

MINUTES

WALNUT CREEK MUTUAL SIXTY-FIVE (DEVONSHIRE)
REGULAR MEETING OF THE BOARD OF DIRECTORS
TUESDAY, JULY 21, 2015 AT 9:30 A.M.
DONNER ROOM, EVENT CENTER, WALNUT CREEK

President Charles Coburn called to order a regular meeting of the Board of Directors of WALNUT CREEK MUTUAL SIXTY-FIVE at 9:30 a.m. on Tuesday, July 21, 2015, in the Donner Room at the Event Center, 1021 Stanley Dollar Drive, Walnut Creek, California.

PRESENT: Charles (Chuck) Coburn, President
Richard (Dick) Walsh, First Vice President
Tom Harrick, Second Vice President
Tom Lenz, Treasurer
Durwin Shepson, Secretary

EXCUSED: None

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

There were also 18 residents present.

APPROVAL OF MINUTES

Mr. Harrick moved to approve the minutes of the Special Board meeting of February 26, 2015 as written and reviewed. Mr. Walsh seconded and the motion carried without dissent.

Mr. Harrick moved to approve the minutes of the Annual Board meeting of April 21, 2015 as written and reviewed. Mr. Walsh seconded and the motion carried without dissent.

Mr. Harrick moved to approve the minutes of the Organizational Board meeting of April 21, 2015 as written and reviewed. Mr. Walsh seconded and the motion carried without dissent.

PRESIDENT'S REPORT

- President Coburn reported that there was some discussion on solar panels during Presidents' Forum. The committee is working on it.
- The work on the Del Valle Clubhouse was discussed in Presidents' Forum. There are three designs that need to be in by July. Everything is on schedule.
- Broadband is still being discussed. There will be articles in the Rossmoor News.
- Mr. Coburn reported that the new CEO will be selected in October. Warren Salmons is retiring.

- Mr. Coburn advised the membership to call Securitas if there are problems regarding parking.

FIRST VICE PRESIDENT'S REPORT

No report.

SECOND VICE PRESIDENT'S REPORT

He will discuss drought relief landscaping under New Business.

SECRETARY'S REPORT

No report.

TREASURER'S REPORT

Mr. Lenz reported that the June 30th ending balance in the operating fund is \$23,410 favorable to budget. The revenue over expenses is favorable by \$7,651. The operating fund balance is \$40,647. The reserve fund balance is \$234,463. The total of the two fund balances is \$275,110. The operating fund only has 2 categories that are over budget. Building maintenance is over by \$467. This is due to the modification to the light poles. Professional Services is over budget by \$2,405. This is due to a payment to the accountants for the audit.

The Mutual is charged over \$200 monthly by Mechanics Bank. There is a zero service charge at City National Bank.

Mr. Lenz motioned to close and transfer balances in the operating and reserve accounts from Mechanics Bank to City National Bank. Mr. Shepson seconded and the motion carried without dissent.

Mr. Coburn explained how the reserve account works and that this money is saved for projects that are listed as components of the Mutual. Mr. Coburn reported that to date there have been no special assessments for these projects.

MANAGER'S REPORT – Paul Donner and Rick West

Mr. Donner reported that they will be working on the budget for 2016 in about 2 weeks. Draft budgets are reviewed in August and September.

Mr. West reported the following:

1. Light pole receptacle outlet replacement – Sang Electric completed. Cost \$3,217.50. Receptacle was raised so mowers won't hit it.

EMERGENCY PREPAREDNESS

Ms. Holland reported that she has talked to health care workers and asked them what to do in an emergency. They indicated that they have no instructions. Most likely they will stay with their family. Ms. Holland would like people to volunteer to be her eyes and ears. She has some notices for homes and cars that can help you decide what to do in case of emergencies.

BUILDING MAINTENANCE COMMITTEE REPORT – Durwin Shepson

No report.

SOCIAL COMMITTEE REPORT – Pamela Walsh

Ms. Walsh reported that the BBQ was very successful. She thanked her committee.

LANDSCAPE COMMITTEE REPORT – Ernie Glaser and Rich Perona

Mr. Coburn announced that Sheri Lenz will be the Landscape Committee contact.

Mr. Perona reported the following:

LAWN MAINTENANCE: Lawns will be fertilized in mid-August with sulfur coated urea. Irrigation controllers are on and watering two days a week.

ENTRY MAINTENANCE: Entry maintenance crews are working on leaf clean up, spot spraying weeds and pruning various shrubs.

TREE MAINTENANCE: I need to set up a walk with the mutual's landscape representative to look at tree pruning.

LANDSCAPE REHAB: The Board will be voting on several projects scheduled to be completed by Terra Landscape.

Mr. Perona advised the membership that if they see any problems involving water to call MOD and report it.

UNFINISHED BUSINESS

None.

NEW BUSINESS

Mr. Lenz explained the contract from Helsing Group. It is for the study to determine the future funding requirements for the replacement reserve account. It is required by California civil code.

Mr. Lenz motioned to accept the proposal from Helsing Group to continue services on the reserve study for Mutual 65 in the amount of \$1,725, which will include funding analysis in 2016, 2017 and a reserve study with a visual site inspection in 2018. Mr. Shepson seconded and the motion carried without dissent.

Mr. Harrick spoke about the proposed drought relief landscaping modifications being considered by the Turf Removal Committee. Various members have been on the committee. It is a loosely-knit committee. The objective is to reduce water requirements and reduce costs. Tice Creek is a good example of the turf removal and how nice it can look. EBMUD will subsidize fifty cents for every square foot of grass removed. This will also reduce the cost of maintenance. There have been many trips on the property trying to identify areas that could have turf removed. The committee estimated that about 5,800 square feet of turf could be removed. This would cost \$22,600 to remove. The landscape rehab budget has \$11,000 in it. That would only cover half of what the committee is proposing to do. The committee considered reducing the areas that could be removed. They assigned #1 to items that should be done now and #2 was assigned to areas that could wait a year, if necessary. The committee considered extending the project to a second year. Costs could be covered as they are done. Mr. Perona asked the supplier if he could defer the additional \$11,000 to next year. He agreed to do so. Areas could be replaced mostly with stone and some bark. Mr. Harrick is proposing that the project proceed. Mr. Perona reported that there is an EBMUD form that gets filed out and sent to the water conservation specialist with a map. He will approve it and when the work is completed he will come out and inspect it. The rebate comes off the following water bill, which will be \$2,901.

Mr. Donner reported that they will need to speak to accounting before they can approve deferring the invoice to next year. Auditors don't like this practice. They could approve \$11,000 worth of work now and then check with Rick Chakoff to make sure it will get through the auditors review. Mr. Donner suggested that the Mutual could do everything this year for \$22,000 and go over budget by \$11,000 in reserves. In 2016, the Mutual could budget another \$11,000 and not spend it. Then the Mutual would be under budget. It's a cleaner way to do it.

Mr. Coburn said we could do the bad areas now and then wait and see how much rainfall comes this winter. It may affect what would need to be done later. Each homeowner can have some say in what areas would be done. They can approve their own space. Not all homeowners will be affected. Mr. Perona will have Martijn Lemmens create a color map showing the areas with the assigned numbers, 1 and 2. The Board decided to send out information for the membership to review. They will schedule a Special Meeting in about 30 days. Mr. Perona will schedule the work for October.

Mr. Walsh reported that gas shut-off valves should be considered for installation in Mutual 65. There are none in the Mutual. PG&E will not assist in turning meters back on if the shut-off valves are triggered. An installer would have to be called. The prices are approximately \$100-\$250 per household to install. There is also a \$250 minimum for a required permit from Walnut Creek. There are some negatives to the installation because they can be shut off for other reasons, not just an earthquake. Even a big truck going by can trigger it. Mr. Walsh recommends that they wait. Better valves are being developed.

Mr. Donner recommended waiting until the product is better developed.

Mr. West reported that PG&E is installing more shut-off valves in the main lines and installing remote controls so they can turn them off at the facility instead of on site.

Mr. Coburn said the Board would consider individual's installing the shut-off valve on their own as an alteration with the Board's approval.

With no enthusiasm for this issue and the lack of a motion, Mr. Coburn tabled this issue.

Mr. Shepson looked at video surveillance for the Mutual. His report stated in part that home-based systems are not adequate. This is not a wireless system. The commercial systems are expensive and are hard-wired back to a central control.

There would be no common area in the Mutual to do this. The data would have to be monitored daily, too. The conclusion is that Mutual 65 is not a high crime area. The Fitness Center will have another camera installed as part of the renovation. This will add another layer of protection in Mutual 65's area at no cost to the Mutual. With no enthusiasm for this issue and the lack of a motion, Mr. Coburn tabled this issue.

Mr. Coburn discussed MOD meetings with new owners. Mr. Donner reviewed the procedure.

Mr. Coburn motioned that MOD notify the Board about meetings with new residents so the Board representative has the opportunity to attend. Mr. Lenz seconded and the motion carried without dissent.

RESIDENTS' FORUM

A resident shared a concern about a street light outside of her bedroom window on Wales. Perhaps a shield can be placed over it. Mr. West will check on it.

There was a landscape comment about vendors not picking up leaves and other debris. Mr. Donner will check into this problem.

ADJOURNMENT

The next meeting will be the Regular Board Meeting on Tuesday, October 20, 2015 at 9:30 a.m. in the Donner Room at the Event Center.

Having no further business, the meeting adjourned at 10:55 a.m.

/s/

Durwin Shepson, Secretary
Walnut Creek Mutual Sixty-Five