

BOARD OF DIRECTORS REGULAR MEETING

Friday, April 25, 2025 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**

Chung called the meeting to order at 10:01 a.m.

2. **Roll Call of Directors**

Young Chung – President
Peter Catalano – 1st Vice President
Kevin Dowling – 2nd Vice President (*arrived 11:14am*)
Peggy Kaiser – Treasurer
Jean Autrey – Secretary

Mutual Operations Staff

Jeroen Wright – Director of Mutual Operations
Todd Arterburn – Chief Financial Officer
Dave Peakes – Building Maintenance Manager
John Tawaststjerna – Landscape Manager
Victoria Thomas – Board Services Coordinator

3. **New Business**

a. MCE-ClearResult Award

Bob Muldoon from MCE-ClearResult was in attendance to present an award to First Walnut Creek Mutual for strategic energy management in the amount of \$4,784 by saving 15,000 thermal units of gas.

4. **Members' Forum**

Members are afforded an opportunity to address the board for up to 3 minutes. There were no comments.

4. **Consent Calendar**

- a. Board of Directors Executive Session Meeting Minutes – February 28, 2025
- b. Board of Directors Executive Session Meeting Minutes – March 14, 2025
- c. Board of Directors Regular Meeting Minutes – March 28, 2025
- d. Board of Directors Executive Session Meeting Minutes – March 28, 2025
- e. Architectural Control Committee Meeting Minutes – April 1, 2025
- f. Board of Directors Special Meeting Minutes – April 11, 2025
- g. Board of Directors Executive Session Meeting Minutes – April 11, 2025
- h. Board of Directors Executive Session Meeting Minutes – April 18, 2025

Motion made by Autrey, seconded by Chung, to approve the Consent Calendar. Approved by vote. (3-1 Catalano voted no)

5. **Report Out from Executive Session Meeting**

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- Report out from Executive Session on February 28, 2025: The Board met to discuss:
 - Formation of Contract
 - Disciplinary Hearings for policy violations
 - Began construction prior to obtaining a permit – Fined \$100.00
 - Began construction prior to obtaining a permit – To be determined
 - Contractor materials in common area – To be determined
 - Report out from Executive Session on March 14, 2025: The Board met to discuss:
 - Formation of Contract
 - Disciplinary Hearings for policy violations
 - Began construction prior to obtaining a permit – Fined \$100.00
 - Began construction prior to obtaining a permit – Fined \$200.00
 - Report out from Executive Session on March 28, 2025: The Board met to discuss:
 - Formation of Contract
 - Board approved contract with Porter & Lasiewicz to prepare the 2024 audit and tax returns at a cost of \$20,500
 - Disciplinary Hearings for policy violations
 - Installed a fence prior to obtaining a permit – Seeking legal advice
 - Personal items in common area – Requested to be removed
 - Report out from Executive Session on April 11, 2025: The Board met to discuss:
 - Disciplinary Hearings for policy violations
 - Began construction prior to obtaining a permit – \$200 fine paid and red tag removed
 - Report out from Executive Session on April 18, 2025: The Board met to discuss:
 - Litigation
6. **President's Report** – *Young Chung*
- GRF Management Agreement Appendix for the Mutual is being worked on.
 - The Mutual is inconsistent with policy enforcements.
 - The Architectural Control Committee has been identifying issues that have not been addressed in the past.
7. **Treasurer's Report** – *Peggy Kaiser*
- Arterburn provided the first quarter report showing capitalization on the 2025 budget versus the actual expenditures. The report was only three pages versus the regular 150 page report, making the information provided insufficient to certify with compliance of Civil Code 5500. The operating budget was positive by \$541,742; the reserve fund was positive by \$535,154. The following operating expenditures were over budget by at least 20%:
- Painting Budget \$1,500 / Actual \$4,412
 - Gutter Cleaning Budget \$21,249 / Actual \$29,499
 - Resales Budget \$5,001 / Actual \$11,825
 - Plumbing Budget \$125,000 / Actual \$157,477
 - Lighting Budget \$30,000 / Actual \$59,030
 - Copying/Printing Budget \$5,000 / Actual \$7,234

Reserves Fund

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- Plumbing Budget \$10,000 / Actual \$13,800
- Electrical Budget \$75,000 / Actual \$131,693

Vistability is mistakenly charging the Mutual twice a month for trash bin cleaning when it should be once a month, resulting in overbilling. The Mutual will be receiving a reimbursement in the amount of approximately \$8,854.

Motion made by Kaiser, seconded by Autrey, to write off \$1,334.41 in third party billings as miscellaneous income. The reasons for recommendation is the amounts are generally small and the cost of researching and collecting exceeds the amount owed (most amounts are \$60.00 and under.), the Accounting Department could not find documentation, or amounts were not posted to the correct account. Approved by unanimous vote. (4-0)

Catalano expressed dissatisfaction with the Accounting Department not producing financial statements since December 2024. Adding that the state law requires the Board review the financial statements monthly and the Board can be held liable for now reviewing the reports. The staff explained the delay in submitting reports was due to the time required for transitioning between software programs, which temporarily impacted their workflow and caused the reports to be late.

Motion made by Catalano, seconded by Kaiser, to hire an accounting firm and law firm to correct the accounting error and get the reports up to date. Motion did not pass by vote. (2-2 Young and Autrey voted no)

Motion made by Catalano, seconded by Kaiser, to seek an opinion from counsel that difficulties with accounting is sufficient to not be compliant with Civil Code 5500. Approved by vote. (3-1 Chung voted no)

Young asked Arterburn for options to produce the financial statements sooner. Arterburn replied that the scope for implementation is vast in NetSuite and Staff is unfamiliar with the new software program causing the delay. Autrey opined that GRF did not do parallel processing causing the delay.

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

Wright

No Report

Peakes

Carpentry/Paint Rehab Work

Carpentry work has been completed on the San Franciscan buildings at 2025, 2041 and 2301 Golden Rain. Painters are following behind and are currently working at 2041 Golden Rain. One group of carpenters is initiating work on the G-11 buildings starting at 1108 Fairlawn, then will be moving to 1109 and 1208 Rockledge. The other crew has started on the Monterey Carmel buildings at 1516 Golden Rain Rd.

1901 Golden Rain Rd.

As of this writing, there are no significant updates on the fire building. Plans are still being reviewed by the city of WC. Some structural revisions have been made, the beams on the interior of the carport have been determined to be salvageable.

FWCM Roofing Program

On Wednesday, I walked 13 roofs with 3 vendors to obtain bids in order to put together this years

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roofing program. After the bids are received they will be reviewed and then awarded to the appropriate vendor.

Ducting Maintenance

Bay Air Flow has conducted an inspection on a unit in FWCM as a pilot. The results from their testing showed that the ducts were in good shape. The area of concern outlined in the report was the furnace blower motor which has build up of dust. Bay Air flow has done ducting maintenance work in other Mutuals in Rossmoor. Their prices are extremely reasonable. We were invoiced \$129 for the inspection (there would be a discounted rate for bulk work of 10 units or more).

Cleanings would be \$275, discounted to \$250 with bulk work, with a camera inspection of the ducts included.

9. **Chief Financial Officer's Report** – *Todd Arterburn*

No Report

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

Landscape Maintenance

- Irrigation was turned on 4/9/25
- Fertilization of shrubs
- Fertilization of lawns

Tree Maintenance

- Pruning
 - o Golden Rain Entries
 - Completed
 - o Pine Knoll
 - Scheduled for May
- Removal Permits
 - o Oakmont Entry 10
 - (4) Monterey Pine
 - In progress

Proposals for Approval

- Golden Rain Entry 24 Lawn Conversion
 - o \$12,477.53 (Reserves)

Motion made by Autrey, seconded by Chung, to approve the Golden Rain Entry 24 Lawn Conversion in the amount of \$12,477.53 from the reserves account. Approved by unanimous vote. EBMUD Rebate of \$1,600. (5-0)

- Rockledge Entry 8 Lawn Conversion
 - o \$7,075.44 (Reserves)
- Topic Deferred

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- Fairlawn Entry 5 Lawn Conversion
 - o \$7,066.61 (Reserves)

Motion made by Chung, seconded by Autrey to approve the Fairlawn Entry 5 Lawn Conversion in the amount of \$7,066.61 from the reserves account. Approved by unanimous vote. (5-0)

11. Committee Reports

- a. Budget and Finance Committee Report – *Paul Moderacki*

Members should have received the 2023 audit report via mail. Staff is working on the 2024 audit.

Reserve Study and GRF Management Agreement was reviewed by the Committee and Gary Porter of Porter & Lasiewicz.

Quarterly report was completed.

- b. Landscape Committee – *Committee Chair Vacant*

Meeting will be on May 7th at 10:30am in the Multi Purpose Room 3.

- c. Capital Projects Committee – *Mike Sund*

EV Sales

Global Sales of electric and plug in hybrid vehicles rose 29% for the first quarter of 2025. This represents 4.1 million units in the 1QTR25 with 1.7 million units sold in the month of March. Outlook is strong globally but uncertain in the U.S. (Source: Reuters, April 14, 2025)

Electrification

The review meeting was delayed due to scheduled conflicts and will now be held on April 23rd.

SEM

This is a new energy management project with the objective of turning off the lights in the carports when not in use, but make them available when needed. This is a good application for a motion detector, if it has the right characteristics. I think I have found a suitable sample and it is on order.

- c. Social Engagement Committee – *Committee Chair Vacant*

No Report

12. New Resident Orientation – *Jerry Priebat*

Next Orientation Meeting: The next meeting scheduled is on May 13, 2025 at 10:00 a.m. in the Bunker Room at the Creekside Clubhouse.

13. Unfinished Business

Action Items

- a. Fire Extinguisher Inspection – Member Process – *Kevin Dowling*

700 fire extinguisher inspections have been done. A list of repairs was given to MOD.

- b. Write Off on 23 Accounts Totaling (\$1,334.41) – *Peggy Kaiser*

Previously discussed.

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- c. GRF/MOD Performance Issues – Lack of Financial Statements – *Peter Catalano*
Catalano stated receiving a quarterly report is insufficient and the Board should be receiving all 6 statements to review each month.

Statements not being received are: current reconciliation of operating accounts, current reconciliation of reserve accounts, current operation and revenue, current year's budget, and aging reports, and income expense statements.

Motion made by Catalano, seconded by Chung to reduce next payment to GRF by \$5,000 for lack of financial statements on account of breach of contract. Motion did not pass. (2-3 Kaiser Abstained, Autrey and Dowling voted no)

- d. Bylaws – Review Latest Comments from Legal Counsel – *Young Chung*
Bylaws are not complete as the table of contents is not consistent with the rest of the document. Also, Section 8.3 needed to revert to original wording.

Motion made by Autrey, seconded by Dowling to accept the Bylaws as amended contingent on correcting: title, chart of accounts, table of contents, reference in 15.5, removing the sentence 'nomination by another member' in 8.3, and add a cover letter from the attorney summarizing the changes along with the entire document. Approved by vote. (3-2 Catalano and Kaiser voted no)

14. New Business Cont.

Action Items

- a. Appoint Marcia Keating and Brenda Wilson as Co-Chairs to the Social Committee – *Kevin Dowling*

Motion made by Dowling, seconded by Chung to appoint Marcia Keating and Brenda Wilson as Co-Chairs to the Social Committee. Approved by unanimous vote. (5-0)

15. Informational/Discussion Items

- a. 2025 Board of Directors Election – *Victoria Thomas*

Thomas presented the formalities that will be conducted for the 2025 election.
Board confirmed that voting for the election will not be electronic

- b. 2025 Board/Committee Meeting Schedule Change – *Victoria Thomas*

Changes were made to the previously approved schedule due to the holidays at the end of the year. November 14th Board of Directors Executive Session meeting, November 21st Board of Directors Regular and Executive Session meetings, and December 12th Board of Directors Regular and Executive Session meetings.

- c. HVAC duct cleaning – *Young Chung*

During the duct inspection it was determined that the ducts are clean. The vendor recommended not to clean the ducts on a routine basis as mold does not build up in areas that are not humid; like California. Chung opined that it is not worth increasing the coupon \$4 per month per manor for routine HVAC duct cleaning.

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- d. Smoking Violation Processes – Option for installing smoking detection sensors for policy enforcement – *Young Chung*
Cost for the smoking detector is approximately \$1,500. The device can be reused.
- e. Procedures for follow up on manor transfer issues – *Young Chung*
Board will seek legal advice on this topic.
- f. Civil Code 4041 - Importance for Members to comply – *Peggy Kaiser*
– Escalating cost to send required notices to members via US Mail
Kaiser stated that it is important for members to comply.
- g. The Board should choose a parliamentary for the Board and Committees to follow when conducting meetings – *Peggy Kaiser*
Kaiser stated that it is important that the Board have rules of order for a meeting.
- h. Cyber Security – *Todd Arterburn*
Topic Deferred
- i. VistAbility Contract – *Peggy Kaiser*
Previously discussed.

16. Announcements

The next scheduled meeting is the Board of Directors Regular Meeting on May 30, 2025 at 10:00 a.m. at the Event Center in the Donner Room and virtually.

17. Adjournment to Executive Session

There being no further business, the Board of Directors Regular Meeting was adjourned at 12:00p.m. and the Board moved into Executive Session.

18. Executive Session Summary

The Board met in Executive Session from 12:05 to 12:43 p.m. to discuss disciplinary hearings and formation of contracts.

Board Assistant Secretary's Certificate

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

Victoria Thomas