

BOARD OF DIRECTORS REGULAR MEETING

Friday, August 25, 2023 at 10:00 a.m.

**Event Center – Donner Room
1021 Stanley Dollar Drive, Walnut Creek, CA 94595**

MINUTES

Call to Order

President England called the meeting to order at 10:02 a.m.

Roll Call of Directors

Mary A. England – President – District 5
Pat Donahue – 1st Vice President – District 4 – *Absent*
Barry Hirsch – 2nd Vice President – District 3 – *Absent*
Jean Autrey – Treasurer – District 1
Jen Moreau – Secretary – District 2

MOD Staff

Jeroen Wright – Director of Mutual Operations
Dave Peakes, Building Maintenance Manager
John Tawaststjerna – Landscape Manager
Victoria Thomas – Board Services Coordinator

Residents' Forum

Members were afforded the opportunity to express their concerns, make comments, or have questions for the Board. Comments included: Request for a stop sign on Oakmont and Rockledge Lane, carport violations, architectural review, drainage program, request for cleaning service for compost bins, caretaker brings toddler to work causing noise.

Consent Calendar

The Consent Calendar consisted of:

- a. Board of Directors Executive Session Meeting Minutes – July 7, 2023
- b. Board of Directors Regular Meeting Minutes – July 28, 2023
- c. Board of Directors Executive Session Meeting Minutes – July 28, 2023
- d. Architectural Control Committee Meeting Minutes – August 4, 2023

Two edits were requested:

- July 28, 2023 Board of Directors Regular Meeting Minutes Page 7, f - Remove the name Emergency Preparedness Committee.
- Remove language regarding Members' Emergency Contact Information

Motion made by Autrey, seconded by Moreau, to approve the Board of Directors Meeting Minutes as amended. Approved by unanimous vote. (3-0)

Landscape Report

General Work

Tree Maintenance

- Rockledge Entry 1 o Monterey Pine removed on 8/16

- Pending Tree permits o 3033 Golden Rain Entry 24 Aleppo Pine
- 2841 Golden Rain Entry 20 (2) Stone Pine
- 1533 Oakmont Entry 12 Monterey Pine
- 1131 Oakmont Entry 3 (5) Monterey Pine
- 1501 Rockledge Entry 9 Golden Rain
- 1517 Rockledge Entry 9 Magnolia
- 1179 Oakmont Entry 6 Monterey Pine

Rehab Updates

- PG&E payment o Approved \$9,690.93
- Work completed
- Oakmont Entry 5 o Lawn conversion
- Complete

Proposals for Approval

- Pine Knoll Entry 5 Patio Valve Boxes o Brightview
\$7,789.13 (Reserves)

Motion made by Autrey, seconded by Moreau, to remove the five valve boxes in the amount of \$7,789.13 to be paid from reserves. Approved by unanimous vote. (3-0)

- Rockledge Entry 10 Tree Removals o Hamilton
\$7,500.00 (Reserves)

Motion made by Autrey, seconded by Moreau, to remove four trees in Entry 10 in the amount of \$7,500.00 to be paid from reserves. Approved by unanimous vote. (3-0)

Landscape Committee Report

District Reps Present: Changlin Dillingham, Sharon Enright, Yvonne Provaznik, Pat Power, Board Liaison Mary England, Landscape Dept. Manager John Tawaststjerna, Brightview Account, Manager Luis Manriquez Murillo, and Landscape Committee Chairperson Don MacGregor.

Visiting Landscape Committee Chairperson Pam Dieckman, Mutual 39.

Residents: Susan Lockyer, Oakmont E 1; Gerry Waters, Rockledge E10.

Susan Lockyer inquired about the status of the pine removals that had been proposed earlier this year. The second Gingko tree of her original visit was confirmed as removed.

Gerry Waters stated that landscape service needed to be improved and presented several photos of areas he felt needed improvement. There was discussion of some issues being a part of the remediation work by PG&E. Landscape Manager John T. confirmed that the hillside featured in one of Gerry's photos would be worked on in Fall 2023.

The District Reps were allotted segments of time to discuss with the Committee and especially, Board liaison and the Landscape Manager landscape issues, tree removals and pruning, and resident requests.

Landscape Manager John T reported on the ongoing tree removals. Plant Replacement Deadline of September 1 policy was discussed, specifically the ongoing issue of residents placing but not removing, potted plants and requesting a plant replacement for that spot. Brightview's new Account Manager Luis Manriquez Murillo was introduced and welcomed to the Committee by the Landscape Manager.

The Committee Chairperson requested that District Reps research five different groundcover type plants that 1st Mutual shall include in the lawn renovations in order to create a complete landscape. Discussion of the need for groundcover shrubs continued our ongoing development of Best Practices for Turf Removal and the replacement landscape installations.

Board liaison suggested East Bay MUD's Waterwise Landscaping speaker/education outreach program as well as their reference book for climate-appropriate plantings: "Plants and Landscapes for Summer-Dry Climates". Mary England also referenced a California Native Plant Nursery, "The Watershed Nursery" in Contra Costa County which grows plants by contract (in special order quantities).

Board liaison has requested all Reps be provided with 1st Mutual Policy Manual as well as a copy of the Brightview Contract.

Treasurer's Report

Cash in Bank - Operating 5,122,618 - Includes an unknown amount for the property fund

Cash in Bank & Sweep Accts - Reserve 9,422,120

Net Income to Date 658,434

Ending Fund Balances

- Operating 2,553,804
- Property 6,934,737
- Reserve 9,449,102

Accounts Receivable -Assessments 139,296

Accounts Receivable - 3rd Party Billing & Other* 2,009,049

Total Receivables: 2,148,345

* Includes an unknown amount due from insurance re 2925 fire rebuild

Under/(Over) Budget (excluding revenue)

- Current Month (85,469)
- Year to Date 95,683

Categories - Operating YTD

- Building Maint & Public Works 48,563
- Landscape Maintenance (3,528)
- Elevator Maintenance (840)
- Custodial Services (4,923)
- Insurance (142,210)

- Utilities 76,234
- Professional Svc 26,412
- Other General & Admin (11,931)
(12,223)

A/R collections are ongoing.

The cost to us for the Mutual 2 fire on 6/9 was \$71,396 paid 7.23

Reminder: Insurance may go up 30% and 50% or more for year 2024.

Budget and Finance Committee Report

Ann Prichard reported:

Committee Agenda Items

- No current M1 financial reports available.
- Review & discussion of Fund Based vs. Component Based Reserve Study Models.

Discussion of Item

- Discussion by Committee prior to final vote for recommendation(s) to FWCM Board of Directors.
- Committee vote taken.

Recommendation to FWCM Board

- A final unanimous vote recommends the FWCM Board of Directors adopt a Fund-Based Reserve Study model / format to begin in Budget Year 2024.

Follow up on Recommendation

- Transmit Final Reserve Study Report and Recommendations to FWCM Board of Directors prior to August 25, 2023 FWCM Board of Directors meeting.

Prichard announced that the Board will have two budget meetings: September 7th at 1:00 and September 19th at 2:00pm. Both meetings will be conducted as a hybrid meeting with the physical location in the Gateway Board Room.

Mutual Operations Report

Jeroen Wright reported that the Firewise Program is going well. He recently met with Con-Fire and began working on the site assessment and the three-year plan. He plans to have certifications starting early 2024. The first meeting will be in September.

There was a recent small grass fire above Rockledge that was quickly taken care of.

Wright and Tawaststjerna called PGE to discuss their schedule to remove vegetation under the electrical poles. PGE said they did not have a plan to remove vegetation this year. Wright announced that MOD will remove the vegetation at no charge to the Mutual.

Wright announced that it is anticipated insurance will increase approximately 50%. In order to receive a 50% increase (and not higher) will require a reduction in the overall coverage.

Currently, property coverage is not at full valuation, Rossmoor has approximately \$1.4B of coverage

with an evaluation of \$1.8B. Staff is looking to reduce the property coverage down to \$750M-\$900M to allow for a 50%. If the property coverage were to continue as it is to date, the increase would go up to 70%. Therefore, the CC&Rs Property Coverage language will need to be revised.

Wright informed the Mutual that there is an evacuation plan in place. Information on the plan can be found in the brochure Resident's Guide to Wildfire Preparedness and Evacuation – How to get ready and stay informed. Brochures were mailed to all members and are also kept on a table in the Administration area at the Gateway Clubhouse.

Governance Committee Report

The Governance Committee met on July 25, 2023. Members present were: Judith Foley, Jo Anne Lawrence, Dick Locke, and Paul Wright. Mary England was also present in her capacity as Board Liaison.

The Committee discussed Board meeting minutes that have not yet been posted (the Committee agrees it would be helpful to review Board minutes on a regular basis). Paul Wright agreed to inquire about those minutes (and has subsequently done so – they have since been posted).

The Committee continued its discussion of performance metrics to recommend to the Board with respect to M1's management agreement with MOD. (In furtherance of this issue, Dick Locke attended, on July 31, at Mary England's invitation, a meeting of four mutual board presidents, learning more about other mutuals' experience with MOD to gain perspective on metrics that would be most useful to include in a revised MOD agreement.)

The Committee also continued to discuss the contact/FAQs list for Mutual 1 members, as well as "new member" orientation.

Another topic raised in the meeting was the Committee's position on opening Governance Committee meetings to the general membership of the Mutual. Governance Committee members were divided on the subject, including expressing concern about whether open meetings might inhibit discussion. In general, the Committee suggested openness to seeing how this might work in practice.

The next meeting for the Governance Committee is scheduled for August 22, 2023 at 2:00pm in the Vista Room at the Hillside Club. Going forward, the Committee has agreed to schedule its regular meetings for the fourth Tuesday of each month at 2:00pm and has secured the Vista Room in the Hillside Clubhouse for that purpose.

Capital Projects Report

Committee Agenda

- RFP for Electrical Engineering Study – Complete
- Storm Drainage and Flood Control Studies

Discussion Item

- EE RFP – Board to review
- Storm drainage and flood control – Roy Yang presented results of extensive research on problem areas. Working on proposal to board.
 - Oakmont Dr E10-12
 - Fairlawn E5

Recommendation to the Board

- EE RFP: Board should review and approve the EE RFP; authorization to engage appropriate

consultants (including MCE).

- MCE program – Review program and engage their services

President's Report

The Mutuals' Presidents meeting is held monthly on the last Monday of the month. England will report to the Mutual on discussion items after the September meeting.

New Resident Orientation – Jerry Priebat

The next New Resident Orientation meeting is scheduled for Tuesday, September 12, 2023 at 10:00am in the Donner Room at the Event Center.

Unfinished Business

MOD Proposal Costs for:

1. Carport Sprinkler System – Ruled out due to lack of water supply.
2. Deck Firebreak – Peake reported on the proposal he received consists of 229 firewalls are needed for the G-11 buildings at approximately \$4,000 each, totaling \$920,000. The project will take approximately five years.
3. Carport Inspection – Peake reported on the proposal he received from Hogue Roofing Consultants. The cost to conduct the carport inspection is \$3,768. The inspection will consist of: identifying clutter in carports, oil spills, expired registration tags, debris, and unauthorized electrical vehicle charging. The report will include pictures.

Motion made by Autrey, seconded by England, to approve Hogue Roofing Consultants to conduct a carport inspection for \$3,768 to be paid from the Operating Fund. Approved by unanimous vote. (3-0)

England will write an article on the carport inspection and submit it to Rossmoor News to inform members.

New Business

- a. Estimated Insurance Increase

Autrey reported the insurance increase is estimated at 50% over 2023. England reminded the members that they were sent the annual Disclosure document, which shows the 2023 budget.

England reported that the largest number of claims are due to home, kitchen, and bedroom fires and asked members to be more diligent with safety.

- b. Strategic Planning Workshop

Topic was deferred.

- c. Townhall Meeting

England reported that the Board proposed to hold a Townhall meeting to allow for more communication between the Board and members. Topics for the meeting are: insurance, coupon increase and how to manage the budget, wildfire response and preparation, emergency preparedness and how to plan for predictable emergencies, MCE Program, and what Committees do.

Topic was deferred.

d. District 3 Election

England reported that notices were placed in the Rossmoor News and a letter was mailed to members informing them that the election deadline was extended to August 23, 2023 and that the opportunity to run was now open to all members in the Mutual. Autrey informed the Board that because no candidates were nominated at the first deadline in July there will be no election conducted. The candidate will now be nominated.

e. Rental Contract Updates

Autrey reported that MOD is using an old contract for golfcart rentals and believes the contract should be reviewed.

f. Appoint Kathy Riley as a Committee Member on the Social Engagement Committee
Topic was tabled.

g. Clean Carports Campaign
Previously discussed.

h. Gauthier Non-Respondent List by District

Board Members are to follow up with members who have not had an inspection in the last 3 years and who did not respond to a letter reminder.

Announcement

A GRF is holding a Townhall meeting to discuss current insurance issues happening in the United States. The meeting is scheduled for August 30, 2023 in the Tahoe Room at the Event Center.

A Board of Directors Special Budget Meeting is scheduled for September 7, 2023 at 1:00pm in the Gateway Board Room and September 19, 2023 at 2:00pm in the Gateway Board Room. The Budget and Financial Committee will be in attendance at both meetings.

The next Board of Directors Regular Meeting is scheduled for September 22, 2023 at 10:00 a.m. in the Donner Room at the Event Center.

Adjournment to Executive Session

There being no further business, the Board of Directors Regular Meeting was adjourned at 11:28 a.m. The Board moved into Executive Session.

Executive Session Summary

The Board met in Executive Session from 11:35 a.m. to 12:25 p.m. to discuss member matters, delinquent accounts, liens and foreclosures, contract formation, and alteration issues.

Secretary's Certificate

I hereby certify that the foregoing is a true and correct copy of the minutes.

Victoria Thomas

Board Services Coordinator