

BOARD OF DIRECTORS REGULAR MEETING

Friday, August 9, 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 (entered meeting at 10:36am – left meeting at 11:00am)*

Jean Autrey – Treasurer – District 1

Mutual Operations Staff

Jeroen Wright – Director of Mutual Operations

Dave Peakes – Building Maintenance 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:

- Commercial activity regarding flippers for remodels.
- Election of Directors timeline – Tabulation Meeting is scheduled for September 27th and winning candidates will be announced at the Annual Members Meeting on October 1st and seated on the Board at Organizational Meeting.

- Claims Secretary State suspended First Walnut Creek Mutual as they were not in good standing with the tax board.

- 2022 audit has not been given to the residents. 2023 audit is past due.

- Claims no documentation management process as historical minutes are lost, no redaction services, no solid process for notice distribution.

** Correction to the claim of GRF losing Board meeting minutes. This comment is inaccurate, GRF was not the Property Manager from 1993-1999. CB Richard Ellis was the Property Manager during that period, they would hold the records of the Board meeting minutes from 1993-1999. **

- Claims Staff gives away common use area.

- Claims elections and appointments have not been held legally for the last four years.

- Claims the Board is refusing to do due diligence to see what other property managers offer.

- Claims the Board did not give the residents ample time to review the proposed amended Bylaws.

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- Document request for current contract between First Walnut Creek Mutual and Brightview and contract between First Walnut Creek Mutual and Gauthier has not been met.
- Requested work yard contract be placed on the agenda.

4. Consent Calendar

- Architectural Control Committee Meeting Minutes – June 4, 2024
Motion made by England, seconded by Autrey, to approve the minutes as amended. Approved by vote. (3-1 Catalano abstained)
- Board of Directors Special Meeting Minutes – July 12, 2024
Motion made by England, seconded by Autrey, to approve the minutes. Approved by unanimous vote. (4-0)
- Board of Directors Executive Session Meeting Minutes – July 12, 2024
Motion made by Autrey, seconded by England, to approve the minutes. Approved by vote. (3-1 Catalano abstained)
- Board of Directors Executive Session Meeting Minutes – July 18, 2024
Motion made by England, seconded by Chung, to approve the minutes. Approved by unanimous vote. (4-0)
- Board of Directors Regular Meeting Minutes – July 26, 2024
Motion made by England, seconded by Chung, to approve the minutes. Approved by unanimous vote. (4-0)

5. Report Out from Executive Session Meetings

- Report out from Executive Session on July 12, 2024: The Board met to discuss contracts, disciplinary hearings, and delinquent accounts.
- Report out from Executive Session on July 18, 2024: The Board met to discuss potential litigation.

6. Mutual Operations Reports – Jeroen Wright/Dave Peakes

Wright stated that the staff is currently in the process of drafting the budget, and once it is finalized, Bud Baxter, the Budget Analysis Manager, will reach out to the Board to arrange a meeting to initiate the budget preparation process.

7. President's Report

The Presidents' Forum meets monthly. They recently met on July 29th.

Topics included:

- Wright gave a presentation on Board Member Orientation that included Board duties and responsibilities, fiduciary duties to act in the interest of the association when managing the assets. Setting ground rules and establishing when members can discuss areas of interest during Members' Forum, reviewing confidentiality, and reminded Board Members of the liability risk if confidentiality is broken.
- Budget process going forward will match the three year reserve study.
- NetSuite system update. Three years of historical data from 2021-2023 has been downloaded into the system for testing. Processes on standard operating procedures for financial transactions in the Accounting Department are being reviewed.

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- Insurance Taskforce stated there will be another insurance coverage increase in 2025.
- Fire extinguishers monthly inspections - Wright has received a proposal from Cintas for an inspection cost of \$8.50 per extinguisher for the Valley and is planning to obtain another proposal for inspections from Mutuals on an individual basis. It is anticipated that the inspection cost will increase.
- As of now, 22 Mutuals have obtained the GRF Management Agreement and are actively presenting it to their Boards for review and feedback.

8. **New Residents' Forum**

Next meeting is August 13, 2024 at 10:00 a.m. in the Bunker Room at the Creekside Clubhouse.

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

Action Items

Nothing to report.

10. **New Business** – Mary A. England

Action Items

- a. Rockledge Work Yard Concerns – Catalano
Topic deferred

Motion made by Catalano to give Pam Grove a copy of the Contractor Storage Area Contract. There was no second motion. Motion did not pass.

- b. Review of Commercial Activity – England
Topic deferred

Motion made by Autrey to seek legal counsel regarding the legality of property flipping within First Walnut Creek Mutual. There was no second motion. Motion did not pass.

Catalano stated commercial activity needs to be defined. England read Commercial Activities Policy 4.0 ‘no commercial activities may be conducted in the common area.’ Wright read the definition of commercial activity – “Community activity is an activity intended for exchange in the marketplace to earn an economic profit. For example, commercial banking refers to banking activities focused on business as opposed to consumer retail banking which deals with the finance needs of the individuals.” Catalano responded that flipping does not qualify as commercial activity.

Topic deferred to second meeting in the month of October.

- c. Golden Rain Foundation Contract – Catalano

Catalano stated that processes are horrible and dysfunctional beyond belief. RFP’s should be required.

Motion made by Catalano to approve the Governance Committee spend \$5,000 on prospective next steps on how the Mutual should deal with a property management contract. There was no second motion. Motion did not pass.

Catalano was reminded that there is no longer a Governance Committee.

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Motion amendment – Motion made by Catalano for interested members to form a committee and spend up to \$5,000 on getting a consultant’s advice to determine next steps on hiring a new property management company. There was no second motion. Motion did not pass.

Motion made by Catalano, seconded by Chung, to approve waiving insurance requirements in current Bylaws. Motion did not pass. (2-2 England and Autrey voted no)

Motion made by Catalano to establish a collaborative meeting with all members to discuss what the members want in the GRF Management Agreement. There was no second motion. Motion did not pass.

d. Waiver of Bylaws Insurance Provision – *Catalano*

Section allows to waive insurance requirements to the extent of FHA.

Catalano proposed the language ‘you cannot waive the requirements related to FHA to the extent applicable to the Mutual’ adding that the insurance requirements language be waived in the Bylaws.

Motion made by Catalano, seconded by Chung, to exercise current Bylaws except the clause that the Mutual is not required to have 100% insurance coverage.

Discussion – England read legal counsel’s advice. ‘First Walnut Creek Mutual cannot just waive the insurance provision and rely on Section 15.5 of the Bylaws to reduce coverage because Section 15.2.3 and 15.3 require the Mutual property insurance to cover the full replacement value.’

Motion did not pass. (2-2 England and Autrey voted no)

e. Bylaws Voting Procedures – *Autrey*

Motion made by Autrey to approve First Walnut Creek Mutual Board charter an Communication Ad Hoc Committee or Taskforce to analyze the Mutual’s communication needs, develop proposals for communication channels, which recommend and are coordinated in order to reach key constituents involved in Mutual activities. There was no second motion. Motion did not pass.

f. Review & Approve Proposal to Charter FWCM Communication Taskforce/Ad-Hoc Committee – *England*

England proposed the Mutual charter a Communication Taskforce of Ad-Hoc Committee to analyze the Mutual’s communications needs, develop proposals for communication channels, to recommend and coordinate in order to reach key constituents involved in Mutual’s activities. England volunteered to draft the charter if approved.

Motion made by England, seconded by Autrey, to approve a charter for a Communication Taskforce/Ad-Hoc Committee. Approved by vote. (3-1 England abstained)

g. Communication Support Services Contract with VistAbility – *England*

VistAbility cleans the Mutual’s 97 trash enclosures once a month. VistAbility proposal starts at \$15.00 per trash enclosures for 2024, increasing to \$15.64 in 2025, and \$16.30 for 2026. Total cost for 2024 is \$1,455.00.

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Motion made by England, seconded by Autrey, to approve the VistAbility contract for once a month cleaning and authorize Mary A. England to sign the contract on behalf of the Mutual.

Discussion – The contract should be clearer in the tasks VistAbility will perform in the cleaning process. Wright will have the contract revised to define the scope of work and bring back to the Board.

Topic Deferred

- h. Follow up on Resolution regarding Payments on Expenses over \$10,000 – *Autrey* Catalano reported that he has not finalized the creation of a policy for this.

Until the policy is approved the reoccurring vendors that are preapproved for payment over \$10,000 are Golden Rain Foundation, PG&E, EBMUD, and transfers to the reserve fund.

Motion made by Chung to preapprove checks over \$10,000 for reoccurring vendors to Golden Rain Foundation, PG&E, EBMUD, and transfers to the reserve fund for the following month. There was no second motion. Motion did not pass.

Motion made by Catalano, second by Chung, that the Board comply with statutory requirements when approving checks over \$10,000. Approved by vote. (3-1 Autrey abstained)

- i. Policy for Large Checks policy for authorizing checks over \$10,000 – *Catalano* Duplicate topic. No discussion.

11. Informational/discussion Items

12. Announcements

With the help of Dave Peakes, Young Chung, and Mike Sund First Walnut Creek Mutual was awarded \$3,000 for the Electrical Engineering Study.



The next scheduled meeting is the Board of Directors Regular Meeting. The meeting will be held on August 23, 2024 at 10:00 a.m. in the Donner Room at the Event Center as well as virtually.



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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