

WALNUT CREEK MUTUAL NO. SIXTY-EIGHT

REGULAR MEETING MINUTES OF THE BOARD
MONDAY, JANUARY 23, 2017 AT 1 P.M.
BOARD ROOM, GATEWAY COMPLEX
1001 GOLDEN RAIN RD., WALNUT CREEK, CA 94595

Call to Order

President Blum called the meeting to order at 1:00 P.M.

Roll Call

Directors Present: Barbara Blum, President
Diane Mader, Vice President
Bill Dorband, Treasurer
Brant Free, Secretary
Larry Cahn, Director

Mutual Operations staff was represented by Paul Donner, Mutual Operations Director; Rick West, Building Maintenance Manager; Rebecca Pollon, Landscape Manager; Will Kim, Board Services Coordinator.

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

Comcast Presentation

Comcast representatives presented information on current television plans and programs, new applications, compatible devices, and the Mutuals Comcast contract.

Approval of Meeting Minutes

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

Regular Meeting of the Board November 28, 2016

The minutes to the aforementioned meeting was approved as corrected.

Announcements

The next Board Meeting will be held on Monday, February 27, 2017 at 1:00 p.m.

Members' 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. The following topics were discussed: Comcast response time and Alteration Application No. 39521.

Financial Report: Bill Dorband, Treasurer

The monthly report for December 2016 does not show any unexpected variances from monthly budgeted numbers for the month of December, 2016. However, the 2016 year-end figures show some important results of financial activities for the year, and implications for the 2017 budget.

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Our financial position as of December 31, 2016 is as follows:

1. The Operating fund shows \$192,687 cash less trade payables and advance resident coupon payments of \$41,869 for a fund balance of \$150,819.
2. The Shea Settlement fund contains \$15,018 in cash, but is offset by a continuing liability of like amount, and is unavailable for our use at this time.
3. The Replacement Reserve contains \$714,665 in cash and equivalent interest bearing accounts. This is subject to trade payables and other minor offsets of \$15,075, for a net fund balance of \$699,590.

The financial activities are broken down into Operating Fund and Reserve Fund activities.

Operating Fund: The overall result of financial activities in the Operating Fund resulted in an excess of revenue over expenses of \$102,284. Most of that resulted from a reduction of almost \$44,000 in Carpentry and Rain Leak expenses over those projected, and a savings of over \$46,000 in annual Water costs as compared with the budget. Another significant development was the charging of new, 10-year smoke alarms (\$28,200) to Reserves, saving the Operating Fund an annual \$9,000 cost for batteries and replacements.

Reserve Fund: A special assessment of \$2,500 per residence (\$587,500) was collected by the Mutual in 2016, which became part of the overall unassigned Reserve Fund. Certain capital projects were completed, using some of the funds, although final repairs on the property at 3101 and 3103 Grey Eagle were put on hold until certain geological measurements could be taken, and further plans developed as a result.

In addition, we incurred unplanned expenses for Settlement Expenses (\$12,000) and Smoke Alarms (\$28,200). These costs have been considered in our 2017 Reserve budget. We also had a savings of almost \$26,000 over the amount budgeted in the Phase I painting costs.

Assuming that the 2016 preliminary figures are finalized by the outside auditors, we will have a Reserve Fund balance of \$699,590 carried forward from 2016 into 2017. This is less than the projected beginning balance of \$757,687, which was used in developing the 2017 budget. However, our budgeted revenues and expenses should still bring us in with a reserve fund balance of over \$500,000 by the end of 2017.

Coupon contributions to the Reserve Fund increased by \$60 per unit per month in 2017 and are expected to increase again in 2018.

Treasurer Dorband made a motion that the Preliminary Financial Statements of December 31, 2016, including Income Statements and Balance Sheets, with supporting detail, be submitted to Hinricher, Douglas & Porter for the audit of financial statements and the preparation of federal and state tax returns.

Moved, Seconded, Carried 5-0

Landscape Report: Rebecca Pollon, Landscape Manager

Lawn Maintenance: Lawns are being mowed every 3-4 weeks. Irrigation is now off.

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Entry Maintenance: Maintenance crews are clearing drains and v-ditches and working on winter rejuvenation pruning.

Tree Maintenance and Removal: Request for permission to remove an ash tree against 2844 Saklan Indian has been submitted to the city of Walnut Creek, approval is pending.

Landscape Rehab: Brightview will have a plan ready for review in early February to begin a multi-year, mutual-wide landscape rehab project, at which point a site visit will be arranged with the landscape committee.

Building Maintenance: Rick West, Building Maintenance Manager

Action Items:

- a) The Board reviewed and discussed estimates for front landing rehab repairs at 3152 Grey Eagle. A motion was made to approve the estimate by Joe Matta Constriction for front land rehab repairs at 3152 Grey Eagle for a total cost of \$26,892.

Moved, Seconded, Carried 5-0

- b) The Board reviewed and discussed estimates for balcony, dry rot, and fascia repairs at 2992 Saklan Indian. A motion was made to approve the estimate by AMAC for balcony, dry rot, and fascia repairs at 2992 Saklan Indian for a total cost of \$2,150.

Moved, Seconded, Carried 4-1, Director Cahn voted No

- c) The Board reviewed and discussed estimates for landing drill maintenance. A motion was made to approve the estimate by Perfect Painting for landing drill maintenance at a total cost of \$4,000.

Moved, Seconded, Carried 5-0

- d) The Board reviewed and discussed dry rot and rear balcony repairs at 3007 Grey Eagle by MOD (Mutual Operations Division) for \$2,400.

Tabled, pending confirmation on issues with safety and if it was listed as a Section I maintenance issue.

Work In Progress:

- a) MOD Dry Rot Rehab Work on Phase II in preparation for 2017 painting of 31 buildings. Currently, 19 Buildings remaining, work in progress.
- b) Street Light pole painting by CVP for \$6,875 is in progress
- c) 3014 GE, 2954 SI, 547 SO Front landing Excel Coating, Pedestrian System, Perfect Paint \$2,861.50 each, work in progress.

Follow up:

- a) 556 SO. Dry Rot front landing repairs by Toupin Construction for \$24,500.00 has been completed.

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- b) Phase II Over flow Protection Devices: Four-plex Installation of secondary pop ups by Davis Plumbing is complete. A roster of unavailable residents has been provided to the Board.

President's Report: Barbara Blum

Insurance Update: John Tastor, Gallagher & Co, presented an insurance update for 2017. The difference in the premium from 2016 is -6%. New earthquake insurance coverage has been added (not in the above premium decrease) at total limits of \$25,000,000 with a 5% deductible covering GRF Trust Facilities. Risks related to the Del Valle renovation project will be absorbed into the existing program.

Access Control System Concept: Tim O' Keefe described the progress made toward creating a physical device to limit usage of GRF facilities to those authorized to use them. The rationale for such a system is that there are outsiders using GRF amenities and that lessees are using them without making any payment toward them. Thus far, the proposals look like this: Existing GRF members will be grandfathered into the program at no additional cost. New memberships have been proposed to be \$9,000 for one individual and \$2K - \$4K for each additional individual. Lessees' usage fee is proposed to be \$250/lessee/month for usage at all facilities. New residents will pay an additional \$50 administrated fee/person to pay for establishing their access to the facilities. Proof of residency will be needed to establish the rights of co-occupants to access facilities. It is suggested that Mutuals work with their attorney to create the language (MOU) for co-occupancy which will be put in as a rider to the governing documents. More discussions on this subject will follow with the Finance Committee, Advisory Committees, and the GRF Board.

MOD Financials: Rick Chakoff discussed the MOD Financials for the year ending 12/31/2016. The cash surplus is approximately \$146,938. It will probably be proposed that \$140,000 be returned to the Mutuals once the audit has been completed and if the GRF Board approves such a move.

Building Committee: Jack Cassidy, Chair; Larry Cahn, Liaison

The Building Committee will review the Roof Inspection Report.

Community Information Committee: Vickie Hipkiss, Chair; Diane Mader, Liaison

The Eagle Ridge News (TERN) will have a February 2017 edition.

Emergency Preparedness Committee: Brant Free, Chair, Barbara Blum, Liaison

A report was not presented by the Emergency Preparedness Committee.

Landscape Committee: Barbara Blum, Chair; Brant Free, Liaison

The Board reviewed and discussed a homeowner's request to plant low growing shrubs with some color to soften the view from their home. Tabled, pending additional discussion by the Board and the Landscape Committee.

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Social Committee: Wendy Dorband, Chair, Bill Dorband, Liaison

The Holiday Party was held at the Event Center on December 12th and 137 residents attended. Due to concerns with the quality of the food, Creekside Grill has presented Mutual 68 with a \$1,000 credit for future events. The Social Committee will place weather stripping on all Mutual lockers and will provide shelves to the membership.

Holiday Décor Committee: Mike Casey; Chair; Diane Mader, Liaison

The Holiday Décor Committee members were thanked for their work during the Holidays.

Database Committee: Jo Jones, Chair; Vicki Hipkiss, Vice Char.

Members have the right to inspect and copy the association's membership list (Civ. Code § 5210). A membership list is defined to only include the member's name, property address, and mailing address (Civ. Code § 5200(a)(9)).

Welcome Team Committee: Casey Dixon, Chair, Bill Dorband, Liaison

The Welcome Team Committee is continuing to welcome new Residents.

Finance Committee: Dwight Walker, Chair; Bill Dorband, Liaison

Mutual 68 residents will have access to 100 new channels and save approximately \$2 monthly under the new Comcast contract thru Golden Rain Foundation. It will not start for another 4 months.

All Mutual 68 residents currently enjoy basic Comcast cable service, along with unlimited telephone service in the US and Canada, access to high definition DVR, and internet connection. For this, we pay thru our coupon, \$37 to GRF and another \$49 for the Mutual directly to Comcast. The total is approximately \$86 per month per manor. Additional services, such as premium channels, are billed separately to each resident who chooses them.

Beginning January 1, 2017, GRF will be charging \$55 per month per manor throughout all of Rossmoor for basic Comcast service which will now include internet service. Mutual 68 as a group, can choose to continue the current services for each resident, we will pay another \$20 for telephone and \$9 for HDDVR, for a total of \$29. The overall cost to each manor would then be \$84 per month. This would be an overall savings of approximately \$2 per month in the coupon.

Comcast Contract Option

The Board will continue to review and discuss options regarding the Mutual's Comcast contract.

Nominating Committee

A motion was made to nominate Brant Free as Nominating Committee Chairman for the 2017 Annual Board Meeting/Election.

Moved, Seconded, Carried 5-0

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Adjournment

President Blum adjourned the meeting at 4:08 P.M.

Secretary's Certificate

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

A handwritten signature in blue ink, appearing to be 'W. Blum', is written above a horizontal line.

Secretary