

WALNUT CREEK MUTUAL NO. SIXTY-EIGHT

REGULAR MEETING MINUTES OF THE BOARD MONDAY, JANUARY 25, 2021 AT 1:00PM ZOOM MEETING

Call to Order

President Fisher called the meeting to order at 1:00 p.m.

Roll Call

Directors Present: Susan Fisher, President
Andy Howard, Vice President
Bob Grotz, Secretary
Alan Lindquist, Treasurer
Lew Armistead, Director

The Mutual Operations Division was represented by Kelly Maki, Board Services Coordinator; Rebecca Pollon, Landscape Manager; Rick West, Maintenance Manager; and Paul Donner, Director of Mutual Operations

President Fisher welcomed the membership, staff, and thanked everyone for their attendance.

Approval of Meeting Minutes

President Fisher asked if there were any additions or corrections to the following minutes:

Regular Meeting of the Board..... November 23, 2020
Executive Session Meeting of the Board November 23, 2020

The above minutes meeting were approved with a motion.

Moved, Seconded, Carried 5-0

Announcements

- Next Board Meeting: February 22, 2021 at 1pm via Zoom

Residents' Open Forum

Residents were afforded the opportunity to express their concerns, make comments, and have questions answered by the Board and M.O.D. staff representatives. Topics discussed included the Disaster Preparedness Group report, new rental rules, and insurance.

Mutual 68 Disaster Preparedness Group (DPG) Report to the Board (re: residents forum)

Jan 21st, 2021 (ver 2)

Four areas to briefly comment on during the resident comment portion of the board meeting:

- A. New Year!???? Seems like many of the same issues abound. Potential Fire Threats, Power Outages, Red Flags, etc. plus a few more like vaccine shortages, mutated virus, civic unrest, etc. Not much new to know but more time to better prepare yourself when that disaster occurs. What

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have YOU done this week to better prepare you and your family, and neighbors? Stay prepared AND improve upon your readiness posture. Are you as prepared as you can/should be? Consider assisting your neighbor in their preparation.

- B. Your Gracious and MOST SUPPORTIVE Mutual 68 Board has subsidized the acquisition for 4 Bull Horns which will enhance our ability to alert you during a fast-moving event or in providing you with directions. It is still difficult with our well insulated houses so be alert to car horns honking, sirens, bull horns, air horns etc. We may be attempting to alert you to an event. Please thank your Mutual 68 Board members for their support as it enhances all our DP readiness efforts.
- C. Please review the New “Tips and Thoughts” sheet in the board package and available online. It includes more details on what areas that you should consider in your DP Preparations. Remember, when you are at the brink of a disaster, that is NO TIME to prepare. Any such event is a “come as you are” event.
- D. Remember too that as you acquire your vaccines in the near future, it will take some time from the first injection plus following the second injection to gain whatever protection the vaccine will provide. Continue with your “normal” protective precautions to include masking, social distancing, hand washing, sanitizing, etc. This will be required even beyond the above noted period of time after receiving your vaccine injections as you could carry the infection to others not yet protected. Proper precautions are ever changing so insure you have the latest and most correct information. Check with your doctor/health care provider for up-to-date information. Be Safe...NOT sorry.
- E. Please let me or your Zone Coordinator know how we can better serve you and assist in your preparation for future events whatever they may be.

Ralph
Ralph A. Anthenien
M68 DPG Lead
Cell: (510) 219-5542

Treasurer and Finance Committee Reports: Alan Lindquist Treasurer and Robin Howard, Chair

Alan Lindquist gave the following Treasurer's Report:

The Finance Committee met on January 20th and reviewed the Mutual's financial information and projections as of November 30, 2020. It concluded that the operating fund and replacement reserves are adequately funded, with net fund balances as of \$140,444 and \$1,477,464 respectively. The operating fund revenue was favorable to budget for the year to date by \$1,277, and expenses were favorable to budget by \$10,075, resulting in a total favorable variance of \$11,352. The expense variance resulted from a \$39,177 negative variance in insurance premiums, which was offset by positive variances in other areas.

Bank account statements were reviewed by two board members as required. All funds are FDIC insured.

- **Compliance with Civil Code 5500:** A motion was made to certify compliance with Civil Code 5500, review of financial statements by two board members for November 2020.
Moved, Seconded, Carried 5-0
- A motion was made to borrow \$190k from the reserve fund to cover the 2021

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Insurance premium to be reimbursed on or before the end of 2021.

Moved, Seconded, Carried 5-0

Building Committee Report: Rick West, Building Maintenance Manager; Bob Grotz, Board Liaison

Rick West gave the following report:

ACTION ITEMS: Proposals for Review or Approval

1. 2832 SI Front Landing and Rear deck Excel Pedestrian Coating Proposals. Contractors: Perfect Painting - Estimate \$7,947.00. A-One Construction \$10,908.00. (Presented to the board for approval). A motion was made to approve Perfect Painting at a cost of \$7,947.00.

Moved, Seconded, Carried 5-0

2. 515 Spotted Owl - Extensive Woodpecker damage. Contractor: Five Star. Includes 40 foot of scaffolding on hillside / flashing installation prime and paint. - Proposal \$ 6,500.00. (Presented to the board for approval). A motion was made to approve Five Star at a cost of \$6,500.00.

Moved, Seconded, Carried 5-0

INFORMATION ITEMS: Work scheduled, In Progress or Complete

1. 596 HE Front Landing, Deck and Stair Excel Pedestrian Water-Proof Coating. Contractor: Perfect Painting - cost \$4,188.00. (Project has been completed).
2. 596 HE Dry Rot Rehab Project - Contractor: AMAC - Cost \$13,890.00 This project includes remediation of dry rot found under the entryway landing. Currently waiting for stucco to cure before final paint. (Final paint will be completed by the last week of January).
3. Solar Fan Replacement - Replacement Budgeted for 2020 - \$46,000.00 and \$46,000.00 in 2021. MOD is working with the manufacturing company to purchase a bulk number of units. Total project estimated cost \$92,046.00. (The project will continue all winter as material arrives).
4. List of buildings that will need further investigation into possible Dry Rot and Metal Flashing issues.

2814 Saklan Indian - Loose Soffit

576 High Eagle Ct. - Soffit Dry Rot

537 High Eagle Ct - Flashing and Dry Rot

535 High Eagle Ct. - Flashing and Dry Rot

(MOD will schedule new inspections and destructive testing as weather allows on these front entries)

Landscape Report/Landscape Committee Report: Barbara Blum, Committee Chair

Barbara Blum gave the following report:

On December 15, 2020, the Landscape Committee hosted a Town Hall Zoom Meeting which formally introduced the residents to the design for Sunset Park. There were opportunities for resident input and the visual presentation by our designer, Tom Wilhite, was exceptional. We invite you to watch the recording of that presentation on the Mutual website

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in the Landscape Committee section.

The Committee is still finalizing the plans for Sunset Park and the final step will be to receive the bids, present them to the Board for their approval of one which will be sent to our insurers for their approval and payment. The first shovel should hit the ground in April.

BrightView began Phase 1 of the Back Area rehab in November. They have completed the back areas on High Eagle and are working on Foxwood, Falconwood and Red Wing Court. They expect to have completed the back areas in Phase 1 within the next 6 to 8 weeks, if the weather cooperates. The work will continue throughout the community until they have completed all the back and common areas. They expect to have completed all of this work by October 2021.

- **Sunset Park Bids:** The Board reviewed bids for Sunset park from Brightview, Gochina, and Terra Landscape. A motion was made to approve the bid for Sunset Park from Brightview at a total cost of \$111,534 , which includes the design, gazebo, sign, and bench.

Moved, Seconded, Carried 5-0

Other Business

- **Discussion and approval of changes to the M68 CC&Rs rental restrictions due to CA AB 3182:**

RESOLUTION OF THE BOARD OF DIRECTORS TO ADOPT RENTAL RULES AND SECOND AMENDMENT TO CC&RS

- A. WHEREAS, Civil Code section 4741(b), effective January 1, 2021, prohibits the adoption or enforcement of a cap on the number of rentals in a common interest to development to less than 25%;
- B. WHEREAS, Civil Code section 4741(f), effective January 1, 2021, requires common interest developments to revise their governing documents (which, by definition, include both the Declaration and the operating rules) to comply with the new law;
- C. WHEREAS, Section 4.3.2 of the Amended Declaration of Covenants, Conditions and Restrictions of Walnut Creek Mutual No. Sixty-Eight ("Declaration") contains rental restrictions which are contrary to Civil Code section 4741, namely a rental cap of 24 Units, or approximately 10.3%;
- D. WHEREAS, Section 11.2 of the Declaration authorizes the amendment of the Declaration by approval of a two-thirds (2/3) majority of all Directors of the Mutual's Board of Directors when, as here, an amendment is needed to conform particular provisions of the Declaration to changes in applicable California statutory law that are nondiscretionary in nature;
- E. WHEREAS, Civil Code section 4355(b)(4) authorizes the Board to adopt rule changes in instances such as this one, where the rule change is required by law, and the Board has no discretion as to the substantive effect of the rule change; and
- F. WHEREAS, the Board of Directors has consulted with the Association's legal counsel who has advised the Board to adopt rental rules and an amendment to the Declaration in order to comply with Civil Code section 4741.

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THE BOARD HEREBY RESOLVES:

1. To adopt the attached Rental Rules in order to comply with Civil Code section 4741; and
2. To adopt the attached Second Amendment to the Declaration and authorize the recordation of the Second Amendment in order to comply with Civil Code section 4741.

Moved, Seconded, Carried 5-0

Adjournment to Executive Session

President Fisher adjourned the regular meeting at 1:46 p.m.

Secretary's Certificate

I hereby certify that the foregoing is a true and correct copy of the minutes of the Board of Director's meeting.



Assistant Secretary