

BOARD OF DIRECTORS REGULAR MEETING

Friday, April 26, 2024 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 10:01 a.m.

2. Directors Present

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

Mutual Operations Staff

Todd Arterburn – Chief Financial Officer
Dave Peakes – Building Maintenance Manager
Jesus Morales – Landscape Supervisor
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: Mutual is billing residents twice for golf cart electrical charging: \$240.00 per year, \$20.00 electrical usage is included in the monthly coupon, and residents are charged for personal electrical usage. The Board needs to take ownership for accounting problems. Topics on the agenda are not transparent enough. Air duct cleaning and the financial responsibility needs to be addressed. Firewise Program and the cost for the program was not voted on by the residents. It was recommended that the cost for the program be presented to residents before the start of the program. Stones for ground cover may not be as cost effective as mulch.

4. Consent Calendar

- a. Board of Directors Special Meeting Minutes – April 17, 2024
- b. Board of Directors Executive Session Meeting Minutes – April 17, 2024

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

FIRST WALNUT CREEK MUTUAL

5. **Treasurer** – *Jean Autrey/Ann Prichard*
 a. Treasurer’s Report – *Jean Autrey*

**FIRST WALNUT CREEK MUTUAL
 TREASURER REPORT
 YEAR 2024**

	At 3.31
Cash in Bank & Sweep Accts - Operating	5,364,356
Includes an unknown amount for the property fund	
Cash in Bank & Sweep Accts - Reserve	10,375,219
Note: Sweep level is \$50,000	
Net Income to Date	870,032
Ending Fund Balances	
Operating	5,853,679
Property	6,307,645
Reserve	10,092,029
Accounts Receivable - Assessments	170,115
Accounts Receivable - 3rd Party Billing & Other*	1,966,299
Total Receivables:	2,136,414
*Per Aging: \$118,602.97 (Balance Unidentified)	
Under/(Over) Budget (excluding revenue)	
Current Month	61,548
Year to Date	312,582
Categories - Operating YTD	
Management Fee	(12,644)
Building Maint & Public Works	11,568
Landscape Maintenance	27,368
Custodial Services	(700)
Insurance	23,044
Utilities	225,546
Professional Svc	30,146
Other General & Admin	8,252
Total	312,580

A/R collections are ongoing.

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The Mutual will need to pay \$38,000.00 for Federal income tax and \$51,000.00 of State income tax due to high interest earned in 2023.

Autrey reported that the loan that was approved at the March meeting to pay for property tax and/or any other unbudgeted expense is no longer needed.

An accounting error that occurred in years past is now requiring the auditor to correct before the 2022 audit can be completed. Once completed, the auditor will finalize the 2023 audit.

Compliance of the Civil Code 5500 certification was deferred due to the check register not being included in the board packet.

Catalano asked who is responsible for the audit not being completed. He moved to deduct \$1,000.00 from the GRF fee for every month the audit is not received. England asked for clarification. Arterburn assured the Board that the 2022 and 2023 audits will be completed by May 15, 2024.

Motion made by Catalano, seconded by Moreau, to reduce payment to GRF \$1,000.00 if the 2022 audit is not received by May 15, 2024. Approved vote. (3-2 England and Autrey opposed)

England inquired as to why the management fee was increased by \$50,000.00 without the Board's knowledge. Arterburn explained that budgets are determined prior to the finalization of the MOD and GRF budgets, making the budgets not in alignment which causes variances. Variances include timing issues and/or unanticipated expenses. Going forward the GRF budget will be completed at the same time as MOD so the numbers will be consistent.

The Mutual pays a Management Agreement Fee of \$1,500,000.00 annually along with the \$50,000.00 increase.

Motion made by Catalano, seconded by Autrey, to notify GRF that the Evergreen provision of the contract will not automatically be renewed and will require Board approval. Motion did not pass. (2-3 England, Moreau, Chung opposed)

Autrey informed the Board that historically the management agreement is negotiated by the Presidents' Forum rather than by individual Mutuals.

Catalano stated that a Board Member recommended to write off a bad debt of \$1,100.00 when the GRF Accounting Department erroneously did not collect the monies from the resident at the close of escrow.

Motion made by Catalano, seconded by Moreau, to send an invoice to MOD in the amount of \$1,100.00 for reimbursement of the bad debt. Approved vote. (3-2 England and Autrey abstained)

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

Peakes reported

Carpentry/Pain Rehab Work

After finishing up on 1724 and 1736 Golden Rain Rd., one of our carpentry crews are currently working at 1916 Golden Rain Rd., then moving on to 1940 Golden Rain Rd.

The other crew is working on 1708 Golden Rain Rd. Painters are working at 1116 Fairlawn, 1736 and 1724 Golden Rain Rd.

Fire Break Installations

The attic firebreak installations are completed in the G-11 buildings, touch up painting is complete. All invoices received thus far have totaled under \$770,000. I am asking our vendors to ensure all invoices have been submitted. I am expecting this project to stay at or around the \$800,000 budget mark.

I want to bring to the Boards attention a fire break detail in the front hallway of the G-11 buildings that I believe to be a greater asset and do greater good than continuing with firewalls between every manor at the rear balconies. SWCM initiated a program years ago where at the end of the hallway by the entry doors, they seal the opening between the two floors. This eliminates a potential chimney effect by not allowing a fire to flow unobstructed from the first floor to the second floor. This, in my opinion, would be a more effective deterrent to keep fire from spreading rapidly than the open balcony fire breaks.

Tree Fall

Work at 3441 Golden Rain Rd. #3 has been moving along. Engineers have submitted plans which I have turned over to AMAC Construction (who were one of the initial responders). They have since had the plans approved by the City of WC, obtained a permit and have submitted a bid to do the outlined work for NTE \$25,000. Invoicing thus far for the initial response and stabilization, temp roof patch, abatement, and engineering have come in at under \$14,000. Of the anticipated work ahead is the re-roofing of the building. The initial scope was to re-roof approximately a quarter of the roof because of the damage from the tree fall. Our records indicate that the building is due for a new roof in 3 years. It would be a better move to do it all now.

Water Cooled AC Conversions

I'm wanting to confirm that money has been allocated in the reserves for the water-cooled AC conversions. In my Management report of 6/23, I presented numbers to the Board of projected cost's to do the work. There are approximately 209 buildings to be done. The bid last year from John Moody of All Bay of \$6,537.50 per unit brought the estimate to \$1,366,377. I will need to follow up and see if there is any collateral work needed not in his scope of work (such as drywall and carpentry work). These remaining 209 units require more work than the others in the Mutual due to the buildings construction style.

2024 Roofing Program

I have walked the roofs of 17 buildings in our Mutual to determine which of these will be done this year. The budget of \$600,000 will allow a good number of these to be done. 3 of these buildings were 16 unit G-11 Buildings (our biggest and costliest roofs) they all seem to be holding up but are aging out. I will try to do two of these 16 unit roofs this year if possible.

FIRST WALNUT CREEK MUTUAL

I expect to get bids from Frank Fiala Roofing (who walked the roofs with me) and then look for competitive bids.

Entry 11 Oakmont

I have requested and received bids for a French drain system to be installed behind the stand alone carport structure at Entry 11 Oakmont. This area gets overly saturated and remains that way for months after the rainy seasons due to its location at the base of a hillside.

The enclosed bids will show a large disparity in pricing. I'm inclined to go with the mid-range bid as that was within the ballpark of what I was expecting. Also, it is a new vendor which could expand our resources if all went well.

1601 Oakmont Entry 13

Rear of carport damage due to a tree falling on it. Peakes will get three bids to repair the damage and present to the Board.

Motion made by Autrey, seconded by England, to approve Absolute Best Care to repair the french drain replacement at the cost of \$9,000.00 from the reserve fund. Approved by unanimous vote. (5-0)

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

Landscape Maintenance

- Irrigation has been turned on
 - o Techs are currently completing start up irrigation inspections
- Cutback of perennials
- Aeration of turf
- Fertilization of shrubs

Tree Maintenance

- Golden Rain Entries 1 through 16
 - o Completed yearly pruning

Proposals for Approval

- All estimates are being approved with a motion of "Not to Exceed"
- 3301 Golden Rain Entry 26 Building Rehab
 - o \$8,266.06
 - o Reserves
- 1316 Oakmont Entry 7 Building Rehab
 - o \$15,234.77
 - o Reserves
- 2157 Golden Rain Entry 14 Building Rehab
 - o \$11,266.73
 - o Reserves
- 1565 Rockledge Entry 9 Rehab
 - o \$15,925.43
 - o Reserves

Motion made by England, seconded by Moreau, to approve a not to exceed \$50,693.00 from the reserve fund. Approved by unanimous vote. (5-0)

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- Ivy Removal on all concrete posts
 - o \$10,135.61
 - o Operating

Motion made by England, seconded by Autrey, to approve a not to exceed \$10,135.61 from the reserve fund.

Second motion made by Autrey, seconded by England, to withdraw first motion and defer the topic, have the vendor clarify on the bid the number of concrete posts, and present back to the Board.

8. Committee Reports

a. Budget and Finance Committee Report – *Paul Moderaki*

Committee has three vacancies in Districts 2, 3, and 4. Did not receive the March financials. The Committee is currently reviewing the Membership Financial Requirements Policy 22 as directed by the Board.

Moderaki stated that historically the GRF budget was done prior to the MOD budgets to ensure final numbers would be the same and budgets were approved by the end of September.

Carol Sund is reviewing 166 bills from PG&E to determine why the bills are so high and the reason for the four rate increase in the past twelve months.

A Committee Member will do the walk through with Gary Porter when doing the replacement reserve study.

b. Landscape Committee – *Pat Power*

- 1) The Committee discussed the importance of getting the “in progress” landscape rehabs completed by the end of June.
- 2) Ted Bentley of the FireWise initiative gave a presentation to the Committee.
- 3) Priorities for the next few months will be:
 - a) defining the objectives of the LC and examining and publishing the role and job description of the LC members;
 - b) evaluating the current plant replacement program;
 - c) clarifying the differences between FWCM Board policy about landscape practices and the LD policies; evaluating LD policies in regards to their end results:
 - o in regards to residents’ use and placement of pots
 - o Pruning, maintenance, etc. of citrus and other resident planted fruit trees
 - o Information about residents’ ability to request specific plants in the landscape
 - o Affirming Board approval for and utilizing notification to residents regarding various forms of interference in the landscape
- 4) Assessing the landscape for fall rehabs and turf conversions

Process for providing bids for landscaping projects needs to be reevaluated.

c. Governance Committee – *Vacant*

No report

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d. Capital Projects Committee – *Mike Sund*

Electrical (EV)

On Wednesday, April, 3, Dave Peakes and I met with Feranmi Akinpelu (engineer) and Raymond Lee (Account Manager) of Clear Result/MCI. The meeting was a site visit for them to collect technical information to assist in preparing the engineering evaluation for EV charging. The visit took over 3 hours and we collected data on all 13 building types. It is likely they will recommend we update the electrical service to all carports. When a resident wants to add EV charging to his carport, he calls an approved contractor to hook up his apparatus and electronic meter. The meter records the amount of electricity used and automatically sends it to the resident's PG&E account. We expect to receive the engineering evaluation about mid-June.

Drainage

Roy Yang has sent out a lot of pictures of the various problems he has found this rainy season with drainage. Roy is going to set up a tour for our group to bring everyone up to speed on his findings. He thinks this will take at least ½ day. Hopefully, we can do this in the next couple of weeks, before everything dries out.

Strategic Energy Management (SEM)

The monthly SEM meeting scheduled for April 17th at 9:30am was cancelled due to the Special Board Meeting on the same date. As of now it has not been rescheduled.

The next Capital Projects committee meeting is scheduled for Tuesday, April 16th at 10:00 am virtually.

e. Social Engagement Committee – *Marcia Keating*

The ad hoc Social Engagement Committee met on Tuesday, April 2, 2024. Present at the meeting were Jean Autrey, Kathy Riley, Jack Appleman, Brenda Wilson, Betsy Albert, and Marcia Keating.

Brenda Wilson and Betsy Albert residents of First Mutual were introduced to the ad hoc Social Committee and stated they would like to join the permanent First Mutual Community Social Engagement Committee. Jack Appleman and Kathy Riley confirmed they would also like to be on the new permanent committee. We discussed the responsibilities of the permanent Social Committee.

The members of the First Mutual Community Social Engagement Committee are: Brenda Wilson (District 1), Kathy Riley (District 2), Jack Appleman (District 3), Betsy Albert (District 5), Marcia Keating (Chair), and Jen Moreau, Board Liaison.

There are vacancies for the Vice Chair and a representative from District 4.

We discussed that the District Director's Town Hall meetings would be put on hold and start planning a social event for the First Mutual Community. The Committee decided on a First Mutual Ice Cream Social Event that will be held on May 31, 2023 from 4pm-6pm in the Diablo Room, Hillside. A proposal for this event will be submitted to the First Mutual Board at the 4/26/24 Board meeting.

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9. **President's Report** – *Mary England*

A workgroup within the Presidents' Forum is currently revising the management agreement wherein a draft of the agreement will be brought to Mutuals' Board for review in early June.

Insurance scenarios are being reviewed, which may impact the management agreement. An announcement will be made once a notification is received on how much construction fees and service fees will increase.

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

Next Orientation Meeting: The next scheduled meeting is on May 14, 2024 at 10:00 a.m. in the Donner Room at the Gateway Clubhouse.

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

Action Items

- a. Update on 2022 and 2023 Audits
No discussion
- b. Review Proposed Maintenance Policy 2.0 Changes
Topic Deferred

12. **New Business**

Action Items

a. Inspector of Elections Selection

Thomas presented the three bids that she received.

Quotes from each vendor reflect number of manors in the District 2 and District 4.

District 2 with 364 manors and District 4 with 386 manors.

Bids were from: Bellwether, Association Inspector, and HOA Election Services.

Association Inspector bid: District 2 at \$1,960.00 Inspector of Elections only or \$2,960.00 for full service and District 4 at \$1,960 Inspector of Elections only or \$2,990 for full service

Bellwether bid: District 2 at \$1,675.00 Inspector of Elections only or \$3,244.34 for full service and District 4 at \$1,700 for Inspector of Elections only or \$3,419.29 for full service.

HOA Election Services bid: District 2 at \$2,856.40 for Inspector of Elections only \$5,116.84 for full service and District 4 at \$2,968.60 for Inspector of Elections only \$5,365.60 for full service.

Motion made by Autrey, seconded by Chung, to approve Bellwether as the Inspector of Elections for the elections in Districts 2 and 4 with a not to exceed of \$5,000.00. Approved by vote. (4-1 Catalano abstained)

Discussion – After a lengthy discussion on the responsibilities of an Inspector of Elections, election process, printing, and mailing cost by the vendor versus in-house. Motion was changed.

Second motion made by England, seconded by Autrey, to have the printing and mailing done in-house.

Third Motion made by Catalano, no second motion was made, to have an open discussion with interested residents on the election process though not on the agenda. Motion did not pass (1-4 England, Autrey, Chung, and Moreau opposed)

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- b. Review Proposal for Compliance Officer
A report was submitted to the Board in 2021, prepared by Dick Locke, that recommended reducing the Board Members workload by appointing Officers with the authority to watch for rule violations and issue violation notices.
Topic Deferred
- c. Amend Bylaws for Increase Participation in Committees
Topic Deferred
- d. Proposed Ice Cream Social
Topic combined with Item e, Social Engagement Budget
- e. Social Engagement Budget

Motion made by Autrey, seconded by Chung, to approve a not to exceed \$600.00 from the operations fund for an ice cream social on May 31st. Approved by vote. (4-1 England opposed)

- f. Review Confidentiality, Privacy, and Disclosure of Personal Information
Topic Deferred
- g. Landscape Policy Violation Letters – *England*
Topic Deferred
- h. Review Financial Requirements for Membership - *England/Autrey*
Topic Deferred. Topic referred to the Budget and Finance Committee
- i. Status of Governance Committee – *Catalano*
- j. Proposed Amendments to Bylaws on Board Expansion
Topic Deferred
- k. Proposed Amendments to Policy on Elections and Voting
Topic Deferred
- l. Create Task Force for Common Areas and Exclusion Use Common Area – *England*
Topic Deferred
- m. Townhall – Bylaw Discussion - *Catalano*
Topic Deferred

13. Informational/Discussion Items

- a. HVAC and Duct Cleaning
Topic Deferred

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



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15. **Adjournment**

There being no further business the meeting adjourned at 12:25 p.m.

Board Assistant Secretary's Certificate

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

Victoria Thomas