

# WALNUT CREEK MUTUAL NO. EIGHT

## QUARTERLY MEETING MINUTES OF THE BOARD FRIDAY, NOVEMBER 15, 2019 AT 1:00PM MULTI-PURPOSE ROOM - GATEWAY 1001 GOLDEN RAIN ROAD

### Call to Order

President Ware called the Quarterly Meeting of the Board of Directors to order at 1:01 p.m.

### Roll Call

**Directors Present:** Jim Ware, President  
Luther Avery, Vice President  
Bob Eisner, Secretary/Treasurer  
Alfreda Bell, Director  
Rod Weimer, Director

Mutual Operations Staff Present: Paul Donner, Mutual Operations Director; Rick West, Building Maintenance Manager; Jo Ann Cooper, Financial Advisor and Lucy Limon, Administrative Assistant.

### Approval of Minutes

President Ware asked for any corrections and/or additions to the following sets of minutes:

Regular Meeting of the Board .....August 16, 2019  
Executive Session of the Board .....August 16, 2019

Jim Ware moved that the Board approve the minutes of meetings previously mentioned.

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

### Staff Reports

1. **Maintenance Report – Rick West:** The following report was given:

#### PENDING ITEMS: Proposals for Review or Approval

1. 1232 SC Re Piping Project – units 7-10 and then Units 11-12 – Contractor: Five Star - Estimates Units #7- #8 - \$24,000.00. Units #9 - #10 - \$24,000.00. Units #11- #12 - \$30,500.00. - Total Project Estimate - \$78,500.00. (Board to vote to approve project). 2020 Budget \$48,000.00.

2. Balcony Inspection report completed. Highlighted issues:  
No coating on decks: 1138 #1 (Slight dry rot), 1122 #5 (Tighten bolts on wall) 1208 #5, 1208 #6, 1268 # 5, all these decks have a painted surface with the plywood seams exposed. (Any exterior deck exposed to the weather should have a water-proof deck coating). Preliminary budgeting estimate - \$50,000.00 to complete phase I of the balcony project in 2020. Estimate to completed needed balcony work before the end of 2024 for the SB 326 compliance \$110,000.00.

#### INFORMATION ITEMS: Work In Progress or Completed

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1. Mutual 8 approved a 3-year contract with Professional Gutter Services The first cleaning will begin in November the second cleaning is scheduled for early February. Annual Cost for this service is \$10,950.00 or \$5,475 each cleaning. This new contract includes cleaning of the roof drain system.

## 2. Landscape Report – Rebecca Pollon

### *FALL/WINTER 2019 MAINTENANCE REPORT*

*Fall colors are lighting up Pistache, Liquidambar and Red Maple trees to name a few.*

**LAWN MAINTENANCE** As day lengths continue to shorten growth rates of lawns will slow down. Mowing will become less frequent in the fall months and drop to once a month in the winter.

**WATER USE** Irrigation use will continue to decline even if weather continues to be dry.

**ENTRY MAINTENANCE** Entry maintenance crews are using all resources to keep sidewalks clear of leaves. Leaves are not collected from the landscape until the trees have finished defoliating.

### **RESIDENT REQUESTS**

If you have landscape *maintenance* requests (pruning or irrigation), please direct them to the MOD work order desk. If you have landscape *improvement* requests, please contact your mutual landscape representative.

#### **WORK ORDER DESK**

By phone: **988-7650**

By email: [WORKORDER@ROSSMOOR.COM](mailto:WORKORDER@ROSSMOOR.COM)

### *LANDSCAPE REHAB ITEMS*

**Remaining budget is approximately \$10,000**

**A proposal is attached for rehabbing the lawn at the rear of 1200 Skycrest, entry 4. \$3,695.32**

M8 has 4 MOD days remaining which are scheduled for mid-December. Plans will be finalized in the coming week for work to take place.

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## TREE REPORT

Remaining Budget is approximately \$7,000

### BOARD ACTION/DISCUSSION

The following proposals are attached;

-Thinning of high-risk trees in high-risk area-proposal 1 \$7,525-As suggested by fire department

-Thinning of high-risk trees in high-risk area-proposal 2 \$6,175-As suggested by fire department

## IRRIGATION REPORT

Remaining Budget ~\$2,500

All irrigation controllers are up to date.

## FIRE ABATEMENT REPORT

Entry 2-4	\$7,200	Complete
Entry 4, 5, 6	\$8,500	Complete

The Diablo Fire Safe Council Grant for \$5,000 has officially been granted to Mutual 8 and is currently being processed.

### 4. Financial Report – Given by Paul Donner

The October 31, 2019 financial report highlights are:

Operating Balance: \$- 6,415

Reserve Balance: \$431,843

Combined Balance: \$425,428

### Establish 2020 Budget and Coupon

Paul Donner, Mutual Operations Director gave a presentation of the 2020 budget. Donner then opened the mic and answered questions from the membership.

A motion was made to approve the 2020 Budget with a monthly increase of \$137 or 18%. The monthly coupon amount will change from \$763 to \$900 beginning January 1, 2020.

**Moved, Seconded, Carried 4-1**

### Committee Reports

1. **Building Maintenance – Luther Avery:** no report, all items were covered in Rick West's

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report.

2. **Emergency Preparedness – Cindy Ware:** Cindy Ware reported Mutual 8 is still in need of a chair for this committee.
3. **Finance – Bill Northlich:** No report was given.
4. **Landscape – Alfreda Bell:** Alfreda reported that fire abatement is the top priority during this season. She reported that the Landscape Committee worked with the Fire Marshall and took his guidance as to what needed to be removed. The Committee stated they are working on a Landscape Renovation plan to complete within the next 5 to 10 years. It was stated the Gachina has been put on notice. Gachina has improved their service to Mutual 8 since they were put on notice. Their contract comes up for renewal in April 2020.
5. **Membership – Sally Kennedy/Cindy Ware:** Sally welcomed the new residents of Mutual 8. The committee thanked Bob Viator for all his work in completing the Mutual 8 directory.
6. **Policies – Bob Eisner:** Bob reported the draft CC&R's are still in the works. The Board briefly report on the new SB 323. It was reported that they contracted Melissa Ward for the new Voting and Election Rules. More info to come.
7. **Social –** The holiday party is set for December 13. Residents are encouraged to bring their favorite appetizers and goodies. If anyone wishes to participate reach out to Jane Viator. Jane expressed to the members that if they had any wine glasses that they could donate to let her know.
8. **Waste Management –** Mutual is looking for anyone who would like to chair this committee.

### Old Business

1. **Laundry room Costs and Plans – Board Recommendation: Rod Weimer provided the following report.**

### Usage:

The average number of washes per month is less than 10 per day for the entire Mutual.

Laundry Room #1 averages 3 washes per day.

Laundry Room #2 averages just under 1 wash per day.

Laundry Room #3 averages about 1 wash every 5 days.

Laundry Room #4 averages just over 1 and a half washes per day.

Laundry Room #5 averages 1 and a half washes per day.

Laundry Room #6 averages just over a half a wash per day.

In October 2019 the average for washes per day across the entire Mutual was 7.9 per day.

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## **Financials:** (as of 9/30/2019)

Year-to-date income	\$3,868
Year-to-date Laundry Room Repairs	\$5,256
Year-to-date Custodial Service for Laundry	\$7,200
Total:	\$8,588

So far in 2019 we are running at a loss of \$8,588 for the six laundry rooms. This analysis does **not** include the cost of electricity or water and does not include the replacement cost of any of the machines (that cost estimate is set aside each month in the Reserve Fund). The more machines we have the more we have to set aside for future replacements.

## **Options:**

Our best option is to reduce our costs, so they are more in line with our revenue.

### Cost Reduction Options:

1. **Close the under-utilized laundry rooms** and eliminate those expenses altogether, which would mean closing three of them. This action would reduce our custodial expenses to about half the current amount and eliminate about a third of our repair costs.
2. **Eliminate the unnecessary machines in all of the laundry rooms but keep all the rooms open.** This option would eliminate a total of 7 washers, 8 dryers, and 3 hot water heaters. This savings would only reduce the repair expenses and the cost in the Reserve Fund for replacement but would not produce a substantial savings.
3. **Ask residents using the laundry rooms to clean them after each use** so the custodial services would be unnecessary. This action would potentially save about \$800/month (or \$9,600 per year) in expenses.
4. **Raise the fees to \$2.00/wash and \$1.00/dry.** This would help cover more of the expenses but would likely only amount to about \$500 more per month.

## **Summary and Recommendation:**

It is very apparent that our laundry rooms are significantly under-utilized, some more than others. It is time to do what we can to reduce expenses where we can – whether it is pitching in and cleaning the laundry area after you use it or use another room that may be less convenient. We also may need to pay a little more for the usage as well.

*My recommendation would be to close Laundry Rooms 2, 3 and 5 due to low usage and proximity to other rooms, reduce the number of machines in the remaining open rooms, and keep the fees the same as they are now. The option would reduce half the custodial/cleaning expenses and about half of the repair costs. It would also reduce replacement costs in the Reserve Fund.*

The Board made a motion to shut down some machines and up the cost of usage (\$2/wash and \$1/dry).

The aforementioned motion was tabled for further discussion at the next Board meeting.

## **New Business**

1. Response to SB 323 amending HOA Voting and Election Rules: The Board contracted

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Melissa Ward to prepare the new voting and election policies.

### **Members' Forum**

Residents were afforded the opportunity to express their general concerns and make comments. Topics discussed included: washer and dryer and the 2020 budget.

### **Next Board Meeting**

Next Meeting, Quarterly Meeting of the Board, Friday, February 21<sup>st</sup>, 1 P.M., Multi-Purpose Room 3, Gateway.

### **Adjournment**

There being no further business, the meeting was adjourned at 3:00 p.m. and moved into an executive session meeting.

### **Executive Session Summary**

The Board met in Executive Session to discuss legal hearings.

### **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.

Respectfully,

Lucy Limon  
Administrative Assistant