

MINUTES
WALNUT CREEK MUTUAL NO. FIFTY-SIX
REGULAR MEETING OF THE BOARD OF DIRECTORS
WEDNESDAY, APRIL 15, 2015 AT 9:30 A.M.
BOARD ROOM – GATEWAY COMPLEX

President Claudia Edwards convened a regular meeting of the Board of Directors of WALNUT CREEK MUTUAL NO. FIFTY-SIX at 9:30 a.m. on Wednesday, April 15, 2015 in the Board Room of Gateway Complex, 1001 Golden Rain Road, Walnut Creek, California.

ROLL CALL PRESENT: Claudia Edwards, President
 Bill Eames, Vice President
 Susie Crist, Secretary/Treasurer

EXCUSED: None

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

Seven residents who were present were welcomed to the meeting.

REVIEW OF MINUTES

Ms. Edwards asked if there were any corrections or additions to the regular Board meeting minutes of January 21, 2015. Hearing none, she declared them approved as written and reviewed.

LANDSCAPE REPORT

Mr. Perona read the following report:

LAWN MAINTENANCE: Lawns will be fertilized the end of April with sulfur coated urea, a slow release fertilizer.

Irrigation is watering two days a week as required by EBMUD. Lawns were recently aerated.

ENTRY MAINTENANCE: Entry maintenance crews are on routine pruning schedules, spot spraying weeds and debris clean up.

TREE MAINTENANCE: A tree walk will be scheduled to plan out tree pruning for the spring. I have applied to the city for permits to remove the remaining Ash trees and one dead Pine tree.

LANDSCAPE REHAB: Valley Crest is working on several small projects throughout the Mutual.

If approved, the lawns on the south side of the Mutual backing up to the Berm Park and Tice Creek will be sprayed out with Roundup, covered with tree chips and the irrigation will be capped off. This will be done to save water and take advantage of rebates available from EBMUD.

Mr. Perona reminded the Mutual that he can only water twice weekly based on Jerry Brown's mandate.

There are proposals to remove all the lawns on the south side of Lakeshire in Berm Park and all the lawns on the Tice Creek side up to the entrance on Lakeshire. An alternative is to add some cobble and plant some trees and shrubs along Tice Creek. Valley Crest's proposal for Berm Park is \$11,500.61 and the second proposal from Valley Crest for Tice Creek is \$6,647.49. The Mutual will get a credit applied to their water bills for \$20,000. There is \$50,000 in the budget, \$11,685 of work has been done and Valley Crest is doing \$18,000 of work now. That comes to \$20,315. If you minus the \$11,500, it leaves \$8,800. If the Mutual approves the second proposal for \$6,600, the Mutual will be left with approximately \$2,000.

Valley Crest maintenance fees will come down because they will not have to maintain lawns. There will be no mowing.

Accounting will know how to post the expenses and EBMUD rebate.

They will turn the water off to the lawns and then spray and kill the lawn as they go along and add the wood chips.

Mr. Eames noted that once the drought is over, the Board will review landscaping issues and the viability of replanting.

Ms. Crist motioned to approve both proposals from Valley Crest in the amount of \$11,500.61 and \$6,647.49 for removal of turf in Berm Park and work along Tice Creek. Mr. Eames seconded and the motion carried without dissent.

Ms. Crist discussed removal of trees on Lakeshire and the fact that roots are left above the ground. Ms. Edwards asked Mr. Perona to take a look at the area.

FINANCIAL REPORT

Mr. Eames reported that he wanted the membership to think about some items for the future. The reserve fund has a balance of \$121,000. This fund does not include roofs. He estimated the future needs to be as follows: Roofs - \$900,000, Painting \$120,000 and Trellis and Fencing - \$75,000. Painting will require some replacements of boards due to dry rot. The Helsing Group does the reserve estimates every year. Mr. Eames thought that the person that Helsing sent did a very poor job on estimates for components. He suggested that the membership should think about whether they would prefer to have a special assessment or increase the dues in the future to cover these reserve costs.

Mr. Donner reported that the reserve fund balance is currently \$146,000. He believes that the roofs will be a special assessment, but he advised that the membership should be offered the option of paying all-at-once or in 3 payments. The painting and trellis/fence work can be handled through the coupon.

Mr. Eames stated that he would like to see an inspector check how well the roofs are being done.

Mr. Donner reported that the Mutual only spent \$1,200 on rain leaks.

Mr. West reported that the figures he has are approximately \$98,000 for fences,

\$86,000 for trellises and \$28,000 to stain. The total would be \$212,000 for fences and trellises with staining.

He has two quotes for roofing and they are \$480,000 and \$460,000.

There was some discussion on painting. They can select different colors. Mr. Donner reported that they can update their look by using different paint colors.

Mr. Donner reported that if the roofing numbers come in low, they might consider doing a special assessment to do the roofs and fund the reserves.

Ms. Edwards reminded the membership that they may have to eliminate greenery on the trellises because it can cause dry rot.

Mr. Donner reported that the Mutual has an ending operating fund balance for March 31, 2015 of \$3,111 over budget. The cash balance is \$42,000. There were prepaid insurance expenses and some other items. The reserve fund balance is \$146,000. The Mutual is better than budget in every category. The total is \$17,809. Of that, \$14,000 is in water. There will be increases from EBMUD in July. The Mutual will be required to cut back by 20%. There will be a drought surcharge to pump water from the reservoirs.

Mr. Eames would like to see the number of gallons used. Mr. Donner advised that accounting doesn't have someone to go over the bills. Accounting can pull the files and the Board can look at them.

Mr. Eames would like a copy of the bills from 1/1/14. Ms. Edwards has asked for the ponds' bills. Mr. Donner said that 2013 is the baseline. Mr. Eames revised his request for the bills to 1/1/2013.

There was some discussion on water usage for the ponds. A resident commented that her husband did an estimate and the average estimate for water evaporation was 200 gallons per day and can be up to 800 gallons per day in the warm weather.

Ms. Edwards said that they really shouldn't drain the ponds. They bring a lot of value to the community. Mr. Donner said you can't drain the ponds, but you can lower them down. The water that flows through the fountain is recycled, but the water that keeps the level is not recycled.

Mr. Eames discussed the bank fees. Previously, the Board brought up the issue of bank charges, but the Board has not gotten any response from staff. Mr. Eames would like the Board to approve that a letter be written to the CEO of GRF advising him that the Board has been unable to work with the staff. The bank fees are excessive and the Board wants the fees addressed. He would like the appropriate people to respond in writing and in detail as to why they have not worked on this issue or responded to the Board.

Mr. Eames motioned that a letter be sent to the CEO of GRF regarding the bank fees and the inability of the staff to resolve the issues and it shall include the

Board's request for a written response. Ms. Crist seconded and the motion carried without dissent.

Mr. Eames asked Ms. Crist to prepare the letter.

BUILDING REPORT

1. 1201 WT HALL CT – Roof leak at hog valley completed. Cost \$1,500. Exterior wall damage. Est. \$4,500.
2. Estimates presented to board from Five Star for new fences, trellis, paint and roofing.
3. Replacement of Smoke Detector batteries. Scheduled start date 4/20/15 by All Clear. Cost \$1,000.

Mr. West reminded the membership to report any leaks to MOD immediately or any staining in the garage walls. They were prepared to do some or all of these projects this summer, but the trellises have a lot of dry rot. There isn't enough money to do the projects. The projects will be placed on hold until the Board decides on the coupon amount for 2016. All Clear will notify residents that they will be coming to change the smoke detector batteries. They will make a second visit to do the work. If the resident isn't home, they will leave a door tag. It will be the resident's responsibility to contact All Clear to schedule. Residents will sign the roster, so the Board will know which units have been done.

COMMITTEE REPORTS

Building/Maintenance

The Mutual needs a chair for Building/Maintenance. If anyone is interested, please contact the Board.

Emergency Preparedness – Mr. Samuels stated that there will be a drill on April 27 at 4:00 p.m. If you cannot make it, please let Harvey know. The purpose of the drill is to practice what to do if there is an emergency. Ms. Crist will put an article in the newsletter.

Landscape Report – Mr. Crist reported that they have replaced some irrigation sprinklers to the bubble type. They have put in some new plants and have done some front yards. Next week they will check the heads for over spraying or leaks. They will continue to look for ways to save water. He reminded everyone that you can save water if you have Insta Hot. It will heat the water to the shower really quickly.

Treasurer/Secretary Report - Ms. Crist did not have a report.

Ponds Report – Ms. Edwards reported that work has been started on the

ponds. They are working on the pump boxes removing rust. They will be performing all work mentioned in the previous Board meeting.

Social Committee - Ms. Bolton reminded everyone to save the date for the BBQ. It will be held at 5:00 on August 20th in the Stanley Dollar Clubhouse.

PRESIDENT'S REPORT

No report.

RESIDENTS' FORUM

There were some recycling bin issues. Ms. Edwards has the number to call. The memorial for Jean McConnell was mentioned.

OLD BUSINESS

None

NEW BUSINESS

The insurance payment was discussed. The following motion was made:

Ms. Edwards motioned to transfer \$45,000 from the reserve account to the operating fund to cover the cost of the insurance premium which is paid in January and will be paid back by the end of the year by prorating on a monthly basis. Mr. Ames seconded and the motion carried without dissent.

ANNOUNCEMENT

The next regular board meeting is scheduled for Wednesday, July 15, 2015 at 9:30 a.m., Board Room (Gateway).

ADJOURNMENT

Having no further business, the meeting was adjourned at 10:35 a.m.

/s/

Anne Paone, Assistant Secretary
Walnut Creek Mutual 56 (Lakeshire)