

BOARD OF DIRECTORS REGULAR MEETING

Friday, July 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. **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 – Virtually
Jean Autrey – Treasurer – District 1

Mutual Operations Staff

Todd Arterburn – Chief Financial Officer – 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:

- Not receiving inspection of ducts documentation that has been requested of Staff.
- Safety at the corner of lower and upper Golden Rain Rd. Implementing additional safety measures, such as installing an additional stop sign at the crosswalk and adding flags to increase visibility, could help slow down drivers who are exceeding the 25-mph speed limit. These changes could enhance pedestrian safety and promote more responsible driving behavior in the area.
- Asked for the status of attic divider installations.
- Claims that Board is not a legal entity that can make decisions. Accused of illegal practice with District elections which prevented thousands of members to participate in the 2020, 2021, and 2022 elections. No election was held in 2023, the Board claims the vacancy was due to a resignation. Member stated there is no proof of the resignation.
- The Board was thanked for volunteering their time and work on the Board.
- It was suggested a communications committee be established.
- Past Board President of three years and Board Member of 6 years recommends the Board not expand to a 9 Directors. It can be challenging to achieve consensus among multiple directors, adding 4 more will make it even more difficult. Stating past experience was not overwhelming. Staff does an excellent job with assisting Directors.
- Garbage cans in Entry 6 on Rockledge are dirty and asked if they can be cleaned. England said she will put a request into Republic Services to swap out the landfill bins.
- More information requested for topics on the agenda.

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4. Treasurer's Report – Jean Autrey/Todd Arterburn

Cash in Bank & Sweep Accts - Operating	5,661,160
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Includes an unknown amount for the property fund

Cash in Bank & Sweep Accts - Reserve	10,608,500
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Note: Sweep level is \$50,000

Accounts Receivable -Assessments	181,130
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Accounts Receivable - 3rd Party Billing & Other*	1,941,625
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Total Receivables:	2,122,755
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*Per Aging: \$94,658. (Balance Unidentified)

YTD Under/(Over) Budget

Current Month	(13,630)
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Year to Date	389,636
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Year to Date Operating Revenue: Under/(Over) Budget

Member assessments	(2,861)
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Interest	46,141
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Rental	(578)
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Other	6,739
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Total	49,441
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Year to Date Operating Exp: Under/(Over) Budget

Management Fee	(25,288)
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Building Maint & Public Works	59,407
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Landscape Maintenance	55,304
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Custodial Services	(2,566)
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Insurance	36,736
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Utilities	254,082
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Professional Svc	55,433
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Other General & Admin	9,020
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Income Taxes (on 2023 interest income)	(52,493)
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Total	389,635
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439,076

Motion made by England, seconded by Autrey, to approve certification of compliance with Civil Code §5500 for the June financials. Approved by vote. (3-2 Catalano and Moreau opposed)

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Motion made by England, seconded by Autrey, to amend the agenda and move topic New Business 11 l Follow up on Resolution regarding Payments on Expenses over \$10,000. Approved by unanimous vote. (5-0)

5. New Business

Action Items

- l. Follow up on Resolution regarding Payments on Expenses over \$10,000 – *Autrey*
England stated a procedure needs to be put in place regarding payments over \$10,000. Catalano recommended checks over \$10,000 not be signed unless preapproved so the Board is not violating state law. Catalano will work with Arterburn to create a process.

Motion made by Catalano, seconded by England, to stop signing checks over \$10,000 unless preapproved. Approved by unanimous. (5-0)

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

Peakes reported:

Carpentry/Paint Rehab Work

One of our carpentry crews has finished 1816 (unit #5 withstanding) and 1832 Golden Rain Road. They are moving on to 1116, 1163, and 1549 Oakmont Drive. Deck coaters and painters are following behind. The other Carpentry crew has finished up on 2025 Oakmont Drive and will be starting at 2017 Oakmont way, again, deck coaters and painters are following up.

Laundry Rooms

Since my last report, “WASH” has put notices in the laundry rooms instructing residents on how to report problems. Ideally, an app on a smart phone can scan the barcode on the machine, a drop down selection of issues will appear for the resident to choose from. There is also an area for additional comments. Phone calls and emails to the vendor are still an option. All machines should have updated stickers reflecting the current prices.

Zinsco Panels

The exterior main panels continue to be a challenge to determine responsibility of running new feeds from the transformers to the buildings. The cost alone for this detail will be exorbitant. As the switch from fossil fuels to electric has not yet been mandated, the cost of this upgrade may be the Mutuals to bear. For now, I recommend to meet the insurance wants of getting rid of the Zinsco panels, that we replace the panels with bigger ones that will be able to accept a larger load down the road, and replace the existing breakers with new ones of the same amperage. This will set us up for the change when the time comes and hopefully, the burden of cost may shift to PG&E.

HVAC Filters

I’ve been asked to give cost comparisons on furnace filters. Currently the filters we are using (Merv 4) cost approximately \$4 each and are required to be changed annually. Merv 8 filters cost approximately \$9 and with normal usage are recommended to be changed twice a year. Merv 12 filters are approximately \$10 and are recommended to be changed 3 to 4 times a year. The higher the MERV (minimum efficiency reporting value) rating, the denser the filter and more constricting on components of the equipment. I would not recommend going higher than a MERV 8 filter as we only replace them annually.

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

Plant Replacements

- Deadline for requests is August 15th
- Please email all requests to plantreplacement@rossmoor.com
- Details can be found at <https://rossmoor.com/residents/resident-services/landscaping>

Landscape Maintenance

- GRF completed abatement under PG&E lines
- 2nd irrigation inspection of all FWCM completed by BV
- Tip pruning of azaleas and rhododendrons
- Elevating of trees in fire threat areas

Tree Maintenance

- Tice Creek Entries pruning is complete
- Tree Removal Applications
 - o Monterey Pine behind 1541 Rockledge
 - o Monterey Pine at 2701 Pine Knoll
 - o Silver Maple at 2144 Tice Creek
 - o Monterey Pine at corner of Upper and Lower Golden Rain

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

Presidents' Forum meets monthly. Next meeting is scheduled for July 29th. Comments from Mutuals' Board will be reviewed. The GRF Management Agreement has been distributed to all Mutual Board Presidents for their Board to have an option for legal review. The article in the Rossmoor News on the review of the agreement was misleading. England asked for the article to be revised to reflect the actual reason for the review of the agreement.

9. **Committee Reports**

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

The Committee met on July 16th. There were no staff in attendance so business could not be conducted.

Clarification was requested from the CFO for \$33,281 unexplained expenses in the uninsured insurance line item in the Reserve Account. Arterburn responded that it may be due to the tree that fell. He will research and will report back to Moderacki.

The Committee has two vacancies. Moderacki is asking for volunteers.

b. Landscape Committee – *Pat Power*

Existing cobbles will be removed from the base of trees.

Budget Update

Tawaststjerna reported that we have spent \$94,500 to date of the \$130,000 in the Operating Budget. This is on target for the year. He reported that only \$ 113,000.00 of the Reserve Budget of \$330,000.00 (Combined amount including roll over of unspent funds from 2023) has been spent to date. This leaves \$217,000.00 still not spent. There are only 2 projects on the current list still to be done although there are still some proposed projects from prior years which should be reviewed as well as small rehab work such as the slope at GR 12. The committee discussed the need to begin turf conversions.

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The very large conversion at GR 12 was discussed. Tawaststjerna estimated that it could cost in the neighborhood of \$100,000.00 if dg paths and community space are to be added. The central portion of the area is 8500 square feet with additional areas which would also need to be addressed. A base price of approximately \$7.00 a square foot converts to nearly \$59,000.00 for the central area. There is approximately \$17,000 which can be obtained through the EBMUD rebate program, more if part of the site is used for a native garden. Speaking with John T after the LC meeting, it was determined that it would be in the best interest of FWCM to hire an outside design service. Design done for this specific site could be utilized in part in other turf conversions throughout FWCM.

Sprinkler Heads and Ongoing Strategy: Drip Systems

Utilization of drip irrigation systems was discussed given the number of turf conversions that are necessary. Drip systems are not only over 60% more expensive to install, but also present maintenance difficulties. The tubing size leads to blockages and also is more easily damaged by gophers and ground squirrel activity. However, bubblers do not work well with ground cover. The LD indicated that there may be a place for a limited use of these systems going forward.

BV Quality Assessment Report

BV continues with the removal of ivy from the columns of the G-11s. So far there has not been a problem with the residents. BV is continuing to make sure that the ivy is mowed as per the contract. The slope at GR 12 was prepared for replanting in the fall.

Watering Strategy in Heat

No change is being made to the current watering strategy due to the excessive heat. New plantings in the recent rehabs are receiving enough water. The more recent individual plant replacements are stressed and in some cases dying. Nothing can be done about it because they are locked into the normal watering schedule of the surrounding plants. It is recommended that going forward, plant replacements are best done in the months of December and January.

5 Year Turf Conversion Strategy

Golden Rain 12, 28, and Oakmont 8 have been identified as turf conversions to address this fall. The Social Engagement Committee should be contacted for their input. We have still not determined a way to accurately determine all of the turf areas which will need to be converted by 2029. Concomitantly, there is no decision on how to count and document potential sites.

Community Spaces (Social Engagement Townhall July 29)

LC members were informed of the intent to work cooperatively with this committee to help establish community spaces. Members were informed of the upcoming town all and invited to attend.

- c. Governance Committee – *Vacant*
- d. Capital Projects Committee – *Mike Sund*
Chung reported the Committee received 13 proposals for possible engineering analysis for EV charging/electrical expansion within the Mutual.

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e. **Social Engagement Committee – Marcia Keating**

The Social Engagement Committee will host a “Creating Your Neighborhood” meeting for First Mutual residents who are interested in volunteering to help their neighborhoods become more organized and social. This meeting will be held on Monday, July 29, 2024 from 4-5:30 p.m. in the Diablo Room, Gateway, with a follow-up meeting at the end of September.

The Committee is planning a “Meet the First Mutual Board Candidates” during the week of August of 19-23, 2024.

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

Next Orientation Meeting: The next scheduled meeting is on August 13, 2024 at 10:00 a.m. in the Bunker Room at the Creekside Clubhouse.

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

Action Items

a. **Proposed Amendments to the Building Maintenance Policy 2.0 – Chung/Autrey**

Legal counsel recommended including an excerpt on altered roofs. Adding that they do not recommend revising the policy to switch the financial responsibility for alteration of roofs to the members.

Motion made by England, seconded by Autrey, to revise the Building Maintenance Policy draft to maintain responsibility of roof alterations to the Mutual. Approved by unanimous vote. (5-0)

Discussion – Chung reported that current policy states that if a member does an alteration to their roof, which includes adding a roof, the Mutual will take responsibility for maintaining the roof. Approximately, \$50,000+ is spent on maintaining roofs annually. Legal counsel recommends to not change the policy and the Mutual continue with maintaining roofs.

Motion made by Autrey, seconded by England, to amend the agenda and move topic New Business Item 11 m Maintenance Policy 2.0 Floor Damage. Approved by unanimous. (5-0)

m. **Maintenance Policy 2.0 – Item 5E – Floor Damage – Autrey**

Autrey reported that the Mutual currently does not replace the floor in kind but replaces up to the standard level. If the alteration was approved, then the floor is insured and should be replaced in kind.

Motion made by Autrey, seconded by England, to approve amending the language in the policy to replace the floor in kind. Approved by unanimous vote. (5-0)

12. **New Business**

Action Items

a. **Requirements to Minutes – Autrey**

England read Civil Code 4935e ‘any matter discussed in Executive Session shall be generally noted in the minutes of the meeting immediately following the meeting that is open to the entire membership.’, which is also recommended by legal counsel.

Autrey reported on legal counsel’s recommendation, ‘when the Board meets in Executive Session then at the next open Board meeting the Board must include a statement which states

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that the Board previously met in Executive Session to discuss a particular Executive Session topic such as: litigation, formation of contracts, member discipline, personnel matters, or

Chung disagreed with legal counsel's recommendation stating that the Board is required to enforce policies. If members are not notified than they are unaware of policy enforcement.

Moreau opined that the Board is not required to accept legal counsel's recommendations, but to weigh the risk and make a decision themselves.

Motion made by Autrey, seconded by England, to not post the Executive Session minutes. Motion did not pass England and Autrey voted Aye, Chung, Catalano, and Moreau voted Nay.

Motion made by Moreau, seconded by Chung, to include in the Executive Session minutes a summary of each topic discussed that does not include name, address, and/or fine amount. Approved by vote. (3-2 England opposed, Autrey abstained)

b. Dryer Vent Cleaning – England

The Board will explore discounts for dryer vent cleaning at resident's expense.

Motion made by England, seconded by Chung, to research discounts for dryer vent cleaning. Approved by vote. (3-2 England opposed and Autrey abstained)

c. Direct and standardize MOD to solicit 3 competitive bids for projects over \$5,000 – England

It was suggested that \$5,000 was too low and to increase it to \$15,000.

Motion made by England, seconded by Autrey, to standardize practice to solicit 3 competitive bids for projects over \$15,000. Approved by unanimous vote. (5-0)

d. Review of Commercial Activity – England

Topic Deferred

Motion made by England, seconded by Autrey, to amend the agenda and move topic New Business Item 11 e Add a Second Board of Directors Regular Meeting to the month. Approved by unanimous. (5-0)

e. Add a second Board of Directors Regular Meeting to the month – England

After a lengthy discussion, the Board changed it to a Board of Directors Special Meeting.

Motion made by England, seconded by Autrey, to add a Board of Directors Special Meeting to the month. Motion did not pass. (2-3 Catalano and Moreau opposed, Chung abstained)

f. Golden Rain Foundation Contract – Catalano

Topic Deferred

g. Waiver of Bylaws Insurance Provision – Catalano

Topic Deferred

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- h. Bylaws Voting Procedures – *Autrey*
Topic Deferred
 - i. Review & Approve Proposal to Charter FWCM Communication Taskforce/Ad-Hoc Committee – *England*
Topic Deferred
 - j. Communication Support Services Contract with VistAbility – *England*
Topic Deferred
12. **Announcements** – The next scheduled meeting is the Board of Directors Special Meeting. The meeting will be held on August 9, 2024 at 10:00 a.m. in the Donner Room at the Event Center as well as virtually.
13. **Adjournment**
There being no further business, the Board of Directors Regular Meeting was adjourned at 12:00 p.m.

Board Assistant Secretary's Certificate

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

Victoria Thomas