

# WALNUT CREEK MUTUAL NO. SIXTY-EIGHT

REGULAR MEETING MINUTES OF THE BOARD  
MONDAY, AUGUST 28, 2017 AT 1:00PM  
BOARD ROOM, GATEWAY COMPLEX  
1001 GOLDEN RAIN RD., WALNUT CREEK, CA 94595

## Call to Order

President Free called the meeting to order at 1:02PM

## 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 Operations; Rebecca Pollon, Landscape Maintenance Manager; Rick West, Building Maintenance Manager; Kelly Mattison, Board Services Coordinator; also present was Steve O'Conner with ESR

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.....July 24, 2017  
Executive Meeting of the Board.....July 24, 2017  
Executive Meeting of the Board.....August 12, 2017

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

**Moved, Seconded, Carried 5-0**

## Announcements

The next Meeting of the Board will be held on Monday, September 25, 2017 at 1:00PM in the Gateway Board Room.

## 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 the Deconstruction of 3101/3103 Grey Eagle Drive Stabilization of the Site:

Steve O'Conner was present from ESR and provided information on the deconstruction, permits, and expectations of cost and timing. Steve O'Conner will be present at the Mutual's monthly meetings to keep providing updates as the project moves along.

A motion was passed to approve a resolution to GRF to recognize Mutual No. Sixty-Eight as

## WALNUT CREEK MUTUAL NO. SIXTY-EIGHT

having 233 units instead of 235 units upon deconstruction. The resolution is enclosed herein as "Attachment 4".

**Moved, Seconded, Carried 5-0**

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

Enclosed herein as "Attachment 1", "Attachment 2", and "Attachment 3", the July 2017 financial report and dashboard were presented.

A motion was made to replenish \$251,952 from the land stabilization to Reserve.

**Moved, Seconded, Carried 5-0**

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

Action Items:

1. Utility Closet Doors – Ahamada Construction repair and replacement time and Material project (On Hold for financial reasons).

Work In Progress:

1. Phase II Painting – Contractor Pacific Trim for 30 buildings \$257,548. Estimated completion date is September 1<sup>st</sup>. Trim and punch list items are all that remain for Phase II Painting.
2. Repair and Valley replacement Phase I – for 21 buildings, contractor is Timberline Roofing \$105,630. 10 buildings remaining. Estimated completion date is the week ending October 13<sup>th</sup>.
3. 2966 SI – Obtaining additional information opinions on retaining wall repairs from ESR and Accustrut (scheduled). Also working with McLarens Insurance.
4. 513 SO – Empireworks scheduled for destructive testing. Will then go to Bertolami Engineering for scope of work.

Completed:

1. 2884 SI – Resale balcony railing replacement due to safety issues. MOD cost \$2,175.
2. 2846 SI – Building repairs due to fallen tree. MOD cost \$1,847 for gutter replacement and tile repairs.
3. 2992 SI – Mailbox post replacement.
4. 2996/2998 SI – Window leaks. Found and corrected leaks.

**Landscape Report/Landscape Committee Report: Rebecca Pollon, Landscape Manager; Gail Tordoff, Board Liason to the Landscape Committee**

Backyard landscaping at owner's expense and with the use of pre-chosen plants by Brightview has begun. Anyone interested in having their area done can contact their Landscape Committee Representative to have Brightview notified.

Lawn Maintenance: Turf mowing is occurring weekly. Edging is performed every other week. Irrigation is ON and will be running frequently during the upcoming hot spell. The system is checked regularly but if irrigation malfunctions are suspected please email or call the work

# WALNUT CREEK MUTUAL NO. SIXTY-EIGHT

order desk as soon as possible.

Entry Maintenance: Entry maintenance crews are on summer schedules for natural pruning for size control and performing general cleanup. Weed treatment is ongoing.

Tree Maintenance and Removals: A removal permit is still pending for a Magnolia tree at 3075 Grey Eagle.

Landscape Rehab: The remainder of Phase 1 rehab is complete. Color spot installations will occur in September.

## **President's Report: Brant Free**

President Free provided an overview of the most recent President's Forum.

## **Reports of other Standing committees**

Community Information Committee: Vickie Hipkiss, Chair – A report was not presented. Vickie is working on the resident's handbook.

Data Base Committee: Vickie Hipkiss (Interim Chair) – A report was not presented.

Social Committee: Wendy Dorband, Chair – 110 people attended the picnic. The budget covered the event with a balance forward of \$1000. The balance forward will be used for the holiday party in mid-December.

Welcome Team: Casey Dixon, Chair – There is an alteration meeting tomorrow 8/29/17. Casey has received a positive response on the first one attended.

Holiday Décor Committee: Mike Casey, Chair – A report was not presented.

Emergency Preparedness Committee: Brant Free, Chair – A report was not presented. September is emergency preparedness month.

## **Unfinished Business**

Establishing a task force on parking & unsafe driving is currently on hold.

## **New Business**

Alteration Permit Request #40576 for 3022 Grey Eagle Drive: A motion was made to approve the alteration application #40576.

**Moved, Seconded, Carried 5-0**

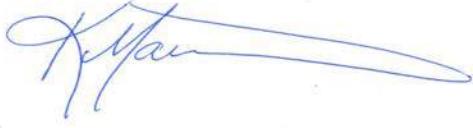
## **Adjournment**

President Free adjourned the meeting at 3:35PM.

## **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.

WALNUT CREEK MUTUAL NO. SIXTY-EIGHT

A handwritten signature in blue ink, appearing to read "K. Pan", with a long horizontal flourish extending to the right.

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**Assistant Secretary**

# WALNUT CREEK MUTUAL NO. SIXTY-EIGHT

## Attachment 1

Mutual 68 Financial Dashboard July, 2017					
	Operating Fund	Replacement Reserve	Land Stabilization		
<b>Cash and Investments:</b>				Int Rate	Notes:
City National Bank Checking Operating	219,591	-	1,350,019		Deposits of Special Assessments in Operating Account
City National Bank Checking Reserve		60,681		0.20%	with transfers to Mechanics Bank in August
Shea Settlement in Escrow		15,022			Shea Escrow fund held by Attorney
Capital One Sharebuilder		253,726		0.40%	Capital One balance transferred to Mechanics August
Mechanics Bank			1,141,166		
<b>Total Cash and Investments</b>	<b>219,591</b>	<b>329,429</b>	<b>2,491,185</b>		All Cash in process of moving to Mechanics Bank
<b>Resident Accounts Receivable</b>	<b>177</b>		<b>1,054,000</b>		
					<b>Other Balance Sheet Notes:</b>
<b>Accounts Payable</b>	<b>38,780</b>	<b>186,830</b>	<b>40,023</b>		
Due to (from) other Funds		(251,952)	251,952		Need Board motion in August to transfer funds
Mechanics Bank Loan Payable	-	-	2,700,000		\$1.3 million payoff of Mechanics Bank Loan on 8/2/17
<b>Ending Fund Balances</b>	<b>194,595</b>	<b>389,728</b>	<b>567,271</b>		
<b>YTD Revenue:</b>				<b>Major Op Budget Variances:</b>	<b>Fav/(Unfav)</b>
Actual	1,069,003	314,090	3,995,050	Revenue--MOD Dividend	5,158
YTD Operating Budget	1,065,568			<b>Expenses:</b>	
Total Year Reserve Budget		536,477	3,995,000	Rain Leaks	(19,227)
Operating Fav/(Unfav)	3,435			Tree Removal/Maintenance	(6,200)
Reserves Remaining Budget		222,387	50	Water Variance is confusing:	68,074
				Water bills 6/2016 YTD \$98,292	
<b>YTD Expenses:</b>				Water bills 6/2017 YTD \$88,762 -10%	
Actual	1,025,227	577,051	3,428,370	MOD to provide electronic access to usage	
YTD Operating Budget	1,078,145				
Total Year Reserve Budget		817,450	3,995,000	<b>Identified Major Variances Total</b>	<b>47,805</b>
Operating Fav/(Unfav)	52,918				
Reserves Remaining Budget		240,399	566,630		
<b>YTD Excess (Deficiency) Rev over Exp:</b>					
Actual	43,776				
Budget	(12,577)				
Fav/(Unfav)	56,353				
<b>Reserve Fund Expenses Projection</b>				<b>Reserve Fund Expense Notes:</b>	
2017 Budget		817,450	3,995,000	Solar Attic Fan replacement of \$18,000 moved to 2018	
Commitments by Board to Date		808,105	4,021,443	Rehab for Painting over budget \$97,240.	
Percentage Committed		99%	101%	Deck Coatings over budget by \$18,079	
				Roof Valley Repl over budget by \$55,630	
Attachments: Balance Sheet, Operating and Reserve Income/Expense Detail and Reserve Fund Projection					

# WALNUT CREEK MUTUAL NO. SIXTY-EIGHT

## Attachment 2

Mutual 68 3101/3103 Grey Eagle Project Land Stabilization Projection						
Updated 8.14.17						
	Budget	2017 YTD Actual	Forecast to complete	Estimated Final Cost	Under/Over Budget	2016
	Notes:					
<b>Settlement Expenses:</b>						
Moving	15,658	15,658	-	15,658	-	
Temporary Living	40,000	50,132	-	50,132	(10,132)	2/17-7/10/17 (143 days)
Buy Out	3,123,333	3,123,000	-	3,123,000	333	M 1558k + F 1565k per purchase agreement
Storage of household goods	5,000	6,679		6,679	(1,679)	
Closing Costs	10,000	3,112		3,112	6,888	
2016 Settlement Expenses						12,000
Prorated RE Taxes		2,072		2,072	(2,072)	Per Purchase Agreement
<b>Deconstruction:</b>						
Landscape vacant lot	10,000		10,000	10,000	-	
Demolition Costs	170,000		158,999	158,999	11,001	ESR
Salvage Value	(10,000)			-	(10,000)	
3101/3103 Lot Stabilization	400,000		388,422	388,422	11,578	ESR
Permit Fees			30,000	30,000	(30,000)	Estimate without renewal of previous County permit
<b>Legal Fees</b>	75,000	92,431		92,431	(17,431)	7.31.17 YTD Ryan Geological, Hughes & Gill, etc
Insurance Coverage Attorney		7,425		7,425	(7,425)	Fishleder
Videographer of damage		3,368	2,036	5,404	(5,404)	Gorilla Creative
2016 Legal and Prof Fees						28,047
Geo Engineering Fees	75,000	103,733		103,733	(28,733)	
Site Engineer Fees	25,000		25,000	25,000	-	Kevin Ryan-Time and Materials
Site Supervisor			10,000	10,000	(10,000)	Phil Gregory-estimate from Cochrane--no proposal yet
Loan Origination Fees		9,450		9,450	(9,450)	recoup from \$2.50 admin fee/mo?
Loan Doc Fees		1,000		1,000	(1,000)	recoup from \$2.50 admin fee/mo?
Interest on note to sellers		10,310		10,310	(10,310)	
Insurance Claim Proceeds	?					
GRFS Settlement Proceeds	?					
<b>Contingencies</b>						
	56,009	-		-	56,009	
<b>Total</b>	<b>3,995,000</b>	<b>3,428,370</b>	<b>624,457</b>	<b>4,052,827</b>	<b>(57,827)</b>	<b>40,047</b>

# WALNUT CREEK MUTUAL NO. SIXTY-EIGHT

## Attachment 3

Mutual 68 Reserve Projection										
RESERVE FUND ROLLING 5 YEAR PROJECTION										
	Updated 8.14.17									
	2017	2017	FORECAST TO	ESTIMATED	UNDER/(OVER)	2018	2019	2020	2021	
	BUDGET	YTD ACTUAL	COMPLETE	FINAL COST	BUDGET	MOD Proj	MOD Proj	MOD Proj	MOD Proj	
<b>General Building Repairs</b>										
Carpentry										
Rehab for Painting	100,000	197,240		197,240	(97,240)	100,000				
Concrete Repair	2,000			-	2,000	2,000	2,000	2,000		
Woodpecker Damage	3,000	215		215	4,785					
Carpentry, Special Assessment										
Front Landings Dry Rot	110,000	34,942	26,573	61,515	58,485	110,000	120,000			
Deck Coating	4,000	22,079		22,079	(18,079)	4,000	4,000			
Deck Resealing	\$ -	-	3,400	3,400	(3,400)					
Painting:	270,000	257,915		257,915	12,085	290,000				
Wrought Iron										41,000
Refinish Door										
Mailboxes									13,000	
Masonry Wall Repair									1,400	
Roofing:										
Tune Up	30,000	18,252	34,910	33,162	(3,362)	30,000				
Replace Valleys		-	33,630	33,630	(33,630)		75,000	75,000	75,000	
Tiles, Underlayment										
Sheet Metals/Gutter Repair										
Gutters/Downspouts										
Wood, Replace										
Mechanical & Electrical:										
Lighting										55,000
Solar Powered Attic Fans	18,000	118		118	17,882	18,000	18,000			43,000
Fire Safety		1,331		1,331	(1,331)					
HVAC		1,630		1,630	(1,630)					
Concrete/Drainage/Maintenance		4,344		4,344	(4,344)					
Asphalt-Replace Cui de Sacs									177,000	
Asphalt-Slurry										
Monument Refurbish									1,700	
Recreational-benches, tables										
Landscaping:										
Irrigation	6,000	3,825	30,440	14,265	(8,265)	6,000	6,000	3,000	3,000	
Landscape, Repair Fund										
Building Landscape Rehabilitation	138,000	71,631	38,101	108,732	28,268	138,000	138,000			
Small Turf Rehabilitation	11,000	-	30,000	10,000	1,000	11,000	10,000			
Large Turf Rehabilitation	13,300	-	30,000	10,000	3,300	13,300	13,300			
Landscape Enhancements	3,000	2,933		2,933	2,043	3,000	3,000	30,000	30,000	
Reserve Study	850	354		354	396					
<b>SUBTOTAL EXPENDITURES</b>	<b>743,430</b>	<b>617,051</b>	<b>198,054</b>	<b>808,105</b>	<b>(64,653)</b>					
<b>LAND STABILIZATION EXPENSES:</b>										
Settlement Expense	24,000	69,481								
Building Stabilization	30,000	79,247								
Professional Services		103,224								
<b>SUBTOTAL 3103/3103 GE</b>	<b>74,000</b>	<b>251,932</b>								
<b>GRAND TOTAL EXPENDITURES</b>	<b>817,430</b>	<b>869,003</b>				<b>757,300</b>	<b>391,500</b>	<b>338,100</b>	<b>195,000</b>	
<b>Beginning Reserve Fund Balance</b>				699,590		427,285	346,585	631,885	950,385	
<b>Add:</b>										
Annual Res Fund Rev @ \$190, \$240				335,800		676,800	676,800	676,800	676,800	
<b>Subtract:</b>										
Reserve Fund Expenditures				(808,105)		(757,500)	(391,500)	(338,100)	(195,000)	
<b>Projected Ending Reserve Fund</b>				<b>427,285</b>		<b>346,585</b>	<b>631,885</b>	<b>950,385</b>	<b>1,432,385</b>	



WALNUT CREEK MUTUAL NO. SIXTY-EIGHT

Attachment 4

**MUTUAL 68 BOARD OF DIRECTORS**

**RESOLUTION TO REQUEST GOLDEN RAIN FOUNDATION  
RECOGNITION OF REDUCED NUMBER OF MANORS**

WHEREAS: MUTUAL 68 IS IN THE PROCESS OF DECONSTRUCTING THE BUILDING (3101- 3103 GREY EAGLE DRIVE) IN WHICH TWO MANORS ARE CURRENTLY LOCATED, AND

WHEREAS: MUTUAL 68 HAS PURCHASED THE MANORS FROM THE PREVIOUS RESIDENTS, AND

WHEREAS: UPON THE DECONSTRUCTION OF THE BUILDING AND STABILIZATION OF THE HILLSIDE, THE MUTUAL WILL NOT BE RECONSTRUCTING REPLACEMENT MANORS ON THE SITE

RESOLVED: THAT UPON SUCH DECONSTRUCTION, THE MUTUAL REQUEST THAT THE GOLDEN RAIN FOUNDATION

A. RECOGNIZE THAT THE NUMBER OF MANORS IN MUTUAL 68 HAS BEEN PERMANENTLY REDUCED FROM 235 MANORS TO 233 MANORS, AND

B. THAT ANY FEES, COSTS OR OTHER OBLIGATIONS OWED TO GOLDEN RAIN FOUNDATION BASED ON THE NUMBER OF MANORS BE REDUCED ACCORDINGLY.

DATED: AUGUST 28, 2017

  
GAIL TODOROFF, SECRETARY