

WALNUT CREEK MUTUAL NO. SIXTY-EIGHT

REGULAR MEETING MINUTES OF THE BOARD
MONDAY, MARCH 26, 2018 AT 1:00PM
CLUBROOM - CREEKSIDE
1010 STANLEY DOLLAR DR., WALNUT CREEK, CA 94595

Call to Order

President Free called the meeting to order at 1:04 p.m.

Roll Call

Directors Present: Brant Free, President
Diane Mader, Vice President
Dwight Walker, Treasurer
Gail Todoroff, Secretary
Bill Dorband, Director

The Mutual Operations Division was represented by Paul Donner, Director of Mutual Operations; Rick West, Building Maintenance Manager; Kelly Mattison, Board Services Coordinator; Rebecca Pollon, Landscape Manager; also present was Phil Gregory of Cal Engineering and Geology and Melissa Ward of Hughes Gill Cochrane and Tinetti.

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

Approval of Meeting Minutes

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

Regular Meeting of the Board February 26, 2018

The minutes to the aforementioned meeting were approved with a motion.

Moved, Seconded, Carried 5-0

Announcements

The next meeting of the Board will be held on Monday, April 23, 2018 at 1:00 p.m. in the Clubroom at Creekside.

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.

Update on Soil Stabilization & Remediation @ 3101/3103 & 3113 Grey Eagle Drive: Phil Gregory, Cal Engineering and Bill Dorband, Board Member

Phil Gregory, geophysicist of Cal Engineering and Geology (CE&E) and Mutual 68's representative, reviewed and updated work on the repairs. The original plan was to demolish the homes at 3101 and 3103 and to repair the rear yard upper slide at this location.

When ESR began the work, they discovered that the landslide plane extended much deeper than expected and required a design change including construction of a retaining wall to protect 3113 Grey Eagle Drive. Excavation also discovered an earlier retaining wall that had been built by Shea.

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In addition, the land at 3101-3103 will be terraced and there will be three retaining walls totaling about 100 feet to buttress the land at 3101 and 3103. The plan remains to turn the 3101-03 land into a community park. There will be an Eagle Ridge Town Hall to elicit resident input for how this should be developed.

Throughout the process, ESR's designs and activities have been reviewed and tested by Mr. Gregory and our geologist, Kevin Ryan. We've documented what has been done and its costs so that we can report this to the insurance companies and be reimbursed.

The additional construction, that is, the revised scope and cost is projected to be \$457,188.28.

When will the repair be completed? Rain delayed the project. The revised plans will be submitted to Walnut Creek by the end of April after CE&G review. The anticipated start for the final phase is late May or early June with completion in September 2018.

And the mounds of dirt will be gone!

Status of Our Insurance Claims

Director Dorband reported that the Mutual is revising the claim based on information coming in. Insurance companies have paid the Mutual \$3.5 million. We are working to get back as much as possible, but additional costs and claims may mean that final resolution will not be until the end of the year.

Financial Report/Finance Committee Report: Dwight Walker, Treasurer and Judy Box, Chair of the Finance Committee

Enclosed as "Attachment 1", the February 2018 financial report/dashboard was presented.

Treasurer Dwight Walker reported: Operating Fund is in good shape; we are right on budget, and unfavorable variances have been due to rodent expenses. Our reserves are approximately \$700,000. However, 2018 projects of Phase 3 carpentry rehab/painting and roof repairs will use up a major portion of our reserves for this year. We project that reserves will increase to appropriate levels over time with the new monthly coupon.

As a result of a new investment of our reserves and Land Stabilization Fund cash, the Mutual expects to earn \$5000 per month. Rick Chakoff, GRF CFO, has worked with Mechanics Bank to develop a plan (CDAR) for depositing approximately \$3.2 million in rolling CD's in various insured banks that will provide the needed liquidity. The Finance Committee determined that the funds need to be liquid and recommended the 4 week, 1.38% CDAR program.

The Committee has established a Task Force led by Traude Valachi to investigate earthquake insurance. John Tastor, Rossmoor's outside insurance broker, will meet with the Task Force on April 4 at 10:30 in Gateway Multipurpose Room 1.

A motion was made to authorize investment by Rick Chakoff, CFO to open CDARS accounts with Mechanics Banks on a 4 week rolling basis, up to 4.4 million dollars.

Moved, Seconded, Carried 5-0

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GHAD

A GHAD could be formed by the Mutual alone or in conjunction with GRF and other Mutuals. It is even possible to join an existing GHAD. There are over 35 GHADs in California. Two examples in Contra Costa County are Blackhawk and Canyon Lakes.

The Board will investigate the advantages and disadvantage of forming or joining a GHAD and present a proposal to residents. To establish a GHAD, there must be an affirmative vote of residents in the affected area(s).

GHAD is Geological Hazard and Abatement District: an independent, state-level public agency that oversees geologic hazard prevention, mitigation, abatement and control.

Building Maintenance Report/Building Maintenance Committee: Rick West, Building Maintenance Manager; Mike Casey, Chair of the Building Committee

Recommendation re LED Lighting:

Mike Casey reported that the committee recommends proceeding with plug and play LED conversions as the existing bulbs burn out. Silver Light is the manufacturer recommended by the committee.

A motion was made to proceed with the LED Lighting project per the committee's request.

Moved, Seconded, Carried 5-0

Non-Standard Alteration Request - Extension of gas line to barbeque grill:

A motion was made to approve alteration permit application number 41474.

Moved, Seconded, Carried 5-0

A motion was made to make extensions of gas lines for barbeques a standard type of permit review.

Moved, Seconded, Carried 5-0

Rick West presented the following building maintenance report:

Action Items: Proposal review and Approval

1. Phase II Roof Tune Up 30 Buildings – Out to Bid
2. Inspection of Phase II Four Plex Front landing repairs. (Destructive Testing and Scope of Work will go out to bid in April)

Information Items: Work Scheduled, In Progress or Completed

1. 2966 SI - Retaining Wall Repairs due to Fallen tree - Contractor; Acustruct (Scheduled to be completed 3/30/18).
2. Phase III Painting - Contractor; Pacific Trim Project is scheduled to begin Summer 2018.
3. Phase III Dry Rot Rehab - MOD (Work scheduled to begin April 2018).
4. 2842 SI - New duct work install due to rodent damage. Contractor; Clean Air Cost \$4,000.

Landscape Report/Landscape Committee Report: Barbara Blum, Chair of the Landscape committee; Gail Todoroff, Board Liaison to the Landscape Committee; Rebecca Pollon, Landscape Manager

Barbara Blum gave the following landscape report:

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- Janek Bubela, 2846 Saklan Indian Drive, has been appointed the new landscape representative for Saklan Indian
- The committee is continuing to have residents pay for the back areas to be rehabbed by consulting with Brightview rather than wait for the Mutual to pay for the work
- There will be a town hall meeting to obtain resident input on the design and use of the land at 3101-3103 Grey Eagle Drive, once construction work is completed, which is currently projected for September. The budget for this project is \$25,000
- Landscape Committee will meet in a few months, no date has been set as yet, when the Sunset Park lot is ready for viewing and planning
- The committee is requesting clarity on the maximum limit that the Landscape Committee can approve independently for items of routine nature.

Landscape Manager Rebecca Pollon gave the following landscape report:

MAINTENANCE ITEMS

As weather warms and days lengthen, growth patterns will begin to accelerate. Residents can look forward to blooming Azaleas, Rhododendrons and Cherry trees. Late season rains will postpone the activation of irrigation systems which will save water and money in April.

LAWN MAINTENANCE: Mowing will increase to 2-3 times monthly as weather allows. Turf will be aerated and fertilized in the next 8 weeks as weather allows.

WATER USE: Due to late season rains we expect to irrigate very little for the remainder of March. In late April or early May, be on the lookout for signs of water leaks and irrigation breaks. If a break is suspected please report the location to the work order desk.

ENTRY MAINTENANCE: Entry maintenance crews are wrapping up winter pruning tasks including hard pruning of shrubs for size control and good health. Shrubs will be fertilized over the next 6 weeks to feed plants for spring growth.

For all **LANDSCAPE MAINTENANCE REQUESTS** including pruning, irrigation and entry cleanup please contact the work order desk for immediate assistance.

WORK ORDER DESK

By phone: 988-7650

By email: WORKORDER@ROSSMOOR.COM

BOARD ACTION or DISCUSSION ITEMS

TREE

Total 2018 Tree Budget	\$15,000
Tree 2018 Budget Remaining	\$15,000

TREE MAINTENANCE

- 'Hand excavate fallen tree stump and roll to bottom of canyon' \$1987.50

A motion was made to approve the hand excavation of the fallen tree stump behind 2966

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Saklan Indian by Waraner Bros. in the amount of \$1,987.50.

Moved, Seconded, Carried 4-1, Director Walker Voted No

TREE REMOVALS

- Remove 10 Plum trees \$1,212

A motion was made to approve the removal of 10 plum trees by Brightview in the amount of \$1,212.

Moved, Seconded, Carried 5-0

LANDSCAPE REHAB

Total 2018 Rehab Budget	\$5,000
Rehab 2018 Budget Remaining	\$5,000

- None

IRRIGATION

Total 2018 Irrigation Budget	\$8,885
Irrigation 2018 Budget Remaining	\$8,885

CONTROLLER REPLACEMENTS

- ET Water to replace 5 failing irrigation controllers \$10,450

A motion was made to approve the replacement of 5 SMART irrigation controllers in the amount of \$10,450.

Moved, Seconded, Carried 5-0

OTHER ITEMS

COMMITTEE APPROVAL LIMIT: A motion was made for committee approval limit of up to \$500 as follows with a change to the policy "Financial Activities":

Unless specifically exempted in writing to the Manager, non-emergency, mutual-billable landscape activities in excess of \$500 must be pre-approved by a Board Member. Items approved between Board meetings will be brought to the attention of the Board at the next meeting.

Moved, Seconded, Carried 5-0

A motion was made to approve the pest control contract.

Moved, Seconded, Carried 5-0

President's Report: Brant Free

A report was not presented.

Report of Other Standing Committees

Community Information Committee: Vickie Hipkiss, Chair – a report was not presented

Data Base Committee: Vickie Hipkiss, Interim Chair – a report was not presented

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Social Committee: Wendy Dorband, Chair – Invitations for the Champagne Brunch are going out to Saklan Indian next. The Brunch is on Saturday, April 21st at 11am in the Fireside Room. The cost is \$37. The summer Picnic will be held on August 11th. The Holiday Party will be held on December 10th.

Welcome Team: Casey Dixon, Chair – The committee continues to welcome new Members. There were no new owners in February. An alteration meeting with some new incoming owners will take place soon and will be invited to the Champagne Brunch.

Unfinished Business

Policy on Security Cameras and Other Security Devices:

Mutual 68's attorneys revised the proposed surveillance policy to make it clear that it does not apply to surveillance within the interior of a home. A motion was made to approve the draft of the "Surveillance Equipment policy" for distribution to the members for the mandated 30-day comment period prior to consideration of adoption at proceeding open meeting of the Board.

Moved, Seconded, Carried 5-0

Changes to our Solar Installation Policy:

Mutual 68's attorneys made some revisions to the original draft, but the Board felt that it still did not guarantee that all residents would have an opportunity to install solar energy. The Board again requested the attorneys to revise the policy to allocate definite area to specific addresses.

Parking Issues: The Board discussed ways to enforce parking violations and the difference between the Board's authority on the Mutual's private streets versus the GRF public streets.

Adjournment

President Free adjourned the meeting at 3:29 p.m. and the Board moved into Executive Session.

Executive Session Summary

The Board met in executive session to discuss a member's request.

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.



Assistant Secretary

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Attachment 1

Mutual 68 Financial Dashboard February, 2018				
	Operating Fund	Replacement Reserve	Land Stabilization	
Cash and Investments:				Int Rate
City National Bank Checking Operating	17,049	-		
Shea Settlement in Escrow		15,022		
Mechanics Bank	151,534	699,518	2,247,032	0.00%
Total Cash and Investments	168,583	714,540	2,247,032	
Resident Accounts Receivable	881			
Special Assessment Loans Receivable			665,526	
Accounts Receivable Other	3,793			
Due to (from) other Funds	43	15,018	(15,061)	
Mechanics Bank Loan Payable	-	-	687,760	
Ending Fund Balances	199,042	642,477	2,214,058	
YTD Revenue:				Major Op Budget Variances:
Actual	315,362	152,992	5,653	
YTD Operating Budget	315,338			
Total Year Reserve Budget		917,955	-	
Operating Fav/(Unfav)	24			Carpentry Repairs (Rodents) (8,468)
Reserves Remaining Budget		764,963	5,653	Insurance (3,208)
				Legal Fees (6,642)
YTD Expenses:				
Actual	291,084	12,514	26,116	
YTD Operating Budget	290,726			
Total Year Reserve Budget		815,607	-	
Operating Fav/(Unfav)	(358)			
Reserves Remaining Budget		803,093	(26,116)	Identified Major Variances Total (18,318)
YTD Excess(Deficiency)Rev over Exp:				
Actual	24,278			
Budget	24,612			
Fav/(Unfav)	(334)			
Reserve Fund Expenses Projection				Reserve Fund Expense Notes:
2018 Budget		815,607	-	
Commitments by Board to Date		538,404	4,397,704	Painting Phase 3 contract (15,890)
% Committed		66%		
ESTIMATED Insurance Proceeds			4,278,834	
% ESTIMATED Recovery			97%	

Prepared by Finance Committee