

MINUTES

FIRST WALNUT CREEK MUTUAL REGULAR MEETING OF THE BOARD OF DIRECTORS FRIDAY, MARCH 25, 2011 AT 1:00 P.M. DELTA ROOM, DEL VALLE CLUBHOUSE

President Mel Fredlund called to order the regular meeting of the Board of Directors of First Walnut Creek Mutual on Friday, March 25, 2011 at 1:00 p.m. in the Delta Room, Del Valle Clubhouse, Walnut Creek, California.

Roll Call

PRESENT: Mel Fredlund, President, District 5
Sue DiMaggio Adams, First Vice President, District 3
Randall Morgan, Second Vice President, District 4
Sally Nordwall, Treasurer, District 1

EXCUSED: Barbara Brooks Gilbert, Secretary, District 2

Staff was represented by Paul Donner, Director of Mutual Operations; Rick Chakoff, Chief Financial Officer; Doug Hughs, Building Maintenance Manager; and Sharon Fees, Administrative Secretary.

Mr. Fredlund welcomed the 21 residents in attendance.

APPROVAL OF MINUTES

Mr. Morgan moved to approve the minutes from the February 25, 2011 regular board meeting. Ms. Adams seconded and the motion carried without dissent.

Approval of Minutes

RESIDENTS' FORUM

Jiayi Zhou, Golden Rain – Entry 8, suggested that First Mutual try different colors when painting the buildings. He also asked that the policy for replacing windows be relaxed to allow different window frame colors to be installed when individual homeowners make window alterations. Current FWCM policy requires that when a homeowner replaces windows, the frame must match the existing frame that is being replaced. Mr. Fredlund commented that the buildings are enjoying an array of new paint colors when they come up in the painting cycle.

Residents' Forum

Barry Elfant, Oakmont – Entry 9, suggested placing a sitting area near the laundry room complex. Mr. Elfant also suggested that the excess lawn area to the left of the parking area be converted to additional parking. The Board will take these suggestions under advisement.

John Nutley, Golden Rain – Entry 11, questioned if Security has the right to refuse entry to a surviving son or daughter upon the immediate death of a resident. Standard operating procedure is that residents need to establish who is allowed entry so that there are no misunderstandings or unintended consequences of

allowing certain individuals access to the deceased's home.

GRF Director Rita Fredlund, Rockledge – Entry 6, invited everyone to the Gala Grand Opening of Creekside Clubhouse on April 8. The event will be held from 9 a.m. to 4 p.m., with a ribbon cutting ceremony to be held at 1 p.m. The Creekside Grill is now open for breakfast, lunch, and dinner. There are currently 97 escrows pending, which is up from 47 in January and 57 in February. There continues to be no heat in Gateway Administrative Building due to a HVAC water pipe leak.

PRESIDENT'S REPORT

There are currently 39 leased units which represent two percent of total units. February produced two purchase loans with a total of \$268,000. There were nine sales in February with a median price of \$145,000.

Presidents'
Report

TREASURER'S REPORT – Sally Nordwall

Ms. Nordwall reported that the Mutual is in good financial condition. She is committed to a good return on investments as much as is possible.

Treasurer's
Report

On March 21 Ms. Nordwall, Mr. Fredlund, Mr. Chakoff, Ms. Almon, and Ms. Haskett met with the auditor to review the 2010 financial audit. All is in order with just a few adjustments needed.

Potential investment opportunity: Ms. Nordwall presented that the GRF Board is offering FWCM an investment opportunity that would create a better return on investment (ROI) for FWCM. The current percentage of return on FWCM reserve funds is approximately .0015. The GRF Board has suggested that FWCM invest a portion of its reserves in the form of a loan to GRF for the Creekside project. GRF currently pays six percent on its loan. If this investment strategy is implemented GRF would pay something less than six percent in interest while FWCM would earn something more than .0015, thus creating a win-win situation for both GRF and FWCM. However, implementing such an investment plan would be contrary to what is permitted by the Mutual's Bylaws and Articles of Incorporation as this investment would not be fully guaranteed by the United States government. Therefore, the FWCM Bylaws and the FWCM Articles of Incorporation would need to be revised by a vote of the entire membership. Mr. Chakoff commented that while the concept is worth investigating, he is dubious as to whether it will clear legal hurdles. Paul Donner cautioned that no discussion should take place on this subject as it was not clearly stated on the monthly agenda. He suggested that a motion could be made to place it on next month's agenda for discussion and exploration. Ms. Almon reminded the assembled group that the decision to go with this investment opportunity lies solely with the membership of FWCM. It was agreed to place this on the agenda for next month's meeting.

BUDGET AND FINANCE COMMITTEE REPORT – Sheryl Almon

Ms. Almon reported that, as of February, the Mutual is \$27,742 favorable to budget.

Budget and
Finance
Committee
Report

The 2010 audited financials will be distributed to the membership in April.

The next meeting of the Budget and Finance Committee will be May 25.

Based on the amount of reserves, Ms. Almon suggests that much needed painting be accelerated.

LANDSCAPE REPORT– Paul Donner for Rich Perona

Mr. Donner reported on lawn, entry, and tree maintenance as well as landscape rehabilitation. (A copy of Mr. Perona's report is attached.)

Landscape
Report

LANDSCAPE COMMITTEE REPORT

Next meeting: Friday, April 1, 2011 at 11:00 a.m. in Multipurpose Room #1 in Gateway.

Landscape
Committee

MUTUAL OPERATIONS REPORT – Doug Hughs

Mr. Hughs reported that Gauthier's Construction has started work on the monterey and carmel bridges. All five bridges should be complete by the end of April.

Mutual
Operations
Report

Roofers will start work at Golden Rain, Entries 9 and 29 and Pine Knoll, Entry 4 as soon as the weather clears.

The fire marshal visited Rossmoor this past week. She is most interested in code enforcement regarding establishment of clearances around each fire hydrant. Code requires that each hydrant has a 3' clearance around its base and an 18" clearance from the bottom of the valve to the ground. This expense had not been anticipated, with the result that the Mutual will have to reorganize its landscaping budget plans for the year.

The asphalt bid walk was completed this past week with three asphalt contractors: Dryco Construction Inc., Silicone Valley Paving, and Black Diamond Paving. Entries inspected were Rockledge Lane, Entry 6 and Golden Rain Rd., Entry 1, 3, 6, 7, 8, 11, 13 and 14. These bids will be returned on April 12 and a contract proposal will be available for consideration at the April board meeting.

Mr. Hughs requested approval for this year's carpentry work for Golden Rain Rd. 2701, 2709, 2741, 2801, 2817, 2841, 3009, 3033, 3049, 3117, 3101, and 3141.

Ms. Adams moved to approve contracts from AMAC Construction

for this carpentry work at a total cost of \$88,972.00. Mr. Morgan seconded the motion and it passed unanimously. The total cost of \$88,972.00 falls within the 2011 reserve budget of \$700,000.

Approval of 2011
Carpentry
Program Contract

Mr. Hughes requested approval for this year's painting for Golden Rain Rd. 2701, 2709, 2741, 2801, 2817, and 2841.

Ms. Adams moved to approve a contract from McFarlane Painting for the cost of \$10,600 for one building, from Whit's Painting for the cost of \$41,140 to complete three buildings, from Skyline Painting for the cost of \$10,136 to complete one building, and a contract from Five Star Painting to complete one building at a cost of \$10,575. The total cost of this project is \$72,451.00. Ms. Nordwall seconded the motion and it passed unanimously. The total cost of \$72,451.00 falls within the 2011 reserve budget of \$300,000.

Approval of 2011
Painting Program
Contracts

NEW RESIDENT ORIENTATION – Jerry Priebat

The March 8 New Resident Orientation experienced a low turn-out of only four residents. The next Orientation will take place in approximately two months.

New Resident
Orientation

SAFETY AND DISASTER COMMITTEE – Mary England

The FWCM Safety and Disaster Committee has been newly formed. Its draft governing documents have been presented to the Board. The Board will vote on approving these documents at the next regular meeting of the Board. The first meeting of this committee was very well attended. The group is trying to start a pilot program called "Map Your Neighborhood" where neighbors plan emergency strategies together.

Safety and
Disaster
Committee

The next scheduled meeting is Monday, May 25 at 9:30 a.m. in the Gateway Board Room.

POLICY COMMITTEE – Mel Fredlund

Mr. Fredlund reported that proposed policy revisions are in progress and will be presented to the Board in the near future. Once the Board has an opportunity to review these proposed revisions and add their input, the proposed revisions will be distributed to the membership for review and comment. After distribution, it is most likely that a town hall meeting will take place for members' input.

Policy Committee

UNFINISHED BUSINESS

None.

Unfinished
Business

NEW BUSINESS

None.

New Business

ANNOUNCEMENTS

A copy of the resale report is attached.

Announcements

Next regular board meeting: Friday, April 22, 2011 at 1:00 p.m. in the Delta Room.

ADJOURNMENT

Having no further business, the meeting adjourned at 2:19 p.m. to an executive session to discuss a resident matter.

Adjournment

Dyann Paradise, Assistant Secretary
First Walnut Creek Mutual

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