



FIRST WALNUT CREEK MUTUAL

BOARD OF DIRECTORS REGULAR MEETING

Friday, February 23, 2024 at 10:00 a.m.

Meeting is Conducted In-Person and Virtually

Event Center - Donner Room

1021 Stanley Dollar Drive, Walnut Creek, CA 94595

Join Meeting Virtually

<https://rossmoor.zoom.us/j/83460633302>

Meeting ID: 834 6063 3302

Dial In - (669) 444-9171

MINUTES

Vice President, Peter Catalano, conducted the meeting in Mary England's physical absence.

1. **Call to Order**

Catalano did not want the meeting called to order. The meeting began at 10:00am

2. **Roll Call of Directors**

Catalano did not want the roll call taken. After a lengthy discussion about how the Board is required to conduct the meeting under the Davis Stirling Act, Catalano digressed, and Thomas took roll.

Mary A. England – President – District 5 – Virtually

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

Tom Hand – Chief Financial Officer – Virtually

Dave Peakes – Building Maintenance Manager

John Tawaststjerna – Landscape Manager

Victoria Thomas – Board Services Coordinator

Tina Merino-Evans – Sr. AP/AR Specialist – Virtually

3. **New Business**

Action Items

The agenda was amended and topic 12a New Business Action Item Con Fire Drill Request was moved to the top of the agenda at the announcement of Catalano. A motion was requested to allow the amendment. Catalano refused to allow motions to amend the agenda.

Con Fire Drill Request – *Captain Jeff Ornelious*

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Captain Ornelious presented on how a fire would be addressed in the within the Mutual. A fire drill was scheduled for March 3rd and 9th and would take approximately 1½ hours.

Motion made by Moreau, seconded by Autrey, to approve the dates for the fire drill. Approved by unanimous vote. (5-0)

4. Members' Forum

Members were afforded the opportunity to express their concerns, make comments, or have questions for the Board. Comments included: Better transparency on Board matters, residents' comments should be considered, silence on finances, transparency on finances, financial statements should not be certified to be compliant with Civil Code 5500 if the Treasurer has not reconciled on a monthly basis by checking work orders against invoices, checks, and general ledger. Thanks to Staff for correcting audio issues. Violations occurred during the beginning of meeting by not following civil codes on how to open and conduct a meeting and suggested new Board Directors receive training. List all members and their title on each Committee and report on who attended and what was voted on to allow for more transparency. Request to have all Committees on the website, its Charter, and list of members. EV charging, as listed in the policy, members must install an EV charger on a dedicated circuit for electrical safety. Past Minutes on Conflict of Interest Policy stated a policy was already in existence (staff corrected noting Board was proposing the policy). Asked if vent installation and duct cleaning is the owner's financial responsibility. Fences are not an exclusive use and are maintained by the Mutual. Peakes clarified this and stated that the Mutual does not maintain the rod iron fence. If installed during a remodel it's a documented alteration that is maintained by the owner.

5. Consent Calendar

- a. Board of Directors Regular Meeting Minutes – January 26, 2024

Motion made by Autrey, seconded by Moreau, to approve the Board of Directors Meeting Minutes as posted. Approved by unanimous vote. (5-0)

- b. Architectural Control Committee Meeting Minutes – February 2, 2024

Motion made by Autrey, seconded by Moreau, to approve the Board of Directors Meeting Minutes as posted. Approved by unanimous vote. (5-0)

- c. Board of Directors Executive Session Meeting Minutes – January 12, 2024

- d. Board of Directors Executive Session Meeting Minutes – January 19, 2024

- e. Board of Directors Executive Session Meeting Minutes – January 26, 2024

- f. Board of Directors Executive Session Meeting Minutes – January 29, 2024

- g. Board of Directors Executive Session Meeting Minutes – February 9, 2024

Catalano stated he did not want the Executive Session Meeting Minutes voted on as they did not reflect what happened.

6. Treasurer Report – Jean/Autrey/Tom Hand

Hand introduced himself and Tina Merino-Evans, which are in the Accounting Department. Hand informed the Board that the Accounting Department has assigned one accounting representative to each Mutual. Tina will be available at each Board meeting going forward to answer any questions.

Autrey asked about the status of the audit. Hand informed the Board that a temporary employee has been hired to complete the 2022 audits for the Mutuals. The audit is delayed due to the ledger

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account that tracks paid property taxes was not in sync with the sub-ledger. It is anticipated that all audits will be completed within two weeks.

a. Treasurer's Report

Autrey announced that the Treasurer's report will be reported by the Budget and Finance Committee.

Autrey stated a motion is still required to certify compliance with Civil Code §5500.

Catalano did not want the report to be certified as the numbers presented are preliminary. Hand informed the Board that all financials have preliminary numbers and are not final until an audit is completed. Making a motion that the financials are in compliance with Civil Code 5500 states that reconciliation of the bank accounts is done, statements, expenses, check register, and reserve account have been reviewed.

Motion made by Autrey, seconded by Moreau, to certify compliance with Civil Code §5500 for the January financial statement. Approved by vote. (4-1 Catalano voted no)

7. Mutual Operations – Jeroen Wright/Dave Peakes

Wright reported that all the Mutuals now have property insurance to the levels that were budgeted for. The Firewise Program Committee is working diligently to provide educational outreach. Rossmoor's website now has a Firewise Program page.

Peakes reported on:

Carpentry/Paint Rehab Work

Painters have resumed work on the final four buildings from last years rehab cycle and will finish as weather allows.

Electrical Panels

Gauthier Construction has dedicated additional staff to the panel replacements in an effort to replace all the original Zinsco brand interior electrical panels replaced in a far more expedient time frame than originally outlined. There are approximately 265 panels remaining to be replaced that have been identified through the annual manor inspection program.

PG&E – VPI (Veteran Power)

VPI has finished their work on Oakmont. PGE now needs to run their new lines through the conduit that was installed. The first month of the new year saw 4 water main breaks in FWCM. 3 of which were emergency shut off situations. One of those 3 were due to VPI hitting a water main while drilling. I am trying to get PGE to cover the cost of that repair.

Fire Break Installations

The fire break installations are moving along faster than anticipated. I expect that the G-11 buildings will be done this year. I was able to get an additional crew from MOD involved during the slow season for them. Once the fire breaks in the G-11's are done, weather permitting, we can get the 2024 carpentry rehab. program started.

Landscape Manager's Report – John Tawaststjerna

Landscape Maintenance

- Irrigation is still off

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- Removal of excess leaves
- Drain and v-ditch clearing
- Winter pruning is currently underway

Tree Maintenance

- Golden Rain Entries 1 through 5
 - o Completed yearly pruning
- Golden Rain Entries 6 through 29
 - o In Progress
- Golden Rain Entry 14
 - o Eucalyptus removal completed
 - o DFSC Grant accepted and in progress
- Oakmont Entry 3
 - o Monterey Pine removal scheduled for March

Proposals for Approval

- Golden Rain Entry 6 Building Rehab
 - o Not to Exceed \$5,694.89
 - o Reserves

Motion made by Autrey, seconded by Moreau, to approve a not to exceed \$5,694.89 from the reserve fund for the Golden Rain Entry 6 Building Rehab. Approved by unanimous vote. (5-0)

Memorial Bench Donation

- Barbara E. Denardo bench donation in Golden Rain Entry 18
 - o Elaine Soanes, who is the sister of Barbara, wishes to donate a bench near her deceased sister's home. Wording on plaque and location was provided to the Board.

Motion made by Autrey, seconded by Chung, to approve the bench. Approved by unanimous vote. (5-0)

8. Committee Reports

- a. Budget and Finance Committee Report – *Paul Moderaki*
Committee meets monthly on the third Tuesday of the month via virtually.

Committee met on February 20th and reviewed the financial statement which came in under budget for the first month of the year.

Currently, the Committee has three vacancies from Districts 2, 3, and 4. If a resident is interested in joining the Committee contact their district representative.

Reserve study review will begin in April, which is conducted annually. The vendor is Porter. Mission Statement was reviewed and there are no recommended amendments.

Catalano asked if residents had any questions or comments.

Members in the audience asked why the Treasurer's Report was not read out loud in open meeting as it should be for transparency and so it can be recorded in the Minutes.

Moderaki read the Treasurer's Report.



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TREASURER REPORT
YEAR 2024

	At 1.31
Cash in Bank & Sweep Accts - Operating	7,695,499
Includes an unknown amount for the property fund	
Cash in Bank & Sweep Accts - Reserve	10,017,232
Note: Sweep level is \$50,000	
Net Income to Date	400,292
Ending Fund Balances	
Operating	5,405,424
Property	6,461,903
Reserve	10,116,810
Accounts Receivable -Assessments	125,391
Accounts Receivable - 3rd Party Billing & Other*	<u>1,970,791</u>
Total Receivables:	2,096,182
(Per Aging: 4247,680)	
Under/(Over) Budget (excluding revenue)	
Current Month	212,636
Year to Date	212,636
Categories - Operating YTD	
Management Fee	(4,215)
Building Maint & Public Works	57,310
Landscape Maintenance	19,963
Custodial Services	8,554
Insurance	9,513
Utilities	104,974
Professional Svc	13,708
Other General & Admin	2,828
Total	212,635

A/R collections are ongoing.

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b. Landscape Committee – *Pat Power*

Brightview Contract Review

- a. The Section of The Contract covering BrightView’s responsibility to submit monthly reports was reviewed. The BrightView Manager submitted his most recent report which had previously only been submitted to the Landscape Manager. The Committee requested that they each receive the monthly report. The Committee, due to time pressure, requested that the report be emailed for review. The specific section reading:

"Your Account Manager will submit a Quality Site Assessment (report including pictures), which is an accountability document that will illustrate what needs immediate attention as well as recommend any short and long term improvements."

After reviewing the submitted document, the committee sent the following email to the Landscape Manager and BrightView Manager which requests a cooperative effort to better inform the LC about short and long term areas for improvement.

"there is an opportunity to use this report to identify/target areas in the landscape that need attention. By utilizing this report to reveal both issues that BrightView confronts when attempting to do maintenance and general areas of deterioration, the Committee can better understand the issues and consequently get them the attention they need. Since it is in The Contract, it would also demonstrate BrightView’s attention to performance, etc."

- b. The LC discussed BrightViews inability to adequately address routine maintenance due to resident interference. The following decisions were made.
- A general information article about common area landscape property and the rules governing these areas will be written (Pat Power to write and submit for approval by the Committee) to be run periodically in the Rossmoor News in order to apprise residents of rules/violations.
 - The BrightView Manager will make a list of those residents who consistently interfere by making specific requests/directions to the landscape crews,
 - The Landscape Dept. Manager will write letters to these residents (specific District/Board member for reference) clearly stating the rules,
 - Residents who continue with complaints/direction will be individually visited by the BrightView Manager and referred to the appropriate Board member.
 - Mary England has written to The Board members informing of these decisions and their responsibilities to contact the identified residents if the problems continue.
- c. Ongoing issues with leaf litter in drainage runs was discussed. The LD will discontinue it’s blanket policy of not removing leaves in certain areas until March and respond directly to LC member requests when sudden leaf fall potentially blocks resident drains.

Request for Landscape Rehabilitation -- Procedure and Submission Form

The LC reviewed the draft and approved it with minor alterations. The new submission form was reviewed and approved. Yet to be approved is a two or more review cycle rather than a yearly submission which should better distribute the work load to both the LD and the Committee as well as provide faster remediation in problem areas.

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Other Issues

- a. CA Legislation regarding water sources: Potable water prohibition for turf – where do we go?

The Landscape Manager reported that these conversions are due in 2029. Currently there is no State or County administrative control to oversee accomplishment. He feels there is a great deal of leeway in what is designated nonfunctional turf. However, strips of grass bordering sidewalks, etc. will definitely have to go. The Landscape Committee needs to begin listing turf conversion sites and developing plans for implementation. Mention was made of using the site lawntogarden.org in order to estimate the financial benefit of a turf conversion. EBMUD will allow funding to FWCM for one landscape conversion only (\$20,000.00?). Size is not a factor.

- b. Request/Require a preliminary landscape design with costs to be submitted when trees are removed. Require LD to provide information about where mandatory tree replacements are slotted.

After discussion, the LD will submit preliminary cost estimates to the LC for landscape remediation in areas that tree removal may necessitate landscaping. We were informed that Walnut Creek does not mandate that a tree be planted for every tree removed. This has been a Rossmoor policy.

- c. Governance Committee – *Madelyn Miller*

The Governance Committee has made substantial edits, changes and comments to the existing Alterations Policy. We are still in DRAFT mode. We have made recommendations that should be reviewed, coordinated and adopted by the Board.

As the Board is also in the process of updating other policies and documents, we will do no more on this project until we get the legal advice, we think is necessary as well as and add more Committee Members.

The next meeting is tentatively scheduled for March 5, 2024 at 10:00am.

Miller resigned from the Chair position on the Committee.

- d. Capital Projects Committee – Pam Hudson

Drainage

March/April 2024: Will schedule discussions with MOD for alignment on recommendations and estimated costs for Fairlawn and Oakmont.

- Orient New Committee Member: Due to time constraints and scheduling conflicts, still need to orient our new committee member (Roger Smith) with work done by Roy Yang/Young Chung regarding drainage studies.

Electrical

- Electrical Strategic Electrical Management (SEM) Initiative: Clear Result on-site visit took place on January 31st with Michael Sund hosting the visit. Clear Result toured facilities

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(electrical/heating, etc.) in the common areas and inspected various unit configurations to understand current infrastructure, energy consumption, etc. to make recommendations on changes and/or investments to reduce overall energy costs.

- Preliminary findings will be presented by Robert Muldoon (Clear Results) with Capital Committee Members and MOD on Wednesday, February 21st from 9:00 - 10:00 am in the MOD conference room. Committee members are invited to attend in person or via Zoom Conference Call.
- Electrical RFP: Robert Muldoon (Clear Results) reviewed the RFP and spoke with the Clear Result Engineering Department. They recommended that FWCM start with their free technical assessment provided by the EV Charger Rebate program because it can also include an assessment of full electrification of the building systems (i.e., HVAC and any appliances). The EV assessment will provide an analysis of available capacity based on available data. This information may then be used to answer some of the questions present in the draft RFP and to quantify electrical system upgrades.
 - Scheduling Technical Assessment: Raymond Lee (Clear Results) will lead the Electrical Assessment. He will schedule a pre-visit call before coming on-site once he receives the site information he requested.
- EV Charger Rebate Program & Electrical RFP: Per the update to the FWCM board in December 2023, we are still adhering to our strategy of having the three Electrical Initiatives conducted sequentially with the Strategic Electrical Management (SEM) study to serve as the foundation for the EV Charger Rebate analysis, as well as the FWCM Electrical RFP.

Motion made by Young, seconded by Autrey, to appoint Mike Sund as Chair to the Capital Projects Committee. Approved by unanimous vote. (5-0)

- e. Social Engagement Committee – *Marcia Keating*
The Community Social Engagement Committee (CSEC) is recruiting members and will be placing recruitment articles in the Rossmoor News.

The Ad Hoc Social Engagement Committee (SEC) will proceed in scheduling three "Meet the District Director" meetings. All 5 districts will be represented at these meetings. There will be 2 district directors at each meeting in March and April, with Jean Autrey, District 1, hosting the May meeting. Marcia Keating, Chair of the Community Social Engagement Committee will be contacting the District Directors to set up these meetings.

The next Ad Hoc SEC meeting will be on Tuesday March 5, 2024

9. President's Report – Mary A. England
England reported on the topics discussed at the Presidents' Forum were: insurance Fannie Mae and Freddie Mac consider properties like Rossmoor to not be fully insurable; therefore, buying into the co-op may not be an option unless paid fully with cash.

A workgroup has been created with 8 Mutual Presidents to amend the GRF Management Agreement.

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10. New Resident Orientation – Jerry Priebat

Next Orientation Meeting: The next scheduled meeting is on March 12, 2024 at 7:00 p.m. in the Donner Room at the Event Center.

11. Unfinished Business – Mary A. England

Action Items

a. Identify and assign Priorities to Board Director or Committee

Establish priority projects for Mutual – Assign Committees and Board Directors to take on Projects

District 1

– Stove replacements

First Mutual was built with 27 inch stoves, which are no longer accessible. Autrey will work with Dave Peakes.

District 2

– Needs Trash Committee for recycling and cost savings

England will work with Moreau to find a resident to Chair the Committee.

District 3

– Consistency with policies and governing documents

– Difficulty with enforcement and understanding

Project was put on pause until a Committee can be formed.

Board will revisit the documents and possibly schedule townhalls within the districts to get input from residents on the Bylaws.

Autrey proposed a full review be done by legal counsel.

England proposed to change the Governance Committee to a Governing Documents Committee.

District 4

– Electrical infrastructure improvements components not identified

PG&E will provide what is needed. Capital Projects will work on this project with Dave Peakes.

District 5

– Revise GRF Management Agreement

The workgroup in the Presidents' Forum will develop a template on a new GRF

Management Agreement and customize it for the co-ops, condos, and single family homes.

– Increase number of Board Directors

England proposed the number of Board Members be increased.

12. New Business Cont.

Action Items

b. Refer Maintenance Policy 2.0 to Governance Committee

Topic deferred.

Thomas created a Conflict of Interest Policy using GRF's language and emailed it to Directors and Committee Chairs for signature.

Topic deferred.

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- c. Carport Inspections – *Young Chung*
– Policies and enforcement

- Golf cart charging

Residents not paying for golf cart charging. The Board will investigate who is not charging and a fine will be implemented.

Billing is also inconsistent.

Motion made by Autrey, seconded by Moreau, to mail warning letters to residents charging their golf carts without paying. Approved by unanimous vote. (5-0)

- EV charging

- Auxiliary Storage cabinets

Old cabinets that were installed will be grandfathered in and will not be fined due to receiving incorrect information from the Alterations Department. New cabinets must have a permit or they will be fined.

Topic deferred.

- d. Board & Alterations Policy Violation Enforcement Procedures
Topic deferred.

- e. Status of 2022 Audit
Topic deferred.

- f. Approve Porter & Lasiewicz, CPA's to file the 2023 tax returns and authorize Jean Autrey to sign an Engagement Letter.
Topic deferred.

- g. Alterations – White Trim Exterior
Topic deferred.

13. Informational/Discussion Items

- a. Potentially creating an emergency task force to find a different accounting firm to handle the Mutual's accounting
Topic deferred.

- b. Membership Financial Requirements Policy
Topic deferred.

- c. Bylaws Revision Process
Topic deferred.

- d. Board Member and District Expansion Proposal
Topic deferred.



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14. **Announcements** – The next scheduled meeting is the Board of Directors Regular Meeting. The meeting will be held on March 22, 2024 at 10:00 a.m. in the Donner Room at the Event Center as well as virtually.

15. **Adjournment to Executive Session** – If necessary, for legal issues, contracts, member discipline, personnel issues, delinquencies, or foreclosures.