



FIRST WALNUT CREEK MUTUAL

BOARD OF DIRECTORS REGULAR MEETING

Friday, December 22, 2023 at 10:00 a.m.

Meeting was Conducted In Person and Virtually

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

MINUTES

1. **Call to Order**

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

2. **Roll Call of Directors**

Mary A. England – President – District 5
Peter Catalano – 1st Vice President – District 4
Young Chung – 2nd Vice President – District 3
Jen Moreau – Secretary – District 2
Jean Autrey – Treasurer – District 1

Mutual Operations Staff

Jeroen Wright – Director of Mutual Operations – Virtually
Dave Peakes – Building Maintenance Manager
Victoria Thomas – Board Services Coordinator

3. **Members' Forum**

Members were afforded the opportunity to express their concerns, make comments, or have questions for the Board. Comments included: some manors have extended patios, construction company violating rules when remodeling manors, Mutual needs to have better control of contractors' work, contractors are advertising three bedroom manors on MLS (multiple listing service).

4. **Consent Calendar**

- a. Architectural Control Committee Meeting Minutes – November 15, 2023
- b. Board of Directors Executive Session Meeting – November 16, 2023
- c. Board of Directors Regular Meeting – November 17, 2023
- d. Board of Directors Executive Session Meeting – November 17, 2023
- e. Board of Directors Executive Session Meeting – November 28, 2023

Motion made by Autrey, seconded by Moreau, to approve the Board of Directors Meeting Minutes as posted. Motion approved by vote. (4-1 Catalano abstained)

5. **Treasurer** – Jean Autrey

- a. Treasurer's Report – Jean Autrey

Operating Year to Date

Building Maintenance & Public Works \$148,430

Landscape Maintenance \$14,107

Custodial Services	(\$6,430)
Insurance	\$14,530
Utilities	(\$88,620)
Professional Services	\$61,252
Other General & Administration	(\$17,751)
	\$125,518

A/R collections are ongoing.

The cost to Mutual 1 for the Mutual 2 fire on June 9, 2023 was \$71,396 paid in July 2023

The cost to Mutual 1 for the Mutual 2 garage fire on March 3, 2021 is \$21,007

It was recommended that the Board of Directors certify compliance with Civil Code §5500 for the financial report. This was deferred as two Board Members are required to review the financial statements and only one did.

6. **Mutual Operations** – *Jeroen Wright/Dave Peakes*

Wright reported that the Alterations Department is being reviewed to ensure the processes are improved. Staff is working diligently to secure the insurance with Gallagher while staying within the budget.

Peakes reported:

Carpentry/Paint Rehab Work – Carpentry crews are finishing up the last building on this year's maintenance rehab. program at 2400 Golden Rain Rd. I will then be initiating the firewall installations in the G-11 attic areas. In my June 2023 report I detailed the scope of the project. There is a total of 229 walls to be installed. They will be done in an orderly fashion starting on Entry 1 Golden Rain Rd. then continuing to go entry by entry and then street by street. Painters are currently on standby and will finish up behind the carpenters once the weather allows.

Electrical Panels – Gauthier Construction has completed the initial list of interior panel replacements put together last year by Pure Electric. 6 of the manors on the list were unable to get done due to inability of either contact the resident or scheduling conflicts. Those residences will roll over to this coming year. I am anticipating a new list of 100 panels to be done from the data gathered by Gauthier during his annual manor inspections by year's end. Gauthier has submitted an increase in his proposal for panel replacements. The current approved bid was \$2,989 per replacement, which was a savings of \$606 per from Pure Electric's quote of \$3,595 (which did not cover the drywall work involved). Gauthier is proposing \$3,367 due to some materials cost increases and extra work involved in making many of these panels code compliant, also the associated attic work that was not anticipated.

It was asked if Gauthier price increase includes the drywall completion. Peakes replied yes.

Autrey reminded the Board that monies were included in the replacement reserves for the electrical panels.

Autrey asked if 100 panels is the maximum that can be done in one year or can the number be increased. Peakes said he would ask the vendor if more can be done.

Motion made by Autrey, seconded by England, to approve Gauthier's new price for electrical panel replacements. Approved unanimously by vote. (5-0)

7. **Landscape Manager's Report** – *John Tawaststjerna*

No report

8. **Committee Reports**

a. **Budget and Finance Committee Report** – *Ann Prichard*

- Beginning in the new year the Committee will have a change in its leadership. The Board will need to approve the Chair, Vice Chair, and a Secretary.
- A new vendor has been selected for the Reserve Study. The Reserve Study process will begin in January.
- A Committee member plans to walk around the property with the new Reserve Study vendor and Staff.
- The Committee provided a project list to the Board for review and approval.

b. **Landscape Committee** – *Pat Powers*

After the resident forum, there was a brief, initial discussion of the results of the subcommittee's review of the BrightView Contract. Further discussion on this topic is scheduled for the January 3, 2024 meeting.

At the end of the meeting Don MacGregor, Chairperson resigned.

Scheduled for the January 3rd meeting, in addition to further discussion of the Brightview Contract are:

- Finalize steps taken in conjunction by both the Landscape Dept. and the Landscape Committee to initiate and complete rehab projects.
- Preliminary report by Landscape sub-Committee for a “clean up your garden” campaign aimed at removing resident pots and identifying resident plantings.
- Begin work on compiling, in one document, the responsibilities of the Landscape Committee Reps and Committee Chairperson.
- Begin to develop a list of priorities for the year to include the impact of fire mitigation requirements on the budget, identifying and estimating cost savings for potential turf conversions in FWCM, identifying and estimating the costs for needed hardscape replacements, a clear policy for plant replacements, and reviewing the Board Policy Manual in regards to the sections affecting landscape decisions.

c. **Governance Committee** – *Paul Wright*

- The Committee met on November 28, 2023
Reviewed work since previous meeting, agreed to hold a special meeting December 12; committee discussed policy progress, with focus on enforcement, policy ambiguities and roles; agreed to meet on January 8, 2024, to continue the discussion.
- Board Liaison Role
Reviewed previous work and passed on to Mary England
- Role of future of Governance Committee

d. **Capital Projects Committee** – *Pam Hudson*

Drainage

- Analysis completed of drainage issues for Fairlawn and Oakmont. Awaiting further discussions with MOD for alignment on recommendations and estimated costs in the new year.
- Given pending rainy season, we met with MOD in November to agree upon temporary measures to manage/re-direct drainage into Fairlawn and Oakmont.

Electrical

- Strategic Energy Management (SEM) Initiative: Kick-off meeting held with MCE/Clear Results regarding Strategic Energy Management study. Clear Result will be coming on-site to FWCM on January 3rd to tour facilities (electrical/heating, etc.) in the common areas and inspect the various unit configuration to understand current infrastructure, energy consumption, etc. to make recommendations on changes and/or investments to reduce overall energy costs.
- EV Charger Rebate Program & Electrical RFP: FWCM Capital Committee met on 12/15/23 and we agreed to leverage as much of the analysis/work across the three Electrical Initiative: a) Strategic Electrical Management (SEM) b) EV Charger Rebate c) FWCM Electrical RFP being led by Michael Sund. Therefore, the three Electrical Initiatives will be conducted sequentially with the Strategic Electrical Management (SEM) study to serve as the foundation for the EV Charger Rebate analysis. The information from the SEM and EV Charging studies will then inform the FWCM Electrical RFP.

e. Social Engagement Committee – *Marcia Keating*

Marcia is currently Chair of the Ad Hoc Social Engagement Committee, which was chartered by the Board in late 2022.

The Ad Hoc Committee has been working over the last year to develop recommendations that the Board can use to encourage residents to participate in the day-to-day issues of their entry, neighborhood and community. Since September, the Committee have been meeting by-weekly and supported one well-attended “Meet the Director” forum that provided feedback for future meetings.

The Committee endorsed the following three recommendations for immediate Board action:

1. Our first recommendation is that the Board establish a permanent Community Social Engagement Committee [aka “CSEC”] that would assist the Board in providing social and informational events to maintain and improve resident’s sense of community and level of civic engagement. We believe that conducting such events will increase voting, volunteerism, and overall understanding and compliance with First Mutual policies.
 - a. The recommended Charter for such a committee is contained in your Board meeting packet.
 - b. The members of the existing Ad Hoc Committee are prepared to assist the Board in implementing this permanent Committee.
2. Our second recommendation is that the Board holds two or more “Board Town Hall” meetings per year with support from the permanent Committee.
3. Lastly, we recommend that individual directors hold one or more “Meet the Director” forums each year to obtain input from their District’s residents and these forums also be supported by the permanent Committee.

Marcia thanked Jean, Jack, and Kathy for all their time, effort, and teamwork that they contributed to this committee.

The Committee thanked the Board for giving them the opportunity to serve on the Ad Hoc Committee and hopefully make an impact on the spirit of our community.

9. **President’s Report** – *Mary A. England*

During the Presidents Forum there was discussion on: insurance, GRF Management Agreement negotiations, and 2024 Insurance Shared Deductible Agreement.

10. **New Resident Orientation** – Jerry Priebat

Next Orientation Meeting: The next scheduled meeting is on January 9, 2024 at 7:00 p.m. in the Donner Room at the Event Center.

11. **Unfinished Business** – Mary A. England

Action Items

a. Unpermitted installation of storage cabinets in carports

During the carport inspection, it was discovered that there are many different types of storage cabinets in the carports. This is due to the Alterations Department giving misinformation to residents on the type of cabinets that have been approved.

England and Chung will work with the Alterations Department to standardize the storage cabinets and amend the policy to reflect the change.

b. Carport Inspection Project

Carport inspection was conducted. Letters were mailed to residents that were allegedly in violation of Policy 3 Carport and Parking. Residents were given a deadline to rectify the violation by January 2, 2024.

12. **New Business** – Mary A. England

Action Items

a. 2024 Insurance Shared Deductible Agreement

The deductible for Rossmoor is \$250,000. The Mutual that experiences a loss pays the first \$10,000 of the deductible and the remaining \$240,000 is shared by all Mutuals (except two: M61 and Waterford). This agreement is approved annually.

It was requested the Board adopt the agreement and authorize England to sign the agreement.

Motion made by Autrey, seconded by Moreau, to adopt the agreement and authorize England to sign the agreement. Approved by unanimous vote. (5-0)

b. Identify priorities for the Mutual and assign Committees (and Board Directors) to take on project areas.

England requested Board Members bring three project ideas to the January Board meeting to determine what can be achieved in 2024.

c. Confirm insurance language for Bylaws revisions

England requested the Board Members review the current Bylaws and give suggested amendments to Autrey.

Motion made by Autrey, seconded by England, to approve to send the proposed insurance language to the attorney for review. Approved by unanimous vote. (5-0)

Amendment to the motion made by England, seconded by Moreau, to have the Board contribute questions and concerns to Autrey prior to her sending it to the attorney for review. Send all comments no later than January 5, 2024. Approved by unanimous vote. (5-0)

d. Alteration Policy Review

At the last Board meeting, it was brought up that policies were being reviewed and possibly submitted to legal counsel for updates or change. There are a few policies that immediately come to mind that I would like to submit for consideration.

The first being the Alteration Roofing Policy. Current policy states that, "Existing alteration roofs not built to Mutual specifications will be reroofed when the building is reroofed as part of a Mutual reroofing program at Mutual expense. The alteration roof will then be the Mutuals responsibility for maintaining watertight integrity". There are a few issues that the Board should consider, the first being that alterations, as a rule, are the residents responsibility to maintain. This is outlined on each Alteration Application under the Terms and Conditions. In my opinion, the Mutual shouldn't absorb the cost of maintaining anything that wasn't there initially. Open patios and verandas were originally built to be exposed to the elements. All costs and responsibilities to convert an exterior exclusive use common space into an enclosed living space should be borne upon the resident. The current policy places the responsibility of all potential collateral maintenance on the Mutual in the event of a roofing failure. On last year's roofing program, approx. \$45,000 was spent re-roofing tar and gravel alteration enclosures.

\$45,000 would have covered the cost of reroofing (2) Monterey/Carmel buildings. At some point in the past, one of the previous FWCM Boards changed the original policy from resident responsibility to Mutual responsibility. No other Mutuals maintain alteration roofs.

Motion made by Moreau, seconded by England, to amend the Alterations Policy from First Walnut Creek Mutual's financial responsibility to the residents for roof alterations. Approved by unanimous vote. (5-0)

The Mutual maintains the heater and air conditioner units. The responsibility of maintaining the duct work is not in the policy. Historically, coops do not maintain the duck work. The Board requested Peakes get cost estimates for the work and report back to the Board.

Split tape seams on drywalls

Peakes expressed that it should be the resident's financial responsibility to repair drywall when there is a crack/break.

Motion made by Moreau, seconded by England, to move the work for the split tape seams to the resident's financial responsibility. Approved by vote. (4-1 Chung Abstained)

- e. Governance Committee Recommendation to assign the responsibility for New Member Orientation to the Social Engagement Committee
Topic was deferred.
- f. Proposed Conflict of Interest Policy
Topic was deferred.
- g. Proposed Charter for Community Social Engagement Committee
Committee Name
First Walnut Creek Mutual Community Social Engagement Committee (CSEC)
Moreau will be the new Board Liaison.

Mission Statement/Purpose

The Committee shall assist the Board in providing social and informational events to maintain and improve resident's sense of community and level of civic engagement.

Organization and Membership

The Committee shall consist of a minimum of one member appointed from each district approved by the First Mutual Board, and a chair and vice-chair appointed by the First Mutual Board President. Appointees to the Committee shall serve a term of two years from date of approval after which they may be reappointed.

Responsibilities

The Committee shall develop and implement a multi-year plan to [1] assist the implementation of social/civic events that may include Board “Town Hall” and “Meet the Director” meetings; [2] encourage resident-led neighborhood events; and [3] facilitate wide-spread communication of FWCM processes and policies.

Reporting

The Committee shall report directly to the First Walnut Creek Mutual Board of Directors with the assistance of a Board-approved liaison. The Committee shall present written reports as requested by the Board.

Evaluation

The Committee shall conduct a self-examination of the effectiveness of its activities every two years and submit its findings to the Board in order to enable the Board to consider any amendments to the Committee’s charter.

Committee Procedures

The CSEC shall operate as a standing committee of the Board of First Walnut Creek Mutual and follow all of the standing committee procedures and policies.

Moreau volunteered to be on the Committee. Autrey will continue as the Committee Liaison.

Motion made by Autrey, seconded by Moreau, to approve the Charter for Community Social Engagement Committee as amended. Approved by unanimous vote. (5-0)

England proposed that the Committee be responsible for conducting the New Member Orientation meetings.

Motion made by England, seconded by Autrey, to assign the responsibility for New Member Orientation meetings to the Community Social Engagement Committee as amended. Approved by unanimous vote. (5-0)

h. Proposed Annual Inspection Policy

Autrey requested Board Members review the policy and send her any suggested amendments and she will forward them to the attorney to review.

Topic was deferred.

i. Appoint Pat Powers as Landscape Chairperson

Motion made by Autrey, seconded by England, to appoint Pat Power as Chair to the Landscape Committee. Approved by unanimous vote. (5-0)

Informational Items

There were no informational items.

13. **Announcements** – The next scheduled meeting is the Board of Directors Regular Meeting. The meeting will be held on January 26, 2024 at 10:00 a.m. in the Donner Room at the Event Center as well as virtually.
14. **Adjournment to Executive Session**
There being no further business, the Regular Meeting of the Board was adjourned at 11:59 am and the Board moved into Executive Session.
15. **Executive Session Summary**
The Board met in Executive Session from 12:09 to 2:23 p.m. to discuss member matters, delinquent accounts, and legal issues.

Secretary's Certificate

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

Victoria Thomas