

BOARD OF DIRECTORS REGULAR MEETING**Friday, June 28, 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

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. 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.
- Asked for the status of attic divider installations.
- The Board was thanked for volunteering their time and work on the Board.
- It was suggested a communications committee be established.

4. Consent Calendar

- a. Architectural Control Committee Meeting Minutes – May 7, 2024
- b. Board of Directors Executive Session Meeting Minutes – May 7, 2024
- c. Board of Directors Special Meeting Minutes – May 10, 2024
- d. Board of Directors Executive Session Meeting Minutes – May 10, 2024
- e. Board of Directors Regular Meeting Minutes – May 24, 2024
- f. Board of Directors Executive Session Minutes – May 24, 2024

*Motion made by Autrey, seconded by England, to approve the Consent Calendar. Approved by vote.
(4-1 Catalano voted no)*

FIRST WALNUT CREEK MUTUAL
5. Treasurer's Report – Jean Autrey/Todd Arterburn
a. Treasurer's Report – Jean Autrey

Cash in Bank & Sweep Accts - Operating	4,207,029
Includes an unknown amount for the property fund	
Cash in Bank & Sweep Accts - Reserve	10,266,185
Note: Sweep level is \$50,000	
Accounts Receivable -Assessments	189,545
Accounts Receivable - 3rd Party Billing & Other*	1,945,777
Total Receivables:	2,135,322
*Per Aging: \$101,698 (Balance Unidentified)	
YTD Under/(Over) Budget	
Current Month	85,732
Year to Date	452,199
Year to Date Operating Revenue: Under/(Over) Budget	
Member assessments	(2,410)
Interest	44,197
Rental	1,005
Other	6,142
Total	48,934
Year to Date Operating Exp: Under/(Over) Budget	
Management Fee	(21,074)
Building Maint & Public Works	45,226
Landscape Maintenance	52,008
Custodial Services	966
Insurance	32,172
Utilities	292,976
Professional Svc	41,725
Other General & Admin	11,760
Income Taxes (on 2023 interest income)	(52,493)
Total	403,266

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

6. Mutual Operations – Jeroen Wright/Dave Peakas
Peakas Reported
Carpentry/Paint Rehab Work

After finishing 1800 and currently working on 1816 Golden Rain Rd., one of our carpentry crews will be moving on to 1832 Golden Rain Rd. The other crew is working on 2025 Oakmont Way where they expect to finish up in approximately a week. Painters are working on 1708 Golden Rain Rd. and 1800 Golden Rain Rd., following up on the carpenters.

Laundry Rooms

The most dramatic issue to welcome me back from my vacation was the sudden increase in pricing from our laundry machine vendors "WASH". With no signage or communication posted in the laundry rooms, I had dozens of calls from residents confused about the status of the machines. A

FIRST WALNUT CREEK MUTUAL

silver cloud to this was that I got a couple of connections that I did not have previously and am hopeful that they will help us to resolve some of the long standing issues we've experienced in the past. They will be posting the current prices on the machines as well as current instructions on how to report problems.

Zinsco Panels

I have solicited two separate electrical contractors to assess the exterior Zinsco main panels on the buildings in FWCM. I'm trying to determine an inventory of panels and what is needed to switch them out. The 13 building styles each have unique characteristics. Bigger buildings have 2 mains. It has been determined that the feeds to the building from the transformers were hardly adequate at time of original construction. New panels will need more amperage and a new line run from the transformer to the building. I'm trying to determine the responsibility of that work (PG&E or FWCM). The interior panels are moving along at about 4 installs per week. The inventory of what's left is somewhat fluid as over the past year, approximately 10 panels have been switched out by remodels as other original ones have been discovered through the manor inspection process. To date approximately 150 panels have been switched out at a cost of \$485,000. We are forecasted to finish the remaining approx. 220 panels next year at a projected cost of \$740,000.

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

- Weed abatement has been completed by Brightview
 - o GRF will complete abatement under PG&E lines by the end of the month
- Turf fertilization is underway
- Removal of dead or dying plants

Tree Maintenance

- Oakmont
 - o Complete
- Tice Creek B & C
 - o Scheduled

8. President's Report – Mary England

No report

9. Committee Reports

- a. Budget and Finance Committee Report – *Paul Moderacki*
No Report
- b. Landscape Committee – *Pat Power*
No Report
- c. Governance Committee – *Vacant*
No Report

FIRST WALNUT CREEK MUTUAL**d. Capital Projects Committee – *Mike Sund*****EV Charging**

In a review last week, CleaResult (MCE) stated that the technical aspects of all 13 projects have been completed. There is a lot of additional information that has yet to be organized into the 13 reports. If there are no issues, it is anticipated that the first report will come in early July with the balance following throughout July.

Electrification

This is the initiative to upgrade the electrical system in each Manor so it is capable of eliminating all fossil fuel-based appliances. This is also being done by CleaResult (MCE). The target date for the engineering report is late summer. The current issue is identifying the size and location of all power transformers in FWCM. MOD says they have no information and PG&E says they will “look into it.”

Drainage

The original research has been completed. A listing of all the problems areas and potential fixes has been made. We now working to make this clear and orderly to put in a summary proposal for the Board. We have committed to completion in 30 days...this maybe to aggressive.

Strategic Energy Management (SEM)

The monthly SEM meeting scheduled for June 19th at 9am was cancelled due to lack of a quorum. It is rescheduled for June 26th at 1:30pm.

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

e. Social Engagement Committee – *Marcia Keating*

The ad hoc Social Engagement Committee held a First Mutual Ice Cream Social on Friday, May 31, 2024 from 4-5:30 p.m. in the Diablo Room. We had a budget for \$600 and final expenses of \$420.26. Over 180 residents attended this event. The following residents were helpful in making this event a success: Maxine Topper, Howard and Marlene Berkman, Young Chung, Peter Catalano, Art Keating and the Social Engagement Committee, Jean Autrey, Kathy Riley, Jack Appleman, Betsy Albert, Brenda Wilson, and Marcia Keating.

Our next meeting coming up is the “Districts 1 & 3 Town Hall” to be held on Monday, June 24 from 4-5:30 p.m. in the Diablo Room. The hosts are Young Chung, District 3 Director, Jean Autrey, District 1 Director and Pat Power, Landscaping Committee Chair. This event is being advertised in Rossmoor News on June 12 and June 19. All First Mutual residents are welcome to attend District Town Halls.

The Social Engagement Committee is planning a “Creating your Neighborhood” meeting on Friday, July 29 and a “Meet Mutual Board Candidates” meeting in Mid September.

10. New Resident Orientation – *Jerry Priebat*

Next Orientation Meeting: The next scheduled meeting is on July 9, 2024 at 10:00 a.m. in the Bunker Room at the Creekside Clubhouse.

FIRST WALNUT CREEK MUTUAL**11. Unfinished Business – Mary A. England****Action Items**

- a. Proposed Amendments to the Bylaws – *England*
 - Deletes all provisions regarding the “Good Standing” requirement to vote and to run for a Board position because such a requirement is no longer allowed by law
 - Deletes all provisions regarding director elections and removals based upon residency within districts, which is no longer allowed by California Civil Code section 5105
 - Amends Sections 8.1 and 8.7 to increase the number of the Board members from 5 to 9 directors
 - Amends Section 8.3 to incorporate current law on candidate qualifications
 - Add new Section 10.20 to require an escrow holdback of \$1,000, which would be refunded within 60 days after closing less any expenses incurred by the Mutual
 - Amends Section 15.2.3 to delete the Mutual’s obligation to obtain property insurance covering 100% of the full replacement value and replaces it with the obligation to obtain the highest percentage available to the extent such percentage is economically feasible
 - Deletes Section 15.3 of the Bylaws, which requires the Mutual to obtain insurance policies to satisfy the minimum requirements imposed by Federal National Mortgage Association (“FNMA”), the Federal Home Loan Mortgage Corporation (“FHLMC”) and the Federal Housing Administration (“FHA”)
 - Amends the first sentence of Section 15.6 of the Bylaws to require owners to carry a “special causes of loss” policy in an amount equal to or greater than the total replacement value of the manor interior, upgrades to the manor, and personal property contained therein (commonly known as a “HO-6” policy)
 - Amends Section 15.6 to make the owner’s insurance policy primary if the damage or loss emanated from the owner’s manor and requires the owner to provide a written denial of coverage before the damage or loss claim can be tendered to the Association’s insurance; and
 - Corrects all cross-section references throughout the Bylaws.

*Motion made by Atrey, seconded by Chung, to approve proposed amendments to the Bylaws.
Approved by unanimous vote. (5-0)*

- b. Proposed Amendments to the Alterations Policy – *Chung*
Topic Deferred

12. New Business**Action Items**

- a. Membership Email List Request Requirements – *England*

A member requesting the membership list shall state the purpose for which the list is requested which purpose shall be reasonably related to the requester’s interest as a member. If the association reasonably believes that the information in the list will be used for another purpose, it may deny the member access to the list.
- b. Proposed Amendments to Bylaws for Increase Participation in Committees from Districts to At-Large Members – *Chung*

FIRST WALNUT CREEK MUTUAL

The Board shall appoint annually a Budget and Finance Committee and a Landscape Committee. The Board may also appoint a Nominating Committee. The Board may also appoint such other committees as it deems appropriate in carrying out the powers and purposes of the Mutual. Each Director shall appoint one Member in Good Standing from his or her District to each committee. In addition, the chairperson and vice chairperson of each committee may come from any District and shall be appointed by the President. All committee members shall serve at the pleasure of the Board. Any "committee of the Board" (that is a committee consisting only of Directors, as referred to in Corporations Code section 7212) shall consist of at least two (2) Directors and shall have such powers and duties as the Board shall determine, subject to the limitations of Corporations Code section 7212.

Motion made by Chung, seconded by England, to approve to make all committee members with no District restrictions. Approved by unanimous vote. (5-0)

c. Letter of Representations for audit of the financial Statements – *Autrey*

Motion made by Autrey, seconded by Chung, to approve the Porter and Lasiewicz, CPA contract and authorize Mary A. England to sign the contract on the Board's behalf. Approved by unanimous vote. (5-0)

d. Audit and Tax Services Agreement – *Autrey*

Motion made by Autrey, seconded by Chung, to approve the audit and tax services contract with Porter and Lasiewicz, CPA and authorize Mary A. England to sign the contract on the Board's behalf. Approved by unanimous vote. (5-0)

e. Golf Cart Charging Fee Letters and Golf Port Charging Fee Contract – *Chung*

Motion made by Chung, seconded by England, to approve the golf cart charging fee letter and golf port charging fee contract. Approved by unanimous vote. (5-0)

f. Budget Transfer Authorizations – *Autrey*

Motion made by England, seconded by Autrey, to approve Budget Transfers and Budget Specific Transfers. Approved by unanimous vote. (5-0)

13. Informational/Discussion Items

a. Report on Status of Draft Mutual and GRF Management Agreement – *England*

England reported the agreement is in draft form but is ready for Board review and asked for comments. England reminded the Board that the agreement is confidential.

b. Update on Insurance Taskforce – *Autrey*

The property insurance coverage of \$1.16 billion does not 100% cover the Mutual's replacement costs of \$2.659 billion. Rossmoor is only 43.6% covered, which is assumed to be enough to insure a 1 in 10,000 year event. We have been unable to get additional insurance – partially because it's simply not available and partially because the cost is prohibitive.

FIRST WALNUT CREEK MUTUAL

There is a system in place to share costs if there is a covered insurable event but there is no agreement on what would happen if there was a loss greater than the \$1.16 billion. All Mutuals covered under the policy would have to agree and so far there is no clear definition of how that would work.

c. Review Proposal for new Property Management – *Catalano*

Catalano expressed dissatisfaction with the current property management and urged the Board to explore alternative companies, but the Board members did not share his concerns and rejected his proposal.

d. Board Agendas and Minutes – *Catalano*

1. Agendas should be descriptive enough to give people an idea of what the issue is.

The agenda item should be a full enough description so members can tell what is going on.

The agenda has this item:

Proposed Amendments to the Bylaws – England Recommendation: Board of Directors approve the proposed amendments to the Bylaws.

It should have said something like:

Proposed Amendments to the Bylaws The Board will consider whether to amend the First Mutual ByLaws, one of the fundamental governing documents of the mutual. If it decides to do it, and agrees on the draft, the bylaws will be provided to the membership for a vote. One of the primary reasons this is happening is the difficulty of obtaining insurance. The bylaw amendments might reduce the insurance the mutual must carry. Other major issues include increasing the board to nine directors and redesigning the election, and eliminating the definition of exclusive use common area.

The agenda needs to describe the issue in enough detail so members know whats its all about.

2. Discussions at executive sessions should be limited to the agenda.

At the last executive session someone stated that we could talk about whatever we wanted because the executive session was secret and that the agenda was only prepared by Victoria as a convenience for the board. That is not correct. We can only talk about what is on the agenda.

3. Actions of the Executive Meeting must be summarized

We should comply with the statutory requirement that the executive session meeting be summarized in the minutes of the next open meeting. The summary should give people an idea of what happened. Instead of a broad, useless phrase like “member discipline,” each action should be summarized substantively such as “A member was fined \$200 for smoking in his manor.”

4. Committee members should participate in the discussion.

Committee members should participate in the discussion. They should be discouraged from reading their reports (or anything else the board and the members already have). Similarly, the Treasurer, property manager and landscape manager don’t need to read their already-provided reports. Discuss and explain, sure, read out loud, nope.

FIRST WALNUT CREEK MUTUAL

5. The board should be focused on the audience as customers.
The board should be customer-focused and member-centric. We're doing this for them. Especially if people are willing to take the time and trouble to show up, we should do everything we can to make it a good experience for them. We should have twenty copies of most things we're going to look at that haven't been distributed. (Obviously some limitations for large docs, etc. Also, things previously distributed in the board packet are the members' responsibility to bring – we shouldn't pay for that stuff. We should allow very limited questions or comments outside of the three minutes.
6. The reports packet should be posted and e mailed.
The packet of reports should be posted on the website under a tab that says "Information for the next board meeting" and e mailed to members. We should maintain an email list for that purpose, have a "provide your email to us" link on the web page, and have a "provide your e mail to us if you want information" sheet at the table we use for agendas in the back of the room for board meetings. If the email is too much of a hassle for Victoria, I'll maintain the list. We should also investigate the cost of the software for this purpose recommended by Melanie (but it seems to me like this alone would be pretty good?) But the Board Documents website used by the school board (link sent in separate e mail) is very user friendly. Young says the board considered a web site a few years ago and rejected it in part because of the cost of upkeep. That seems reasonable to me (I'm cheap). Although I'd live a web site we can achieve much of the benefit of a web site by just emailing the stuff at zero cost.
7. The minutes should become the primary vehicle the board communicates with its constituents.
We should put effort into making the minutes thorough and substantive. Someone should be able to understand the substance of what happened. Documents already provided need not be included, but documents passed by the board (such as by law revisions) should be attached or there should be a link provided to somewhere where people can read them. And, although the statute requires that they be available in thirty days we should do it in seven. As Dick noted, it doesn't take any more work to do it sooner rather than later. They should be emailed to a broad list. (Again if that's too much effort – sure doesn't seem it to me – I'll do it.)
8. Minutes of emergency meetings need to be posted.
Minutes of emergency board meetings where the board meets only by e mail need to be posted. Such meetings do not need to be confirmed at a subsequent board meeting.
14. **Announcements** – The next scheduled meeting is the Board of Directors Regular Meeting. The meeting will be held on July 26, 2024 at 10:00 a.m. in the Donner Room at the Event Center as well as virtually.
15. **Adjournment to Executive Session** – If necessary, for legal issues, contracts, member discipline, personnel issues, delinquencies, or foreclosures.

Board Assistant Secretary's Certificate

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

Victoria Thomas