

BOARD OF DIRECTORS REGULAR MEETING

Friday, December 27, 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 Chung called the meeting to order at 10:02 a.m.

2. **Roll Call of Directors**

Young Chung – President – District 3
Peter Catalano – 1st Vice President – District 4
Kevin Dowling – 2nd Vice President – District 2
Peggy Kaiser – Treasurer – District 5
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 – 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:

- PG&E notice to members re: fuel burning appliances need to be properly installed and maintained.
- Problems with gutters and water intrusion through window.
- Firewise - residents requested to remove debris.
- Kitchen remodel stopped due to water trapped under kitchen cabinets.

4. **Consent Calendar**

- a. Board of Directors Regular Meeting Minutes – November 22, 2024
- b. Board of Directors Executive Session Meeting Minutes – November 22, 2024
- c. Architectural Control Committee Meeting Minutes – December 6, 2024

Motion made by Dowling, seconded by Chung, to approve the Consent Calendar. Approved by vote. (3-2 Catalano and Kaiser voted No) Catalano requested the minutes reflect that he voted no because 'Board Matters' is not an approved topic for Executive Session under the statute.

FIRST WALNUT CREEK MUTUAL

5. Report Out from Executive Session Meeting

- a. Report out from Executive Session on November 22: The Board met to discuss:
- Disciplinary Hearings
 - Carport and Parking Violation – Resolved
 - Guests Policy Violation – Fined \$100
 - Alteration Policy Violation – Began work without a permit Fined \$100
 - Private Gardens Landscaping Policy Violation – Resolved

6. Treasurer’s Report – Kaiser/Arterburn

OPERATING - Cash in Bank & Sweep Accts	\$13,591,568
Includes varying sums collected for property taxes	
YTD Operating Revenue: Under/(over) Budget	
Member Assessments - negative to budget	(\$7,088)
Interest - favorable to budget	\$135,751
Rental - negative to budget	(\$1,693)
Other Income - favorable to budget	<u>\$21,220</u>
Total Revenue - YTD favorable to budget	\$148,190
YTD Operating Expenses: Under/(Over) Budget	
MOD Management Fee	(\$46,362)
Building Maintenance & Public. Works	\$114,926
Landscape Maintenance	\$38,004
Custodial Services	(\$5,676)
Insurance [\$395,795 is commission rebate]	\$455,351
Utilities	(\$14,061)
Professional Services	\$52,088
Other General & Administration	\$692
Income Taxes [on 2023 interest income]	<u>(\$52,540)</u>
Total Expenses - favorable to budget	\$542,424
YTD Revenue over Expenses favorable by	\$690,614
Accounts Receivable	
Assessments	\$190,750
AR - 3rd party billing & Other*	<u>\$985,816*</u>
Total Receivables:	\$1,176,566
*Per Aging Report: \$64,012 [Remainder to be Identified]	
Reserve Fund - Cash in Bank and Sweep Accts	\$11,128,439
Note: Sweep level is \$50,000	
Total Year Reserve Budget	\$5,271,000
NOV 2024 - Reserve Expenditures	\$691,939
YTD - Reserve Expenditures	\$4,931,533

Motion made by Dowling, seconded by Chung, to approve certification of compliance with Civil Code §5500 for the November financials. Approved by vote. (4-1 Catalano voted No) Catalano requested the minutes reflect his opinion that preliminary financial statements do not satisfy the statute.

FIRST WALNUT CREEK MUTUAL

7. **Mutual Operations Reports** – *Wright/Peakes*

Wright reported

- Staff is currently in negotiations of the GRF Management Agreement with Board Presidents.
- Contract execution and cost allocations
- Conducted a new member orientation with new Director Dowling
- Firewise Program received recognition for 2024/25 through the completed required volunteer hours.
- A Town Hall is scheduled for January 14, 2025 at 2:00pm at the Event Center in the Tahoe Room and virtually. Topic will be on emergency preparedness.

Peakes reported

CARPENTRY/REHAB WORK – The carpenters have completed the 2024 rehab. Schedule. The painters have one building left to follow up on (2321 Tice Creek), weather permitting.

1901 GOLDEN RAIN RD. – As of this writing, the car that is believed to have been the source of ignition for the fire is still parked in its spot. Until its removal has been authorized by the insurance vendor, demolition and a definitive scope of the put back cannot be determined. I have forwarded on to the Board, a proposal by Pound Management for their services. The area has been shored up and all 4 affected units have been cleaned and are being resided in.

2132 GOLDEN RAIN RD. – After two leaks in separate locations, the roofing material at this address has been determined to be defective. It was installed within the last 5 years. I reached out to Duro-Last (the manufacturer) and they sent out a representative to confirm. Duro-Last will be replacing this roof (weather permitting), sometime in the beginning of January.

EBMUD – I have received 1,000 dye tabs from EBMUD to be distributed to the residents (more would be available if needed). The blue tabs can be placed in the tank of the toilet where they will dissolve and, if leaking, will show in the bowl. Also, through discussions with EBMUD, have discovered that a rebate is available for our program of swapping out the water cooled AC's. I am in the process of figuring out the paperwork involved and have been told that approximately \$125 per unit can be expected. I inquired if the rebate could be in effect for units previously converted and they replied, "only if the original equipment was still in place", which would be the case in most installations.

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

- New software program scheduled to launch in January.
- Cash flow will now be included in the financial reports.
- Arterburn will get the status of completion of the 2023 audit and report back to the Board.

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

Landscape Maintenance

- Cleaning out of v-ditches and landscape drains
- Winter pruning will begin in January

Tree Maintenance

- Pruning
 - Rockledge Entries - Completed
 - Fairlawn Entries – Completed

FIRST WALNUT CREEK MUTUAL

- During winter storms, tree crews from Hamilton and Waraner are on call after hours
 - o Please call Securitas at 925-988-7899 to report a tree emergency after hour

Proposals for Approval

- Rockledge Entry 4 Retaining Wall by Brightview
 - o \$10,841.27 (Reserves)
- 1316 Oakmont Entry 7 Building Rehab by Brightview

Motion made by Chung, seconded by Dowling, to approve the Brightview proposal in the amount of not to exceed \$10,841.27 from the reserve account to build a retaining wall. Approved by unanimous vote. (5-0)

10. President's Report

- Insurance premiums coming in lower than what was budgeted.
- Plans to create a project list.

11. Committee Reports

- a. Budget and Finance – *Paul Moderacki*

The Committee meets virtually on the third Tuesday monthly at 3:00pm.

The Committee wrote a resolution on appointment procedures

First Walnut Creek Mutual

Resolution re: Budget & Finance Committee Appointment Procedure

WHEREAS, the First Walnut Creek Mutual (FWCM) 2025 Operating Budget exceeds \$14.7 million, and,

WHEREAS, the FWCM 2025 Reserve Fund revenues will exceed \$6.4 million and expenditures are expected to exceed \$5.2 million, and,

WHEREAS, FWCM will additionally collect and transfer almost \$8.0 million to the Golden Rain Foundation (GRF) as its share of the total GRF Operations Budget in 2025, and,

WHEREAS, the FWCM Board of Directors (FWCM Board) created the FWCM Budget and Finance (B&F) Committee as an advisory Committee to the FWCM Board, and,

WHEREAS, the FWCM Board and B&F Committee meet jointly to review the proposed Operating and Reserve Budgets during the annual budget development process, and,

WHEREAS, the FWCM Board has designated the B&F Committee to monitor implementation of the Mutual's annual budget throughout the year, and,

WHEREAS, the B&F Committee reviews and monitors the annual Reserve Study process and report and performs other duties and projects as directed by the FWCM Board, and,

WHEREAS, the FWCM Board desires to ensure members of the B&F Committee are qualified and possess some background and experience in budgeting and/or accounting in a comparable environment,

NOW, THEREFORE, the FWCM Board establishes the following B&F Appointment Procedure:

1. Any FWCM member in good standing may volunteer to serve as a B&F member,
2. An interested member shall indicate his/her interest in serving on the B&F Committee by contacting a member of the Board or B&F Committee in writing (email is acceptable),
3. The applicant may be asked to submit a description of his/her financial background and experience,
4. The applicant will be interviewed by the B&F Chairperson, or designee, and the Mutual Treasurer,

FIRST WALNUT CREEK MUTUAL

5. The B&F Chairperson and Mutual Treasurer shall make a recommendation to the Board of Directors for its consideration.

PASSED AND ADOPTED, this _____ day of _____, 202__, by the FWCM Board of Directors.

Attest:

Young Chung, FWCM President Date

Jean Autrey, FWCM Secretary Date

b. Landscape Committee –Pat Powers

The Committee meets the first Wednesday of each month at 10:30am.

a. The committee reviewed the status of projects still to be completed.

1) Plant replacements to be completed by 12/22. Issues with regard to the implementation of the new procedure were discussed and further discussion took place during subsequent weeks. A review of the installs will be held in February.

2) An update on the Daffodil garden installation was given. Residents reacted well to the plan. Further more recent communication from Wallis Lim, attorney for the Lillian Barrett Daffodil trusts reports that he has requested \$12,000.00 to be gifted to FWCM to help with repairs to either the garden and/or the walk. Mr. Lim is awaiting a response from Mr. Barrett who is in poor health. Mr. Lim indicated that the State of California lists FWCM as a suspended organization. We need the MOD to assure us that this will not prove a problem for this gift.

3) An update was given about the status of the design work being done for Pine Knoll Entry

4) After meeting with the designer, the plans were sent to various people for comment. A second drawing based upon comments was presented on December 13th to John T. and Patricia Power. The LD approved the plans with minor revisions. BV is being asked to give a bid on parts of the work that they might be the most efficient contractor for. After we receive that bid, we will compare it with the Craig Landscaping bid. The approval for the work will be presented at the January Board meeting.

5) On December 12th, Young Chung, Peter Catalano, and Patricia Power met with BV management to review issues dealing mainly with the plant replacement and rehabilitation programs. Loren Olsen and Patricia Power will meet in January for further discussion. Timing, responsiveness, and design expertise were the main topics.

6) PC and PBP are still working on the Resales Inspection Report. Field visits will need to be held in order to best determine how resident planting will be handled when a manor changes ownership. Issues to be resolved are the legal implications of Exclusive Use Common area when resident installed plantings are involved and whether plantings in close proximity to wooden fences and the manor fronts should be permanently removed due to fire hazards. Additions to the current Policy Document may be required.

7) Letters and procedures for

- 1) Friendly Reminder Letter
- 2) Serious Infractions Procedure
- 3) Plant Replacement Procedure

FIRST WALNUT CREEK MUTUAL

- b. Were finalized. The letters concerning major infractions and patio infractions will begin being sent after the first of the year.
- c. The small group of Landscape Committee Chairs has begun working on Tree Care. Patricia Power went to a presentation given by The Professional Tree Care Company. This topic will be brought to the FWCM Landscape Committee this spring.
- d. The LC began a discussion on resident installed trees, the biggest concern being fruiting ones. This is a difficult decision but the Board should know that failure to have enacted a policy on this subject will be very costly. The Board was requested to enact a policy 2 years ago. The minutes report that it was decided that the trees would be removed during sales.
- e. Unpruned trees kill surrounding common area plantings, drop fruit which encourages vermin, create problems with neighbors, create difficult clean up situations, and cost a great deal to remove if their growth is unchecked. Furthermore, frequently the trees have been there prior to the most recent change of ownership meaning that FWCM must remove the tree. A recent quote was \$600 to remove a tree. Additional pruning of neighboring shrubs and trees is also entailed. It cost \$778.00 to remove these trees pictured below. Because these trees have been allowed to grow without any policy for many years, it will be difficult to enact a “perfect” policy. But the situation cannot go on as it is.



FIRST WALNUT CREEK MUTUAL

f. Capital Projects Committee – *Mike Sund*
Electrification

We did get hard copies of the Engineering Report for Manor Electrification. From a technical standpoint we are in good shape but we still have some cost issues to work out over the next couple of weeks.

Strategic Energy Management (SEM)

At our monthly meeting on December 18th Kathryn Adye (CleaResult) joined Bob Muldoon to present her work on Energy Models in general and the specific model for FWCM. The base year was approximately November 22, through November 23. During that period we used 5,214,879 kWh of electricity and 512,998 therms of gas. In the reporting period that started November 10, 2023, we have saved 146,616 kWh of electricity and 14,636 therms of gas. These numbers include both Common areas and Residences and are significant savings. We are working now to figure out how we did this.

Drainage

We had two meetings in the field during the past month. The first was on December 12th with MOD(Jeron W., John T., and Dave P.) We met at Oakmont Entry 10 to show MOD examples of rock clogged vents/drains. John T. will get these cleaned up with Brightview. There should be little or no cost.

The second meeting was with Pat Powers on December 18th. We met at Golden Rain Rd. Entry 10 to evaluate front drainage on a G11. Apparently, the drain tubes that run through the concrete porch pads are getting plugged with dirt. This will cause a water back up and seep into the crawl space...if it is deep enough, it will go into the lower-level apartments. We were not able to make a good evaluation, because the leaves were too deep. We will return to evaluate when the leaves have been cleaned up.

g. Social Engagement Committee – *Marcia Keating*
No Report

9. New Resident Orientation

Next Orientation Meeting is scheduled for January 14, 2025 at 10:00 a.m. in the Bunker Room at the Creekside Clubhouse.

10. Unfinished Business

Action Item

a. Vehicle Tow – *Chung*

Young proposed that when the Mutual receives a notification that a vehicle has had three posted violations and the resident does not comply, a notice to tow will be placed on the vehicle, and after 72 hours the vehicle will be towed. Young has found a towing company that will not charge the Mutual to tow vehicles but will sell the vehicle and keep the profits from the sale.

Young asked the Board to approve the Parking Enforcement Towing Procedures.

Motion made by Young, seconded by Autrey, to approve the Parking Enforcement Towing Procedures with the language edit of 'the rule that states vehicles cannot be parked in excess of 72 hours in one space'. Approved by vote. (3-2 Autrey abstained, Kaiser voted no)

FIRST WALNUT CREEK MUTUAL

11. New Business

Action Items

- a. Board Review and Approve Checks over \$10,000 – *Chung*
There were no checks over \$10,000 that were not previously approved.
- b. Golf Cart Storage Use and Golf Cart Electrical Charging Agreement
Language was added to the agreement to allow for golf cart electrical charging.
Motion made by Dowling, seconded by Chung, to approve the language change in the agreement by adding ‘registered through Member Records Department’. Approved by unanimous vote. (5-0)
- c. Authorize Treasurer to forgive accounts receivables less than \$400
Topic Deferred
- d. Community Association Institute – *Kaiser*
The membership to Community Association Institute was up for renewal. The Board decided to go with a different vendor, ECHO at a cost of \$260.00 with access for 26-50 members.
Motion made by Dowling, seconded by Kaiser, to approve a membership with ECHO. Approved by unanimous vote. (5-0)
- e. Fire Extinguisher Inspection Agreement w/MOD – *Chung*
Topic Deferred

12. Informational/Discussion Items

- a. Proposed Amended Bylaws – Open Topics – *Chung/Catalano*
 - Number of Board Members
 - Require Members to have HO6 InsuranceTopic Deferred
- b. GRF Cost Allocation and Contract Compliance – *Catalano*
Catalano opined that MOD is not in compliance with the contract. Autrey asked him to be specific on areas of non-compliance. Catalano stated Section 2.10 which requires MOD to follow written guidelines and answer customers’ inquiries. Wright informed the Board that MOD is in compliance with the contract and that there was an email exchange with Catalano regarding Section 2.10. Catalano requested Wright read the email. Below is what Wright read to the Board:

FIRST WALNUT CREEK MUTUAL

From: Jeroen Wright
Sent: Thursday, May 2, 2024 10:05 AM
To: Peter Catalano; Jeffrey Matheson
Cc: Jen Moreau; to: Mary England; cc: to: Patricia Power; Dick Locke; Madelyn Miller; Melanie Rose; Paul Moderacki; Carol Sund; Dave Peakes; Jean Autrey; Young Chung; michae1sund1@gmail.com; To: Peter C
Subject: RE: Procedures and Guidelines for Owner Questions

Peter.

I have included my supervisor [on](#) this email, so he is aware of the situation.

To my knowledge MOD does not have a written SOP on GRF letterhead.

We have the Work Order Desk that handles owner complaints, maintenance requests, and repair requests. MOD's alteration department handles alterations. Other Information and other services would be handled Member Records or Admin. The number for the WO is 925 988-7650. The WO desk can transfer calls to the appropriate department. On average the WO Desk receives approx. 150 calls per day. FWCM is approx. 30% of the entire Rossmoor. That means approx. 45 calls from FWCM come to MOD daily.

This process was put in place approx. 60 years ago.

I have highlighted the outlined the process in the email below.

I have also highlighted the portion of the email where I said, "These are the procedures and guidelines in place."

In my email I also said, "If the Board would like to modify the [process](#) please notify MOD and we will, within reason, work to come to an understanding of how to move forward."

We can provide reports that are requested. MOD needs to know what reports and the parameters of those reports. If there are specific reports that the mutual would like to see on a specific [schedule](#) we can make that happen.

If you would like to continue this discussion, I would be happy to meet with you in person. I think it would be good for you to come to MOD to see how the systems work. I can take you to [Sofias](#) office and we can run a report to show you MOD's reporting capabilities. These capabilities should greatly improve with the new ERP system. We can run a report and see everything what has been done on your unit. We can run a report on what plumbing calls have come in during a specific period. We can run any report you like.

MOD is 100% here to partner with you and your Mutual.

13. Announcements

The next scheduled meeting is the Board of Directors Regular Meeting on January 10, 2025 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 Board of Directors Regular Meeting was adjourned at 10:00a.m. and the Board moved into Executive Session.

15. Executive Session Summary

The Board met in Executive Session from 1:00 to 1:18 p.m. to discuss litigation.

Board Assistant Secretary's Certificate

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

Victoria Thomas