

FIRST WALNUT CREEK MUTUAL

BOARD OF DIRECTORS REGULAR MEETING

Friday, March 22, 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

MINUTES

1. **Call to Order**

President England called the meeting to order at 10:00 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
Tom Hand – Chief Financial Officer – Virtually
Bud Baxter – Accounting Manager
Dave Peakes – Building Maintenance Manager
John Tawaststjerna – Landscape Manager – Virtually
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: Entry 18 road curves making it difficult to turn into. Entry 19 requested a light be installed to allow for better visibility at night. The Board meeting held on February 23, 2024 lacked transparency and unclear reporting on the budget. Borrowing money from the Reserve Account to pay property taxes. The Board not reconciling expenses against income. 2022 Audit not complete. 2023 Audit will be late. The Board does not review all alterations and discloses addresses on ACC agendas. The Board is required keep records of all ACC decisions made permanently and available for Members to review. Insurance revision is unnecessary as the Bylaws themselves give the Board permission to change the coverage. Board action needs to conduct real Board business at meetings. Requests made: clarification on the responsibilities of the Committee Members, procedures taken to appoint members, increase the number of members on the Landscape Committee, place committee minutes on the website, provide a clickable link on the agenda for easier access to the virtual meeting, duct system be examined, provide residents with documentation on when the furnaces were installed.

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4. New Business Cont.

Action Items

a. Board Process for Board Meeting Procedures

Board received comments and documentation from members requesting that the Board comply with the Roberts Rules or Order when conducting meetings and use parliamentary procedures.

Motion made by England, seconded by Autrey, to approve conducting meetings using Roberts Rules of Order.

Discussion – Chung found Roberts Rules of Order too strict to follow and is against it. He approved following parliamentary rules.

Catalano doesn't think making motions is necessary and is formalistic and archaic. Adding that a second motion is unnecessary. Moreau stated it is time saving if second motions are not conducted. Forcing the Board to be clear on what was voted on.

Autrey disagreed with comments and making motions makes it clear and concise as to what is voted on.

Amendment to the motion made by England that the Board shall use motions when deciding Board action.

Approved by vote. (3-2 Catalano and Moreau opposed)

5. Informational/Discussion Item – Moved to New Business Action Item

a. Board Member and District Expansion Proposal

Topic was moved up on the agenda.

The proposal recommends the Board take the follow action to enlarge the Board of Directors by expanding the number of Directors and Districts.

Three options were provided: Decide to expand Board to 11 Directors, Decide on expanding to 7 Director and Districts, or Decide on expanding to 9 Director and Districts.

Locke reported that the Governance workgroup recommended the Board increase to 9 Members. Adding that 7 would not allow for a dramatic enough change and 11 was too many. Implementation would consist of advertise new Districts, communication of Board increase of Directors, and conduct an election. Locke agreed to work on the project.

Motion made by Moreau, seconded by England, to approve expanding the Board to 9 Directors and Districts and use presented map to define the Districts that include 209 units per Director.

Amendment to the motion made by Catalano to increase the Board to 9 Members subject to legal review. Approved by vote. (4-1 Autrey opposed)

6. Consent Calendar

- a. Board of Directors Executive Session Meeting Minutes – January 12, 2024
- b. Board of Directors Executive Session Meeting Minutes – January 19, 2024
- c. Board of Directors Executive Session Meeting Minutes – January 26, 2024
- d. Board of Directors Executive Session Meeting Minutes – January 29, 2024
- e. Board of Directors Executive Session Meeting Minutes – February 9, 2024

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- f. Board of Directors Executive Session Meeting Minutes – February 22, 2024
- g. Architectural Control Committee Meeting Minutes – March 6, 2024
- h. Board of Directors Executive Session Meeting Minutes – March 8, 2024
- i. Board of Directors Emergency Executive Session Meeting Minutes – March 10, 2024

Motion made by Autrey, seconded by England, to approve the minutes as amended, minus Item i. Approved by vote. (3-2 Catalano and Moreau opposed)

7. Treasurer Report – Jean Autrey/Bud Baxter
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 TREASURER REPORT
 YEAR 2024**

	At 2.28
Cash in Bank & Sweep Accts - Operating	3,961,566
Includes an unknown amount for the property fund	
Cash in Bank & Sweep Accts - Reserve	10,310,383
Note: Sweep level is \$50,000	
Net Income to Date	624,161
Ending Fund Balances	
Operating	5,607,708
Property	6,384,320
Reserve	10,073,664
Accounts Receivable -Assessments	166,893
Accounts Receivable - 3rd Party Billing & Other*	1,966,438
Total Receivables:	2,133,331
*Per Aging: \$118,844 (Balance Unidentified)	
Under/(Over) Budget (excluding revenue)	
Current Month	38,397
Year to Date	251,033
Categories - Operating YTD	
Management Fee	(8,429)
Building Maint & Public Works	34,533
Landscape Maintenance	17,882
Custodial Services	(78)
Insurance	9,128
Utilities	174,016
Professional Svc	18,896
Other General & Admin	5,086
Total	251,034

A/R collections are ongoing.

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A tree branch fell on a manor causing damages. Tawaststjerna hired Waraner to conduct an inspection and provide an estimate for the repair. Tawaststjerna will report back to the Board once he receives the estimate. The costs for repairs will fall under the Shared Deductible Agreement with the First Mutual paying the first \$10,000.00 and all remaining costs be shared with all Mutuals in the agreement.

Bud Baxter was introduced as the new Accounting Manager. Baxter is taking on the Collection Policy and will report monthly to the Board.

Hand reported that the 2022 Audit is not complete. Porter & Lasiewicz, CPAs are currently preparing the draft audit.

Motion made by Autrey, seconded by England, to certify compliance with Civil Code §5500 for the February financial statement. Approved by vote. (4-1 Catalano opposed)

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

Wright reported that a new position has been created in the Building Maintenance Department Building Maintenance Coordinator Associate. The position has been filled internally with Lina. The position coordinates contracts with vendors and works directly with Peakes and Wright. If the Building Maintenance Coordinator becomes vacant Lina will move into the position and the Associate position will be filled.

Peakes reported

CARPENTRY/PAINT REHAB WORK – Carpentry crews have started work on the 2024 rehab program. One crew has begun at 1116 Fairlawn Ct. (a 12-unit G-11) and will then proceed to 1549 Oakmont Dr. There are (8) G-11 style buildings on this years program in which we will be installing fire breaks on the exterior patio's between each unit. The other crew is getting ready to start work at 1708 Golden Rain Rd. (an 8-unit Monterey/Carmel).

The painting crews are finishing up the last two buildings from last years maintenance cycle (1101 and 1109 Golden Rain), before following up behind the carpenters and deck coaters.

FIRE BREAK INSTALLATIONS – The attic firebreak installations are completed in all the G-11 buildings. There is some paint touch up to do at the new access panels that were installed, and an MOD painter is following up. This program was completed in 3 months opposed to the 3-year window initially planned. The availability of extra crews and the extended rains allowed this to be done in a shorter time frame.

TREE FALL – The top 1/3 of a Redwood tree fell on a 2 story Monterey/Carmel building at 3441 Golden Rain Rd. primarily affecting the #3 unit. No one was injured but there are damages to the building that are still being assessed. Immediately, the tree was removed, and the roof was patched. Because this happened during the rains, there was some water intrusion. An agency was called in to set up dryers, brace the ceiling and secure the affected room. With the Boards approval we were able to move forward by abating the sheetrock in the affected area, and, as of the writing of this report, have an engineer scheduled to look at the building to assess damages and determine the scope of the put back.

ELECTRICAL PANELS – Approximately 4 panels a week are getting done. By years end we will know where we stand with the panels left over from scheduling conflicts and others identified through the manor inspection program.

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9. Landscape Manager's Report – John Tawaststjerna

- Irrigation is still off
 - o Watering is expected to start in April
 - o Techs are currently completing irrigation inspections
- Cutback of perennials
- Aeration of turf in the next month
- Aphid treatment

Tree Maintenance

- Golden Rain Entries 1 through 7
 - o Completed yearly pruning
- Tree removal permits
 - o Monterey Pines
 - Pine Knoll E1, Golden Rain E4, & Golden Rain E26

Proposals for Approval

- 1316 Rockledge Entry 6 Rehab
 - o \$15,647.59
 - o Reserves
 - Motion made by England, seconded by Autrey, to approve \$15,647.59 from the Reserve Account for 1316 Rockledge Entry 6 Rehab. Approved by unanimous vote. (5-0)*
- 1332 Rockledge Entry 6 Retaining Wall
 - o \$14,347.67
 - o Reserves
 - Motion made by England, seconded by Autrey, to approve \$14,347.67 from the Reserve Account for 1332 Rockledge Entry 6 Retaining Wall. Approved by unanimous vote. (5-0)*
- Pine Knoll Entry 1 Small Rehab and Juniper Removal
 - o \$6,125.78
 - o Reserves
 - Motion made by Autrey, seconded by Moreau, to approve \$6,125.78 from the Reserve Account for Pine Knoll Entry 1 Small Rehab and Juniper Removal. Approved by unanimous vote. (5-0)*

10. Committee Reports

- a. Budget and Finance Committee Report – *Paul Moderaki*
No Report
- b. Landscape Committee – *Pat Power*
 - A. The Landscape Committee continues its work in three major areas. Those are:
 1. Review of the BrightView Maintenance Contract to fully realize the contractual obligations.

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2. Update procedures regarding landscape rehabilitation, the plant replacement program, and the Work Order system interface between BrightView, the Landscape Department, and the Committee Reps.
 3. Understand, catalogue, and develop ways to deal with resident interference in the landscape.
- B. Upcoming additional areas for immediate consideration are:
1. Understanding the implications of any changes to the landscape that will be required to participate in the FireWise Program.
 2. Reviewing the landscape representative job description.
- C. Initial steps have been taken to work with the City of Walnut Creek to revise its tree ordinance in order to facilitate the tree removal process in light of the number of trees that will need to be removed in FWCM in the next few years.
- D. The Committee is working with the Landscape Department to get the current large number of rehabilitation projects finished before planting season ends.
- c. Governance Committee – *Madelyn Miller*
No Report
- d. Capital Projects Committee – *Mike Sund*
Electrical/Energy Group
This group has 3 concurrent initiatives underway
- Strategic Energy Management (SEM) is an effort to control and reduce energy costs in M1. In our latest meeting (Feb. 21, 2024) we were presented with multiple ideas for energy reductions. This ranged from easy to difficult to accomplish. We will continue to have follow up meetings via Zoom on a monthly basis.
 - Electrical vehicle (EV) charging has 2 factors. One is standard alone units with 2 charging heads. The other is updating our carports with 240V Ac, so residents can install their own charging system. Over the last several weeks we have provided a lot of information and data to MCE for their evaluation and determination of the number of sites they will approve for an engineering study.
 - The objective of the electrical infrastructure evaluation is to insure we have adequate electricity in each manor to convert it to complete electric energy. Currently, this initiative is also waiting the MCE decision.
- Drainage/Structures Group
This group will work with MOD to cure drainage issues, ensure the foundation ground is solid and determine earthquake resiliency of the buildings. I am just getting started and will provide more detailed information next month.
- e. Social Engagement Committee – *Marcia Keating*
Autrey reported the Committee Members are: Marcia Keating, Chair, Jean Autrey, Board Liaison, Kathy Riley, and Jack Appleman

The ad hoc Social Engagement Committee met on Friday, March 1, 2024. Present at the meeting were Jean Autrey, Kathy Riley and Marcia Keating. We discussed planning the District Town Hall/Meet the Director meetings.

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Marcia Keating sent out an email to each District Director on Friday, March 1, 2024 to set up a planning meeting to organize the District Town Hall/Meet the Director meetings that will take place between April and May 2024. Once the District Director meetings are set up, the ad hoc Social Engagement Committee will advertise the meetings in the Rossmoor News and post the meeting information at each district entry.

The permanent Social Engagement Committee will continue to recruit members at each District Town Hall/Meet the Director meeting.

11. **President's Report** – Mary A. England

England reported that on March 9, 2024 two Contra Costa County Fire Districts performed fire drill exercises on Rockledge Entry 6 and 7. Beverly Freyberg was thanked for her efforts in coordinating with agency, Securitas, and 150 residents.

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

Next Orientation Meeting: The next scheduled meeting is on April 9, 2024 at 10:00 a.m. in the Donner Room at the Event Center. Jack Appleman volunteered to be Priebat's backup should he not be able to attend a meeting.

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

Action Items

a. Carport Inspections – Young Chung

Chung reported that inspections is an ongoing project.

It has been determined that electric vehicles and golfcarts are being charged illegally. Alleged violators will be called in for Hearings.

Auxiliary Storage Cabinets

The Alterations Department has not been enforcing the policy for years. Now, many unapproved cabinets have been installed. A policy needs to be adopted to allow unapproved cabinets currently installed to remain, but removed when the member moves and going forward the Alteration Department must adhere to the policy.

b. Schedule of Fines

No Discussion

c. Status of Bylaws Revision regarding Insurance

Motion made by Autrey, seconded by England, to approve attorney language on the Bylaws revision Section 15.6. Staff was directed to replace the word owner with member.

Discussion – Catalano did not agree with requiring members to acquire HO-6 insurance and in 15.2.3(i) he proposed to add language to read “when determining the economic feasibility or given the amount of coverage, the Board consider all relative factors”, and delete Section 5. England reported that to her knowledge other Mutuals require members to have HO-6 insurance. Moreau proposed to change the language regarding HO-6 insurance to “it is recommended that members carry HO-6”. Staff was not directed to replace proposed language changes.

Topic Deferred



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- d. Status of 2022 Audit
No Discussion
- e. Review proposed policy 2.0 changes
Topic Deferred
- f. Review proposed duck cleaning & repair policy (maintenance & alterations)
Topic Deferred
- g. Approve 2023 engagement letter for tax preparation \$2,200.00.

Motion made by Autrey, seconded by England, to hire Porter & Lasiewicz, CPAs to file the corporate tax return for the calendar year 2023 at a cost of \$2,200.00. Approved by unanimous vote. (5-0)

Motion made by Autrey, seconded by England, to authorize Mary England to sign the Tax Services Agreement on the Board's behalf. Approved by unanimous vote. (5-0)

14. New Business Cont.

Action Items

- a. Board & Alterations Policy Violation Enforcement Procedures
Topic Deferred
- b. Revised Alteration Policy
Topic Deferred
- c. Committee Recruitment
– Landscape, Budget and Finance, and Capital Projects
Topic Deferred
- d. Status of Governance Committee
Topic Deferred
- e. Authorize from Reserve Fund an amount sufficient to pay the April 10, 2024 Property Tax Payment with the agreement to pay back within 12 months.

Motion made by Autrey, seconded by England, to authorize a loan from the Reserve Fund of not to exceed \$700,000.00 to pay property tax if needed and pay back loan by December 31, 2024.

Discussion – Accounting Department indicated monies may need to be borrowed to make the April 10, 2024 property tax payment.

Catalano asked Melanie Rose to clarify her question on this discussion. Rose asked for more transparency as to why the Mutual needs to borrow money from the Reserve Account. Asked for more information on the lawsuit.

Amendment to the motion by Autrey, seconded by Chung, to establish a reserve for an anticipated lawsuit settlement. Approved by unanimous vote. (5-0)

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- f. Summary of Financial Statements at Regular Board Meetings
Topic Deferred
 - g. Legal Counsel's Revised Fee Schedule
Topic Deferred
 - h. Status of Election Process for Districts 2 and 4
 - April 18 – Early Notice of Nomination Deadline
 - June 17 – Notice of Delivery Date for Nomination Procedures and Deadline
 - June 17 – July 10 – Reminder Notice of Nomination Deadline
 - July 17 – Nomination Deadline
 - July 22 – 31 – Select Inspector of Elections
 - August 6 – Pre-Ballot Notice Date
 - August 30 – Voter List and Candidate Registration List Correction Deadline
 - September 5 – 10 – Ballot and Election Rule Mailing Date and Finalize Voter List
 - October 10 – Voting Deadline and Tabulation Meeting
 - October 25 – Election Results DeadlineTopic Deferred
 - i. ACC Confidentiality Procedure for review of Member Alteration Application
Topic Deferred
 - j. Landscape Policy Violation Letters
Topic Deferred
 - k. Financial Requirements for Membership
Topic Deferred
15. **Announcements** – The next scheduled meeting is the Board of Directors Special Meeting. The meeting will be held on April 17, 2024 at 9:00 a.m. in the Donner Room at the Event Center as well as virtually.
16. **Adjournment to Executive Session**
There being no further business, the Board of Directors Regular Meeting was adjourned at 12:10 and the Board moved into Executive Session.
17. **Executive Session Summary**
The Board met in Executive Session from 12:18 – 1:56 p.m. to discuss disciplinary hearings.