

BOARD OF DIRECTORS REGULAR MEETING

Friday, March 28, 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**

Thomas called the meeting to order at 10:00 a.m.

2. **Roll Call of Directors**

Young Chung – President
Peter Catalano – 1st Vice President
Kevin Dowling – 2nd Vice President
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 – Absent
Victoria Thomas – Board Services Coordinator

3. **Members' Forum**

Members are afforded an opportunity to address the board for up to 3 minutes. Comments included:

- Suggested lowering electricity and landscape cutbacks with zone zero and turf removal which may assist with lowering the monthly coupon.
- Requested additional lighting along the walkways. Peakes replied that he has already ordered additional photocell lighting which will be installed soon.
- Language change for the financials from 'preliminary' to 'unaudited'.
- Suggested Board Member make a second motion to allow for discussion on agenda topics.
- Appreciation was given to Staff and the Board regarding lighting.
- Heating and ducts should be inspected for degradation and results documented.
- Kaiser asked MOD to inspect a resident's HVAC system and ducts. Peakes replied that All Bay and the City of Walnut Creek both have inspected the resident's system and ducts and determined they are in good working condition. All Bay also tested for asbestos, which was negative. Peakes will provide an estimate for an inspection for duct cleaning.

4. **Consent Calendar**

- a. Architectural Control Committee Meeting Minutes – February 4, 2025
- b. Board of Directors Emergency Executive Session Meeting Minutes – February 21, 2025
- c. Board of Directors Regular Meeting Minutes – February 28, 2025
- d. Board of Directors Executive Session Meeting Minutes – February 28, 2025

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- e. Architectural Control Committee Meeting Minutes – March 4, 2025
- f. Board of Directors Executive Session Meeting Minutes – March 14, 2025

Motion made by Dowling, seconded by Autrey, to approve meeting minutes a, b, c (as amended), and e. Meeting minutes d and f required amendments therefore were deferred. Approved by vote. (3-2 Kaiser and Catalano voted no)

5. Report Out from Executive Session Meeting

- a. Report out from Emergency Executive Session on February 21, 2025: The Board met to discuss:
 - Litigation
- b. Report out from Executive Session on February 28, 2025: The Board met to discuss:
 - Formation of contracts
 - Disciplinary Hearings for policy violations
 - Fence installed without permit (under investigation).
 - Personal items in the common area of G-11 building (request for removal).
- c. Report out from Executive Session on March 14, 2025: The Board met to discuss:
 - Formation of contracts
 - Disciplinary Hearings for policy violations
 - Began construction and delivered a dumpster to the property prior to obtaining a permit
 - Fined \$100.00 for each violation.
 - Began construction prior to obtaining a permit – Fined \$100.00
 - Alteration Policy Violation – Further research required
 - Landscape Policy – Alterations were approved

6. President's Report – Young Chung

- GRF Management Agreement is being reviewed by legal counsel.
- Chung expressed concerns with:
 - Supplemental services in terms of cost with a large Mutual.
 - MOD's bad performance with financial statements not being delivered to the Board since December 2024
 - Alterations are being done without obtaining a permit first from the Alterations Department to be remedied with a TCTR ("to correct the records") and payment of an Alterations Fee; i.e., a laundry room was installed without a permit from the Alteration Department and the City of Walnut Creek. Opines that additional penalties should be imposed on the offending Member, including fines and possible removal of unapproved renovations.
- Fire Inspections. Called for residents to volunteer to do the inspections to save the Mutual money; i.e., coupon increases.
- Projects should be tracked to ensure efficiency, i.e., firebreaks, updates to electrical system, water-cooled Acs, etc.
- Coordination with landscaping zone zero and planning.
- Board needs to act quicker when amending policies.

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7. **Treasurer's Report** – *Peggy Kaiser*

- The Board has not received financial statements since December 2024, therefore Directors are unable to certify compliance with Civil Code 5500.
- The Board received the 2023 draft audit. Questioned when it will be finalized to send to members and about the auditor's remarks regarding material weaknesses. No answer was given. Arterburn stated that MOD will pay for the 2023 audit to be mailed to residents due to it not being timely. Arterburn also reported the aim was to have the 2024 audit completed on time.

Catalano expressed concern regarding the absence of financial statements for the last three months. Stating that the 5502 statute requires that the Board review financial statements and certify they are in compliance monthly. This has not been done since the Board reviewed and certified the December 2024 financial statements; making the Board liable for negligence which would not be covered under the Directors and Officers insurance. Chung asked Arterburn if the Board would receive the financials by the end of the month. Arterburn replied that they should be delivered within the first couple of weeks in April.

Motion made by Catalano, seconded by Autrey, to notify MOD that they are in breach of contract for not providing financial statements and that the Mutual plans to reduce its payment to MOD by \$5,000. Motion did not pass by vote. (1-4 Kaiser, Dowling, Autrey, and Young voted no)

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

Peakes reported

CARPENTRY/PAINT REHAB WORK – One carpentry crew is nearing completion on 2025 Golden Rain Rd. and are then moving on to 2041, then 2301 Golden Rain.

Painters will be following behind. The other crew will be initiating work at 1516 Golden Rain Rd. starting on Monday 3/31.

1901 GOLDEN RAIN RD. – There is nothing to report this month this month on the fire bldg. Plans are still being reviewed by the city of WC.

1152 FAIRLAWN – On Saturday 3/15 a vehicle collided with a building on entry 3 Fairlawn. Units #4 and #3 were impacted. There were no injuries. Our initial responders boarded up the exterior of the building and put up plastic barriers on the interior. I have spoken to and continue to be in contact with the affected residents. This issue is being resolved through the drivers insurance.

2329 TICE CREEK #1 – There has been a new source of water intrusion into a unit. I received a call on 3/17 from the resident stating that there was water coming from the patio area. I went to find the entire exposed living area (living room, hall and dining room) showing signs of moisture. An appointment was set to have Avelar come and inspect on 3/21. Excessive moisture was found to have entered the unit. An appointment has been made for 3/25 to dry out the slab and water test areas of repair on the patio that were recently done by their contractor.

MANOR INSPECTIONS – I have asked that toilet leak detection tablets be distributed to the residents at the time of their annual inspections. The tablets come with three simple instructions. 1) Drop tablet in tank, stir slightly. 2) Wait 15 minutes. If color appears in bowl, you have a leak. 3) Please make repairs

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The fact that the toilets are the resident's responsibility to maintain will make it hard to enforce or police any corrective actions. This will effectively let them know if their toilet leaks.

Wright did not have a report.

9. **Chief Financial Officer's Report** – Todd Arterburn
No Report

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

Tree Maintenance

Pruning

- Golden Rain Entries
 - In Progress
 - Scheduled Completion by mid-April
- Pine Knoll
 - Scheduled for April/May

Removal Permits

- Pine Knoll Entry 1 South Slope (3) Pine
 - Approved
- Oakmont Entry 9 Slope (4) Monterey Pine
 - Approved
 -

Proposals for Approval

- Pine Knoll Entry 1 South Slope (3) Pine
 - Waraner
 - \$13,200 (Reserves)

Motion made by Autrey, seconded by Kaiser, to approve the Waraner proposal to remove three trees in the amount of \$13,200 from the reserves account. Approved by unanimous vote. (5-0)

- Oakmont Entry 9 Slope (4) Monterey Pine
 - Waraner
 - \$12,100 (Reserves)

Motion made by Autrey, seconded by Chung, to approve the Waraner proposal to remove 4 Monterey Pine trees and repair the slope in the amount of \$12,100 from the reserve account. Approved by unanimous vote. (5-0)

11. **Committee Reports**

a. Budget and Finance Committee Report – Paul Moderacki

No financials since December 2024. MOD is breaking statue by not producing monthly financial statements.

Received 2023 draft audit.

b. Landscape Committee – *Committee Chair Vacant*

Staff is removing flammable mulch.

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c. Capital Projects Committee – *Mike Sund*

Electrification/EV Charging

We met with the consultants (CleaResult and MCE) on March 18th. The focus of the meeting was on the cost of the options available to M1. Because of the complexity of the options we have, additional technical evaluations are needed. I am pushing to get the outstanding issues resolved before our next scheduled committee meeting in mid-April.

ECHO

I may have been the first M1 member to use the new ECHO membership available to residents. On March 13th I attended the “Community Conversations” with the topic “Is your HOA ready for EV charging?” It was a reasonably good seminar with 198 attendees on Zoom. It lasted about 2 hours with the first hour being presentations and the second hour split into breakout sessions.

Residents should contact Peggy Kaiser if they would like to have access to ECHO.

Interesting facts and figures from the Presentations

80-90% of EV owners charge at home

EV's constitute 20-25% of new car sales

1 in 14 cars on the road are EV's

40% of Americans live in multi-family housing

Installing EV charging should be considered an amenity-it does increase the value of the property.

d. Social Engagement Committee – *Committee Chair Vacant*

The Committee will meet on March 31st at 4:00pm at the Creekside Clubhouse. Marcia Keating and Brenda Wilson volunteered to be Co-Chairs on the Committee.

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

Next Orientation Meeting: The next meeting scheduled is on April 8, 2025 at 10:00 a.m. in the Bunker Room at the Creekside Clubhouse.

13. **Unfinished Business**

Action Items

a. Five Star Painting Past Invoices for Payment – *Chung*

During the pandemic, Five Star experienced problems in their Accounting Department. Not all invoices, for work done in FWCM were submitted timely. Five Star ultimately submitted late invoices for over \$300,000. MOD director, Jeroen Wright negotiated with Five Star and the amount owed was reduced to \$275,000. Monies were earmarked in the 2025 budget for this expense.

Motion made by Autrey, seconded by Dowling, to approve the Five Star past due invoices in the amount of \$275,000. Approved by unanimous vote. (5-0)

b. Fire Extinguisher Inspection – Member Process

Topic Deferred

c. Bylaws – Review Latest Comments from Legal Counsel

Topic Deferred

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- d. Authorize Treasurer to Forgive Accounts Receivables Less Than \$400
Topic Deferred

14. New Business
Action Items

Motion made by Autrey, seconded by Dowling, to amend the agenda and move topic 13c – Selection of Inspector of Elections for the 2025 Election of Director to the first topic on the agenda to discuss. Approved by unanimous vote. (5-0)

- c. Selection of Inspector of Elections for the 2025 Election of Director – *Thomas*
Thomas presented three proposals. The Board selected Bellwether to be the Inspector of Elections with the sole responsibility of receiving the ballots and counting them at the Tabulation Meeting. Thomas will handle all other responsibilities in the election process.

Motion made by Autrey, seconded by Dowling, to approve the contract with Bellwether with the sole responsibility of receiving the ballots and counting them at the Tabulation Meeting in the amount of \$2,150. Approved by vote. (4-1 Kaiser voted no)

- a. GRF Management Agreement Negotiations
Option: 1. Reaffirm participation with other Rossmoor Mutuals in GRF Management Agreement Taskforce

Motion made by Autrey, seconded by Chung, to reaffirm participation with other Rossmoor Mutuals in GRF Management Agreement Taskforce. Approved by vote. (4-1 Catalano voted no)

Motion made by Chung, seconded by Dowling, to approve language change on the topic title to add “an alternate” in Option 2. Approved by vote. (4-1 Kaiser voted no)

Option 2. Establishment a Separate Committee to prepare for an alternate GRF Management Agreement Negotiations – *Catalano*

Motion made by Catalano, seconded by Chung, to prepare for an alternate GRF Management Agreement Negotiations. Motion did not pass. (1-4 Young, Autrey, Dowling, and Kaiser voted no)

- b. Hiring a Business Consultant to Advise on the GRF Management Agreement – *Catalano*
Catalano proposed a working group be established to review the GRF Management Agreement and determine if there are any alternatives available and hire a business consultant to assist.
Motion made by Catalano, seconded by Chung, to establish a working group along to review the GRF Management Agreement and determine if there are any alternatives available and hire a consultant to assist. Motion did not pass. (1-4 Young, Autrey, Dowling, and Kaiser voted no)

- d. Appoint Kevin Dowling as interim Chair of the Social Committee – *Chung*
Dowling requested this agenda item be pulled. He noted there are two Members willing to Co-Chair the Committee?

- e. Budget and Finance Committee Appointment Procedure – *Chung*
Motion made by Chung, seconded by Dowling, to approve the Budget and Finance Committee Appointment Procedure. (3-2 Catalano and Kaiser voted no)

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

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Topic Deferred

15. **Informational/Discussion Items**

Due to lack of time all Informational/Discussion Items were Deferred

- a. Mutual's Financial Statements – *Chung*
- b. 2025 Board of Directors Election – *Thomas*
- c. 2025 Board/Committee Meeting Schedule Change – *Thomas*
- d. Smoking Violation – Option for installing smoking detection sensors for enforcement
- e. Procedures for follow up on manor transfer issues – *Chung*
- f. Importance for Members to comply with Civil Code 4041 – *Peggy Kaiser*
- g. Escalating cost to send required notices to members via US Mail – *Peggy Kaiser*
- h. The Board should choose a parliamentary for the Board and Committees to follow when conducting meetings – *Peggy Kaiser*
- i. Cyber Security – *Arterburn*

16. **Announcements**

The next scheduled meeting is the Board of Directors Regular Meeting on April 25, 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 12:02p.m. and the Board moved into Executive Session.

18. **Executive Session Summary**

The Board met in Executive Session from 12:06 to 1:20 p.m. to discuss disciplinary hearings, formation of contracts, and member matters.

Board Assistant Secretary's Certificate

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

Victoria Thomas