

MINUTES

WALNUT CREEK MUTUAL SEVENTY REGULAR MEETING OF THE BOARD OF DIRECTORS THURSDAY, MAY 15, 2014 AT 2:00 P.M. BOARD ROOM – GATEWAY COMPLEX

President Eldon Rowe opened the meeting at 2:00 p.m. Directors Alan Matthews, Jerry Cruson, Russell Cunningham and Ellen Dietschy were also present. Two resident members were also present.

Staff was represented by Steve Ormond, Landscape Supervisor; Rick West, Building Maintenance Manager; and Anne Paone, Administrative Secretary.

Excused: Paul Donner

APPROVAL OF THE MINUTES

Mr. Rowe asked for any additions or corrections to the minutes of the regular and executive session Board meetings of April 17, 2014. Hearing none, he declared them approved as written and reviewed.

MEMBERS' FORUM

None

SECRETARY'S REPORT

No report

TREASURER'S REPORT

Mr. Cruson reported that the operating fund expenses YTD through April 30 are \$198,000. That is \$9,400 over budget. The operating fund final balance is \$51,325. The Reserve expenses are \$87,000 and are under budget by \$65,000. The Reserve fund has \$1,434,705. The Mutual total fund balance is \$1,486,030.

PRESIDENTS' FORUM

Mr. Rowe reported that the Contra Costa County Fire Dept. has a new system established to hold lockbox codes in their encrypted system. A resident may contact the fire department and give them their codes to any lockbox and if there is an emergency, this would allow immediate entry and without any damage. You may provide the information by using the email: jwalk2@cccfd.org.

Each president was asked to sign off on 2 drafts presented by the Trust Agreement Task Force Committee. They were authorizations for the Mutual to pay its share of legal cost for the Mutual members of the GRF Trust Review and Revision Committee. The task force will move forward on the assumption that 100% of Mutuals will be needed.

LANDSCAPE REPORT

Mr. Rowe reported that the fallen tree near 3270 Terra Granada was removed. Waraner Tree Service did a fantastic job and under budget, too. He wanted the crew recognized for doing such a wonderful job. The wood chips were used on the hillside as mulch.

The Committee voted to have dead or dying plants removed, but not replaced during the duration of the drought.

Mr. Ormond reminded everyone that if they see a broken sprinkler to call MOD.

MUTUAL OPERATIONS REPORT

Mr. West reported that AMAC/Stoddard provided an estimate for the installation of sewer cleanouts. The test building is 3644 Terra Granada. The range will be between \$1600-\$2050, depending on what they run into when doing the installations.

Mr. Cunningham asked for the number of cleanouts to be done. Mr. West will present the information at the next meeting.

Toupin is still working on 3622 Terra Granada. The stucco scratch coat was done on May 9.

Mr. West reported that the owner at 3425 Terra Granada will pick up invoices at MOD and will resubmit to his insurance company. He said he would put a check in the mail for \$34,485.01 payable to the Mutual.

Repair of the deck holes is in progress. To date, 36 have been completed. Tom Popp is supervising. Phase one will be completed by mid-June. Mr. West advised the Board that the deck holes for the new project should be completed much faster in phase two of the roofing project.

State Roofing will begin phase two roofing project on June 9th. Mr. West will present the proposal to the Board for the downspout diversion.

Mr. West reported that 3874 and 3288 Terra Granada are still being addressed regarding the elevators. Otis reported that 3874 had some water in the mechanical room. Mr. West reported that it was about the size of a small puddle of water. Stoddard measured the water in the pit. They went back out and there was no increase after three days.

It was suggested that a sump pump be installed and the water stored in a barrel. Mr. Rowe decided that they should hold off on sealing the pit until there is more information available to the Board on sump pumps. Mr. West will give an update at the next meeting. Mr. Rowe wanted to know if it is okay to hold off until the next meeting. Stoddard will continue to keep measuring. If the water is clean, the water can go into the sewer pipe. Mr. Cunningham is opposed to pumping into 55 gallon drums. He thinks it should pump into the sewer line.

3773 Terra Granada has been deferred until the residents are available to attend. They are currently out-of-town.

Mr. West asked for approval for phase one and phase two repairing of deck holes.

Mr. Cunningham motioned to approve funding to repair holes in the decks at \$300 per deck for phase one and phase two. Mr. Matthews seconded and the motion carried without dissent.

Mr. West asked the Board to approve \$14,370 for the replacement and diversion of downspouts for phase two.

Mr. Cunningham motioned to approve \$14,370 for the replacement and diversion of the downspouts for phase two. Mr. Matthews seconded and the motion carried without dissent.

Emergency Preparedness Committee

Ms. Dietschy reported the committee had a meeting with a small group of people attending. There were a number of knowledgeable people that attended, but they really didn't get to brainstorm. She would like to see that happen at the next meeting.

ALTERATIONS

Mr. Matthews reported that from December 2013 to May 2014, there were 12 alterations completed and 14 alterations processed.

GOVERNING DOCUMENTS

Mr. Rowe reported that the new Operating Rules were revised. He asked for a motion to adopt the changes.

Mr. Cunningham motioned to adopt the changes to the New Buyer Mutual 70 Rules Orientation, Section 15.2. Mr. Matthews seconded and the motion carried without dissent.

Mr. Cunningham motioned to adopt the changes to Appendix A, Mutual and Resident Responsibilities, Balconies and Patios. Mr. Matthews seconded and the motion carried without dissent.

The Board instructed the assistant secretary to mail out the flooring policy changes along with these two changes to the membership for a 30-day comment period. The Board will adopt the changes at the next Board meeting.

OLD BUSINESS

Mr. Rowe asked who the liaison to the Helsing Group is. Mr. West reported that Chris Preminger receives the reserve study reports.

Mr. Rowe thinks the document committee should look at the issues that Chris Preminger brought up regarding the Operating Rules.

Mr. Rowe reported that carrying on the \$50,000 through thirty years on the reserve study was not appropriate. Helsing should have contacted the Board before pursuing. When the funds were progressed out that way, it showed the Mutual will have a great deficit. People were upset about the report that went out.

Mr. West advised that they can have a representative sit down with Helsing Group to go over any concerns or changes.

Mr. Cruson was concerned about the annual disclosures that were sent out. They included some rules that are out-of-date. The audit report had some misinformation. Mr. Cruson is not happy that bad disclosure information has been sent out.

Mr. Cunningham recommended having the Helsing Group revise the report and then send the corrections to the members as a replacement disclosure.

Ms. Dietschy motioned to have Helsing Group correct the annual disclosure summary and have Helsing Group send the corrected disclosure to the members with a letter explaining the changes. Mr. Cunningham seconded and the motion carried without dissent.

NEW BUSINESS

Mr. Rowe announced that Mr. Matthews and Ms. Dietschy were elected by acclamation. He extended the Board's congratulations to them. Officers will be elected after the annual meeting.

ANNOUNCEMENT

The next regular board meeting: Thursday, June 19, 2014 at 2:00 p.m. in the Board Room in Gateway.

ADJOURMENT

Having no further business, the meeting adjourned at 3:40 p.m.

/s/

Ellen Dietschy, Secretary
Walnut Creek Mutual Seventy