

BOARD OF DIRECTORS REGULAR MEETING

Friday, November 22, 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 – 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. **New Business**

Action Item

- a. Appoint Kevin Dowling as a Director on the Board

Motion made by Chung, seconded by Autrey, to appoint Kevin Dowling as a Director on the Board. Approved by unanimous vote. (5-0)

Motion made by Chung, seconded by Autrey, to appoint Kevin Dowling as the 2nd Vice President on the Board. Approved by unanimous vote. (5-0)

4. **Members' Forum**

Members were afforded the opportunity to express their concerns, make comments, or have questions for the Board. Comments included:

- Insurance crises has led to tighter underwriting standards, prompting some lenders to require cash purchases for cooperative apartments (co-ops) instead of offering finance options.
- Quontic, based in New York, specializes in providing financing solutions for individuals looking to purchase cooperative apartments (co-ops).
- October 22nd minutes have not been posted. Board directed Thomas to post draft minutes on website once approved.
- Opined that inspectors are not fully inspecting HVAC.
- Opined that inspectors are not fully inspecting water heaters.

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4. Consent Calendar

- a. Board of Directors Regular Meeting Minutes – October 25, 2024
- b. Board of Directors Executive Session Meeting Minutes – October 25, 2024
- c. Architectural Control Committee Meeting Minutes – November 5, 2024
- d. Board of Directors Executive Session Meeting Minutes – November 8, 2024
- e. Board of Directors Executive Session Meeting Minutes – November 13, 2024

Motion made by Autrey, seconded by Autrey, to approve the Consent Calendar. Approved by vote. (4-1 Dowling abstained)

Motion made by Chung, seconded by Catalano, to approve draft minutes be posted once approved by the Board (if no response after three days post). Approved by unanimous vote. (5-0)

5. Report Out from Executive Session Meeting

- a. Report out from Executive Session on October 25, 2024: The Board met to discuss:
 - Disciplinary Hearings
- b. Report out from Executive Session on November 8, 2024: The Board met to discuss:
 - Board Matters
- c. Report out from Executive Session on November 13, 2024: The Board met to discuss:
 - Board Matters – Director Interviews

6. Treasurer’s Report – Kaiser/Arterburn

OPERATING - Cash in Bank & Sweep Accts	\$12,257,020
Includes varying sums collected for property taxes	
YTD Operating Revenue: Under/(over) Budget	
Member Assessments - negative to budget	(\$6,637)
Interest - favorable to budget	\$107,190
Rental - negative to budget	(\$70)
Other - favorable to budget	\$21,547
Total Revenue - favorable to budget	\$122,030
YTD Operating Expenses: Under/(Over) Budget	
MOD Management Fee	(\$42,147)
Building Maintenance & Public. Works	\$113,417
Landscape Maintenance	\$23,095
Custodial Services	(\$5,054)
Insurance [\$395,795 is commission rebate]	\$450,787
Utilities	(\$24,608)
Professional Services	\$40,092
Other General & Administration	\$294
Income Taxes [on 2023 interest income]	(\$52,540)
Total Expenses - favorable to budget	\$503,337
Operations - Under (Over) Budget	
Current Month Oct - negative to budget	(\$1,691)
Year to Date- favorable to budget	\$625,368
Accounts Receivable	
Assessments	\$188,246
AR - 3rd party billing & Other*	\$999,300*
Total Receivables:	\$1,187,545
*Per Aging Report: \$75,674 [Remainder to be Identified]	
Reserve Fund - Cash in Band and Sweep Accts	\$11,188,215
Note: Sweep level is \$50,000	
Reserve Amount Budgeted for 2024 expected expenses	\$5,271,000
Reserve Fund Expenses in Oct.	\$721,024
YTD Reserve Expenditures	\$4,239,594
YTD Reserves is favorable to budget by	\$1,031,406

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Generally, each Mutual has two extra fire hydrants. White fire hydrants are owned by EBMUD and yellow fire hydrants are owned by the Mutual at a cost of \$1,000 each.

Motion made by Chung, seconded by Dowling, to approve certification of compliance with Civil Code §5500 for the October financials. Approved by vote. (4-1 Catalano voted no)

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

Wright reported that there was a fire in a GII building carport that affected three residents' exterior walls. Fire was contained within 15 minutes. Cause of the fire has yet to be determined. Loss amount is currently unknown. Temporary railing has been installed.

Firewise Program will be recognized in December 2024. A Town Hall will be held on January 14, 2025 at 2:00-4:00pm in the Tahoe Room at the Event Center as well as virtually. Topic will be on emergency preparedness.

Peakes reported

CARPENTRY/REHAB WORK – Carpentry crews are finishing up at 2321 Tice Creek Dr. which is the last building for this year's rehab program. Deck Coaters are following behind. The painters are currently working at 2209 Golden Rain and have 4 buildings remaining to complete this years program (weather permitting)

ASPHALT – This years asphalt program is complete. Entries 2 and 3 Pine Knoll and entry 5 Fairlawn had full depth replacement done. The new drain system on entry 5 Fairlawn was installed in coordination with Tarc before the asphalt went down.

TREE FALL BUILDING – All work outlined by the structural engineer has been completed at 3441 Golden Rain Rd. The last remaining project was the re-roof of the building which is now complete. I have kept a file of all work done and invoices have been coded under "uninsured loss expense". To date the invoices total under \$70,000. I will ensure that no more invoices are outstanding, and then we can initiate the process of recouping some expenses through the Mutual shared deductible program.

1901 GOLDEN RAIN RD. – Last Friday at approximately 2:45 a car self-ignited in the carport under a G-11 style building. The fire department arrived quickly and did an incredible job of extinguishing the flames and ultimately keeping the damages to a minimum. The 4 units affected were directly above the carports (units #5, #6, #7 + #8) and have sustained no fire or water damages to the interior of the manors. Jeroen Wright met with Gallagher the following morning and got the ball rolling in an effort to get the initial work started and keep the residents in their manors. Air scrubbers and the wiping down of surfaces effectively reduced the smell of smoke. The residents were able to go back to their units after approvals from the City of WC and PG+E's inspections of and authorization to turn back on the gas and electricity. There are damages below in the carport area. Structural Engineers will get involved and the process of going through insurance protocols will stall any substantial progress for the time being.

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

Landscape Maintenance

- Overseeding of lawns is completed
- Fertilization of lawns is completed
- Cleaning out of v-ditches and landscape drains
- Irrigation has been suspended for the winter

Tree Maintenance

- Pruning
 - o Rockledge Entries
 - Scheduled for December
 - o Fairlawn Entries
 - In progress

Proposals for Approval

- Rockledge Entry 4 Retaining Wall by Brightview
 - o \$10,841.27 (Reserves)

Motion made by Autrey, seconded by Chung, to approve the Brightview contract in the amount of not to exceed \$10,841.27 from the reserve account to build a retaining wall. Motion withdrawn. Topic deferred to allow Tawaststjerna to have Brightview add a deadline date to the quote.

9. **Chief Financial Officer's Report**

Netsuite will launch January 1, 2025. Staff is preparing a fiscal calendar with all upcoming tasks that will be shared with the Board. A shared drive is being created that will allow Board Members access to the audits, historical data, financial statements, etc. Budget has been completed and the annual disclosure has been mailed to residents. 2023 audit continues to be worked on.

10. **President's Report**

Negotiations are ongoing with Staff regarding the GRF Management Agreement.

11. **Committee Reports**

a. Budget and Finance – *Paul Moderacki*
No Report

b. Landscape Committee – *Pat Power*

1. MOD reported that approximately \$73,000.00 remains in this year's budget. There are still estimates to come in before the end of the month. In August, the LC and LD identified eight areas with turf to convert. Different approaches are being taken to determine the best ways to proceed over the next four years. One of the identified areas is being designed by Craig

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Landscaping. Another two incorporate low-water native turf. Two use designs more familiar to residents, and the last two have been put on hold due to their complicated nature. An outside design firm will be needed for a successful, cost-effective conversion. We are in the process of identifying other outside landscape design firms that meet our needs while awaiting the outcome of the Craig Landscaping design at Pine Knoll 2001. Outcomes of these six test areas will be reported to the Board. The report will include water needs, plant survival, maintenance requirements, present and future cost information, compliance with government mandates, fire mitigation potential, and resident satisfaction.

2. Further information was given on the strategy to ensure plants are thoroughly watered during the Plant Replacement program. BrightView has agreed to the new PR procedure, with an exception to the warranty provisions. That issue was resolved.
3. The Committee addressed tree staking concerns and the health of young trees, as well as the pruning schedule to improve blooms on certain shrubs.
4. The LC, MOD, and BV have undertaken a pilot program to remove more leaf debris from the Entries through a vacuum system. Concerns include noise and dust. Entries would only be visited once, for a short time. All involved agreed the pilot test would be worth a trial given the issues with accumulated leaf debris in shrub beds, especially ivy, which produces long-term soil buildup, and the potential for general improvement in cleanup. This alternative may reduce worker time and lead to lower maintenance costs or free up time for other needed maintenance activities. There is no additional charge for this test.
5. BV agreed to include their maintenance schedule by Entry in the proposed LC/LD packet to be added to the FWCM website. Although the timing is not always exact, the decision was made that residents would at least have a general idea about when cleanup occurs at their Entries each month.
6. Peter Catalano and Patricia Power met with the MOD Landscape Resales inspector to discuss issues with the current Resales inspection report and how the FWCM Policy Document is interpreted. A preliminary report covering the meeting was produced and directed to interested parties, including the FWCM Board President. Further information will be provided to Board members upon request and/or after the next meeting, which will address the specific issues uncovered at the first meeting.
7. Two member directed letters were discussed.

c. Capital Projects Committee – *Mike Sund*
Electrification/EV Charging

We are stymied until we get the Manor Electrification Evaluation Report which will give us an idea of the cost to increase electrical service so we can eliminate fossil fuel appliances in each Manor. Hopefully, this will arrive in the next week or so.

Drainage

On November 13th Capital Projects met with the Landscape Committee to review drainage issues at Rockledge entry 4. In attendance were Pat P. Roy Y. John T. Dave P. two men from Bright View and me. Under separate cover Pat has outlined the tour and what needs to be done. Quotes have been requested. I must say that I was impressed with the men from Bright View. They were articulate and have a good handle on what is going on.

d. Social Engagement Committee – *Marcia Keating*

The Social Engagement Committee met on Tuesday, October 24, 2024. Martie Marchetti notified the committee that she would no longer be able to be on the CSEC due to other

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commitments. CSEC discussed 2025 events and meetings. CSEC is planning a First Mutual Potluck to be held in January 2025 and 2025 Director Town Halls.

On Tuesday November 4th the First Mutual held a Town Hall at the Fireside Room Gateway from 2:00 – 3:30 p.m. About 45 residents attended the Town Hall. Dick Coleman, President of Braver Angels and Rossmoor resident spoke about safety and respect at meetings and within the community. Young Chung, First Mutual President, introduced the Board and each Director gave a brief statement regarding their role on the Board, followed by a question and answer session. Dave Peakes was on hand to answer questions related to the MOD.

On November 11, 2024, Marcia Keating Chair of CSEC turned in 2025 room request forms to Room Reservations per the new GRF reservation conditions and guidelines. The following room requests are pending.

1. Room request for January 2025 - First Mutual Potluck. Fireside, Gateway or Diablo, Hillside rooms have been requested for this event.
2. Room request for February, April, July, and October 2025 - Quarterly Director Town Halls. Vista or Diablo, Hillside rooms have been requested for these events.

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 Items

- a. Approve Proposed Amendments to the Elections and Voting Policy 25.0
Motion made by Autrey, seconded by Chung, to approve the proposed amendments to the Elections and Voting Policy 25.0. Approved by vote. (4-1 Kaiser voted no)

Staff was directed to not distribute the policy to members for a 28-day review until legal counsel can provide estimated timeframe to amend the policy to include electronic voting.

- b. Vehicle Tow

Chung wants to formalize the towing process.

- There needs to be a vehicle towing sign in the entry
- A vehicle can be towed after a citation from Securitas is given
- President is authorized to have the vehicle towed

Topic Deferred

11. New Business

Action Items

- a. Board Review and Approve Checks over \$10,000
There were no checks over \$10,000 to approve.
- b. Fire Extinguisher Inspection Agreement w/MOD
Topic Deferred
- c. Community Association Institute – *Kaiser*
Topic Deferred

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12. Informational/Discussion Items

- a. Proposed Amended Bylaws – Open Topics
Topic Deferred

- b. Landscaping Presentation
Topic Deferred

13. Announcements

The next scheduled meeting is the Board of Directors Regular Meeting on December 27, 2024 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 12:00p.m. and the Board moved into Executive Session.

15. Executive Session Summary

The Board met in Executive Session from 12:09 to 1:13 p.m. to discuss Disciplinary Hearings on unregistered vehicle, non-qualified guest, construction without a permit, and violation of Private Gardens Landscaping Policy.

Board Assistant Secretary's Certificate

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

Victoria Thomas