600. The third proposal is to remove all of the lawn in the rear of the building, create a pathway in the rear, install Gopher Wire under area to be planted and barked, plant shrubs and install moss rocks. The cost is \$8,507.

Mr. Perona said there is money in the budget for this work. There is \$75,000 in the budget. There will be sufficient funds to take care of other landscape projects throughout the year.

Mr. Cardinal motioned to approve the three proposals from Tree Sculpture as presented in the amounts of \$5,904, \$6,600 and \$8,507. Mr. Leinbach seconded and the motion carried without dissent.

Ms. Seltzer reminded the membership that the proposals are the results of extensive discussions with residents, Mr. Perona and Kevin Jackson.

Mr. Cardinal asked Mr. Perona about trees that are showing signs of stress. Mr. Perona said that it is mainly the pine trees that are stressed and the Mutual doesn't have many of them. He explained that it is really beetles that are destroying the trees. He hasn't seen any significant problems with the trees right now.

BUILDING MAINTENANCE REPORT

Mr. West reported that there are two proposals for 2128 Tice Creek for the area that was hit by a truck.

Mr. Cardinal motioned to approve the proposal from Gauthiers Construction in the amount of \$1,010 to repair damage at 2128 Tice Creek. Mr. Leinback seconded and the motion carried without dissent.

Mr. West has 3 proposals for the roofing project – Sorenson, Ben's, and All Seasons. Buildings 1413 and 1833 will be done this year and 2116 will be deferred to 2016.

Mr. West has a proposal from Sorenson for \$92,639, All Season for \$113,707 and Ben's Roofing \$116,770.

There was some discussion. All Season has never installed Dura Last over metal. Therefore, their bid was not considered. Mr. West stated that the other two companies are both good companies. Sorenson is a diamond certified company and has been working in other Mutuals. Mr. Cardinal recommended accepting Sorenson's bid.

Ms. Seltzer motioned to approve the bid from Sorenson and Associates Roofing in the amount of \$92,639 which includes the Dura Last. Ms. Partovi seconded and the motion carried without dissent.

Mr. West reported the following:

Work in progress:

1. 2128 TC - carport carpentry repair bids. (Presented to Board).
2. 2015 Roofing project bids for roof B/U 1413, 1833 (Presented to Board).

Follow-up:

1. 2128 TC – Soil Engineer GEC consulting is scheduling to conduct their investigation into possible building movement. Cost \$2,000.
2. All Clear is in the process of completing S/D battery replacement they currently have completed all but 25 units Notices have been put on doors.
3. 1441 #2 SC– Removing tree root, removal and replacement of back patio slab. Five Star est. \$ 3,600.00 / Fence R&R \$4,650.(board to speak to counsel)
4. Web-site updates –Mr. West will get some updates to Mr. Brown for the website.

ARCHITECTURAL CONTROL AND ALTERATIONS; COMPLIANCE:

Mr. Cardinal reported that there are 29 alterations being processed and 23 permits have been issued. There have been 51 completed alterations since June 1, 2014 through May 14, 2015. There have been a lot of dual pane windows installed. Retro fit windows are generally half the price. They use the frame that is already there provided it is solid. Residents seem to be taking care of the property.

Ms. Kelzer sent out three letters regarding compliance issues. They were new buyers. The letters have been effective.

EMERGENCY PREPAREDNESS COMMITTEE

The Board asked Mr. Perona to discuss the proposal from GRF regarding fire abatement work on Golden Rain property adjacent to Mutual property. GRF is willing to share the actual costs of the abatement work, up to a maximum of \$14,000. The Mutual will not be required to pay more than \$7,000 for the work.

Mr. Perona gave some background information that in 2006 the Contra Costa County Fire Protection District set new regulations in place. Previously, the requirement for abatement was 30 feet. It is now 100 feet of brush must be cleared.

The work can be done anytime. They can start in June. They would chip the debris and spread it about an inch deep, which is okay with the Fire Department. This is a one-time occurrence.

Mr. Perona also reported that very little of this work is actually on the Mutual's property.

Ms. Kelzer commented that the Board was really concerned about the area where the power lines crisscross across from Rockledge 8. Mr. Perona reported that PG&E had been working on Rockledge 8 and 9 areas and have cleared the lines.

Ms. Seltzer would like to see more details and more financial information on this project.

Ms. Partovi would like to see the Board investigate, but move quickly on this before the hot weather comes.

Mr. Cardinal thinks the Mutual should hold off until there is more information. The Board will schedule with Mr. Perona to walk the area. The Board will temporarily set aside the GRF proposal for follow-up with Mr. Perona.

Mr. Perona reported that weed abatement needs to be done by May 31, due to the lack of rain.

Mr. Adza reported that regarding fire protection, there is ongoing clearance work being done. The entry coordinator list will be delivered as soon as possible. EPO President, Colene Trinterud is working on it now. There is a CERT graduation drill on May 30 at the Civic Park Community Center. The next Rossmoor CERT meeting is tomorrow at Hillside Clubhouse. The sewer cleanout final draft will be delivered within the week to the Board. The Amateur Radio Act Bill is still in Congress. This is a bill to extend reasonable accommodation to amateur radio operators regarding antennas. There are some markers for fire hydrants missing. Trust maintenance does the replacing of them. It is a GRF responsibility.

COMMUNICATIONS COMMITTEE

Ms. Kelzer reported that the Board is planning for the Annual Meeting and Dinner. The Planning Committee would like a volunteer to chair this committee. Diane Buonaccorsi is still willing to do the Newsletter. Carl Brown reported that the website is up for renewal and he will send the invoice to the Mutual.

Mr. Brown said he did a mulch test and it burned very quickly. Ms. Kelzer said he could call the Contra Costa Fire Department and check with them regarding how flammable mulch can be.

POLICY COMMITTEE

Nancy Partovi reported that the TARRC Committee put forth a draft of the Trust Agreement. She recommended that the Board abstain from voting on this agreement until further information is available.

Mr. Cardinal motioned that the Board abstain from commenting on the Draft Restated Trust Agreement. Ms. Seltzer seconded and the motion carried without dissent.

Ms. Kelzer reported that the Board has an alterations procedure to be followed prior to the close of escrow. The procedure would be as follows:

The Board of Directors of Fourth Walnut Creek Mutual requests and requires the Alterations Department of the Mutual Operations Division to hold a meeting with all new buyers prior to close of escrow.

Ms. Seltzer motioned to adopt the alterations procedure as stated. Mr. Cardinal seconded and the motion carried without dissent.

The purpose of this meeting is to introduce buyers to the Mutual's requirements for obtaining alteration permits prior to buyers making any changes in the Common Area, in the Exclusive Use Common Area, or to building or landscape components owned by the Mutual. At this meeting, the Mutual requests that new buyers be given material related to the alterations application process and a copy of the use restrictions for the Common Area drafted by the Mutual's attorney dated October, 2014. At this meeting, the Mutual also requests the Alterations Department include the Chairperson of the Mutual's Architectural Control Committee or, if not feasible, one Director currently serving on the Mutual's Board of Directors.

FISCAL COMMITTEE – Pauline Kelzer

No report.

OFFICERS REPORTS

1. President's Report: Ms. Kelzer reported that at the last Presidents' Forum solar installations were being looked at.
2. Vice President: None
3. Treasurer: Mr. Cardinal reported that the Mutual expenses are in line. There is \$13,345 in receivables. \$13,000 of that money is because of 2 delinquent accounts. There have been 18 sales this year. The average resale price has been \$414,000 and continues to go up.
4. Secretary: No report, but Ms. Seltzer did ask if there was something that Mr. Brown can put on the website for prospective buyers advising them about common area rules.

Mr. Jerome Neuman, a resident, introduced himself. He gave a report on Solar Panels. He has decided to approach solar power with the idea of wiring every available building and carport and sharing the proceeds from the sale of power to PG&E by funneling the money to the Mutual, not to individual home owners. The Mutual could then use the proceeds to reduce the coupon, thereby sharing monies earned equally with each member-manor. Some imperatives make action necessary sooner rather than in some distant future:

1. PG&E's electricity rates to our all electric homes are likely to increase at a rate at least as fast as the overall cost of living, probably faster.
2. By selling power back to PG&E we will reduce our power bills, probably to zero and our home values will surely increase substantially and immediately on the day the completed project commences. In all likelihood, most of us won't be here when the projected useful life of the panels runs out 25 years from now but the increased value in our properties will be of benefit to us now, in five years, ten years, or whenever we depart to wherever we are departing to.

3. There is a substantial tax advantage for solar power installations completed before the end of calendar 2016. There is reason to think the tax advantage won't be renewed in future years. The estimate for the RM Solar Power Project is that once given the green light to proceed with construction, it would take 6 to 8 months to complete.
4. Even if we are not eligible for the tax benefit, the scale of doing such an installation for the several hundred homes in the mutual at one time would confer on the project a substantial discount in the total cost of the installation, thus, in the cost on a manor by manor basis.
5. This is an ideal time to undertake this project inasmuch as there are few, if any, existing solar installations in the mutual. If we let individual manors free-lance, which is to say contract for installations on a one-by-one basis, costs for doing so will increase substantially per manor and the ability to share the benefits of the community sales of power back to PG&E will be lost.

UNFINISHED BUSINESS

None

NEW BUSINESS

Ms. Kelzer reported that the Board election is coming up. Candidate statements are due by July 1, 10:00 a.m. in the Board Office.

ANNOUNCEMENT

The next regular board meeting is scheduled for June 15, 2015 at 1:30 p.m. in the Board Room at Gateway.

The Board met in Executive Session on April 20, 2015 at 3:30 P.M. and took the following actions:

Delinquencies - Approved the continuation of a payment plan with stipulations.
Approved sending lien to ProSolutions for APN #189-220-0245 for delinquent assessments.
Approved sending lien to ProSolutions for ACCT #04-018-011 for delinquent assessments.

ADJOURNMENT

Having no further business, the meeting adjourned at 3:35 p.m.

/s/

Sara Seltzer, Secretary
Fourth Walnut Creek Mutual