

## MINUTES

### FIRST WALNUT CREEK MUTUAL REGULAR MEETING OF THE BOARD OF DIRECTORS FRIDAY, AUGUST 26, 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 at 1:00 p.m. on Friday, August 26, 2011 in the Delta Room – Del Valle Clubhouse, Walnut Creek, California.

PRESENT: Mel Fredlund, President, District 5  
Sue DiMaggio Adams, First Vice President, District 3  
Sally Nordwall, Treasurer, District 1  
Barbara Gilbert, Secretary, District 2

Attendance

EXCUSED: Randall Morgan, Second Vice President, District 4

Mutual Operations staff was represented by Paul Donner, Director of Mutual Operations; Rick Chakoff, Chief Financial Officer; Tess Haskett, Assistant Controller; Rich Perona, Landscape Manager; Joan Petterson, Risk Analyst; and Dyann Paradise, Administrative Secretary.

Also present were John Tastor and Julie Heckman from Arthur J. Gallagher, Insurance Brokers.

President Fredlund welcomed the 76 residents in attendance.

#### APPROVAL OF MINUTES

Ms. Gilbert moved to approve the minutes of the regular Board meeting of July 22, 2011 as written and reviewed. Ms. Adams seconded and the motion carried without dissent.

Approval of Minutes

#### LANDSCAPE REPORT – Rich Perona

As Mr. Perona needed to leave early, he presented his report at this point in the meeting. He reported on lawn, entry, and tree maintenance as well as landscape rehabilitation. (A copy of Mr. Perona's landscape report is attached.)

Landscape Report

An application has been submitted to the city for removal of two dying pine trees at Tice Creek – Entry C and two blue spruce at Golden Rain – Entry 13. Mr. Perona is also following up with an appeal of a previous denial of a permit to remove a ginkgo tree at Oakmont – Entry 4.

Phase I of the rehabilitation of Golden Rain – Entry 18 is underway and progressing well. Phase 2 should start in mid-September, pending Board approval.

Ms. Adams moved to approve the bid from Valley Crest in the amount of \$50,061 for Phase 2 of the landscape rehabilitation for Golden Rain – Entry 18. Ms. Nordwall seconded and the motion carried without dissent.

Approval for  
Landscape  
Rehabilitation  
for Entry 18 -  
GR

GUEST SPEAKERS – John Tastor and Julie Heckman, A.J. Gallagher  
Insurance Brokers

Mr. Tastor gave an overview of the Master Insurance Policy that covers 16 of the 17 Mutuels in Rossmoor as well as the Golden Rain Foundation's properties. It covers property and liability. Improvements that are approved with the appropriate Rossmoor and city alterations permits and are on file are covered. Full replacement is determined on a cost basis with no depreciation in like kind and quality. There is also coverage for building ordinance. However, owner-controlled appliances are not covered. The \$100,000 deductible is shared among all 16 of the participating Mutuels. There is no earthquake insurance coverage, as it is cost prohibitive with very little coverage.

Insurance  
Presentation

Residents are encouraged to purchase an HO-6 policy for coverage of the dwelling to cover interior contents and improvements especially up to the \$100,000 deductible. Also, loss of use coverage is very important. Individual insurance brokers should be consulted for appropriate coverage.

There was an extensive question and answer period that followed. Mr. Tastor, Ms. Heckman and Ms. Petterson were thanked for their presentation.

GUEST SPEAKER – Melvin Wall, Fire Task Force Representative

Mr. Wall, Chair of the former Fire Task Force, summarized the Fire Task Force report by stating that residents are mostly responsible for their own fire safety, especially with regard to cooking and clutter within the manor. Fire prevention and fire education are the most effective fire safety components. It is also very important that neighbors know each other so that everyone can be accounted for in case of an emergency.

Fire Task Force

In answer to queries, Mr. Wall stated there are fire walls in the attics in every four units in First Mutual. Per an estimate in 2008, the cost to retrofit an eight-unit building with fire sprinklers would cost \$80,000 plus the cost of installation of a mainline for water. Obviously, this would be cost prohibitive to provide this component throughout the Mutual.

## RESIDENTS' FORUM

Judi Carroll, Golden Rain – Entry 11, was advised that the Event Center is a GRF matter, not a Mutual matter, and the Board would not take a position on this issue.

Residents'  
Forum

Jerry Priebat, Golden Rain – Entry 18, reported that the Emergency Preparedness Organization (EPO) would be sponsoring an informational meeting regarding insurance on Thursday, September 15 at 2:00 p.m. in the Fireside Room in Gateway. Insurance representatives and Risk Analyst Joan Petterson will be present. All residents are invited to attend.

Mary England, Fairlawn – Entry 5, requested that answers to the questions she and Barry Elfant presented to the Board regarding insurance issues be posted on the First Mutual website or in the *Rossmoor News*.

Barbara McConnell, Pine Knoll – Entry 5, recommended that all residents keep a fire extinguisher in their kitchens at all times. She suggested that First Mutual should inspect the extinguishers each year during the manor inspection process. Mr. Fredlund commented that it is far more important to leave a building that is burning than to try to put out the fire. Ms. Adams recommended that everyone interested should take CERT training.

Hugh Grey, Golden Rain – Entry 25, read a statement regarding the Mutual's legal standing with respect to the Trust Agreement. Mr. Fredlund ruled him out of order, as the matter is not a First Mutual matter. He was asked to bring the matter up at a later date when the Trust Agreement is placed for a vote. (A copy of Mr. Grey's comments is attached.)

Celia Menczel, Golden Rain – Entry 4, requested a written statement from the Board regarding denial of a request from her neighbor for a pathway behind the building at 1125 Golden Rain.

Eve Segal, Golden Rain – Entry 3, asked the Board to research the possibility of receiving a HUD grant to update the electrical and sprinkler systems and firewalls to fire codes.

## PRESIDENT'S REPORT – Mel Fredlund

Mr. Fredlund reported on issues discussed at the July Presidents' Forum: insurance; 2012 preliminary budget; notification guidelines for Securitas incident reports; support letter to the GRF Board regarding Counseling Services.

President's  
Report

The Board is reviewing a proposed amendment to the Bylaws to require all residents to have personal insurance coverage.

Currently there are 43 leased manors (which represents 2.3% of all manors in the Mutual). There were 10 resales in July with a median price of \$162,500. A copy of the resale report is attached.

One candidate has filed a petition to run for the one director position in this year's election. Incumbent Sue DiMaggio Adams was the only candidate who filed by the deadline of August 23, 2011, was determined eligible to run for election, and was declared approved by acclamation of the membership. No other candidates came forth. Ms. Adams will be seated on the Board at the Annual Membership Meeting on October 4, 2011.

#### TREASURER'S REPORT – Sally Nordwall

Ms. Nordwall reported that the 2012 budget preparation is underway. Year to date the Mutual is in good financial condition and close to budget. Landscape, utilities, and professional services are over spent to date but should level off by year's end.

Treasurer's  
Report

#### BUDGET AND FINANCE COMMITTEE REPORT – Sheryl Almon

Ms. Almon reported the Mutual exceeded budgeted expenses by \$41,000 as of July 31, 2011.

Budget and  
Finance  
Committee  
Report

As soon as GRF has confirmed its portion of the coupon, First Mutual will finalize its budget. A 2012 budget review is scheduled for Monday, September 19 at 10:00 a.m. in the Fireside Room in Gateway. The next regular Budget and Finance Committee meeting is scheduled for Wednesday, September 21 at 11:00 a.m. in the Board Room in Gateway.

#### MUTUAL OPERATIONS REPORT – Doug Hughs

Mr. Hughs was absent but submitted a status report on carpentry and painting. (A copy of Mr. Hughs' report is attached.)

MOD Report

#### ORIENTATION – Jerry Priebat

The next New Resident Orientation is scheduled for Tuesday, September 13 at 7:00 p.m. in the Delta Room at Del Valle.

Orientation

#### SAFETY AND DISASTER RESPONSE COMMITTEE – Marilyn Hoffpaur

Ms. Hoffpaur reported that additional volunteers are needed on the

Safety and  
Disaster  
Response  
Committee

committee. The next meeting is scheduled for Wednesday, September 21 at 9:30 a.m. in the Board Room in Gateway.

POLICIES – Mel Fredlund

Proposed revised policies are under review.

Policies

UNFINISHED BUSINESS

None.

Unfinished  
Business

NEW BUSINESS

None.

New Business

ADJOURNMENT

Having no further business, the meeting adjourned at 2:50 p.m.

Adjournment

The next regular meeting of the Board is scheduled for Friday, September 23, 2011 at 1:00 p.m. in the Delta Room at Del Valle Clubhouse.

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Barbara Gilbert, Secretary  
First Walnut Creek Mutual