

BOARD OF DIRECTORS SPECIAL MEETING

Friday, July 12, 2024 at 12:00 p.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 12:01 p.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

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:

- Motions to Action Items are not complete. Example: amending the policies, motions did not state what the amendment was. The minutes cannot reflect what the amendment was if it is not included in the motion.
- May 24th meeting minutes stated that the Finance Committee noted the Helsing Group is conducting the 2024 Reserve Study. Porter Group is doing the Reserve Study.
- Members in Entry 7 & 8 on Rockledge are being inconvenienced by the activity in the work yard in the early morning and on weekends.
- Claims that Board is not legal entity that can make decisions. The Mutual has conducted restricted elections preventing over 50% of the population from voting. Last year the election was skipped. It was requested to get advice from legal counsel on conducting the meetings.
- Dates for the election are incorrect.
- A resolution regarding payments exceeding \$10,000 is still not finalized; consequently, any expenses above this threshold will not be presented to the Board or documented in the minutes until a resolution is established.
- GRF Management Agreement. Presidents in the Presidents' Forum have drafted a new management agreement. As the members of the Presidents' Forum lack legal status and professional training in contract amendments, any proposed changes to contracts should ideally involve legal counsel to ensure compliance and protect the interests of all parties involved.

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- Member expressed concern over a lack of communication regarding the amendments to the Bylaws, questioning why members were not adequately informed about the amendments and the implications for their rights and responsibilities within the Mutual.
- Failure of notification and transparency. Example the Board did not give notices to members prior to the laundry machine cost increase.

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 as posted.
Approved by unanimous vote. (5-0)*

5. **Mutual Operations** – *Wright*

No Report

6. **President's Report**

The Presidents' Forum Workgroup, comprised of 8 Presidents, is currently collaborating to draft a new management agreement aimed at achieving consensus among the Mutuals, ensuring that the terms reflect the collective interests and operational needs. Once the draft management agreement is finalized, it will be submitted for review and approval to the Mutuals' Boards for their consideration and feedback. Once finalized, the agreement will be presented to GRF for negotiation.

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

Action Items

- a. Review Proposed Amendments to the Bylaws – *Chung*
Chung reported on the proposed amendments on:

- 15.2.3 Coverage Levels
- 15.5 Member's Individual Insurance Requirements
- Need to change "owner" to "member"
- H06 Insurance is recommended not required

Motion made by Autrey, seconded by Moreau, member's individual insurance requirements should strongly be recommended, but not mandatory. Approved by vote. (4-1 England Abstained)

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

Chung reported on the amendments:

- Add language to irrigation and carport storage requirements

- c. Budget Transfer Authorization – *Autrey*

Topic Removed

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- d. Follow up on Resolution regarding Payments on Expenses over \$10,000 – *Autrey*
Topic Deferred

8. New Business

Action Items

- a. 2024 Board Meeting Schedule Amended – *England*
No Discussion
- b. Proposed Amendments to the Voting and Election Rules – *England*
Topic Deferred to mid-October

9. Informational/Discussion Items

- a. Report on Status of Draft Mutual and GRF Management Agreement – *England*
(Draft will be ready for Mutuals' Boards confidential review and comment prior to distribution to GRF).
Legal counsel will review the agreement. A negotiation committee will be created. It was suggested to use a mediator during the negotiations.
- b. Update on Insurance Taskforce – *Autrey*
No update. The Insurance Taskforce continues to work with a broker to try to lower the premium and increase coverage.
- c. Review Proposal for new Property Management – *Catalano*
Topic Deferred pending GRF Management Agreement
- 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's 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 what's it's 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.

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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.
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 larges 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 emailed 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 buy 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 email) 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 love a website we can achieve much of the benefit of a website 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 Bylaw 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.)

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8. Minutes of emergency meetings need to be posted.

Minutes of Emergency Board meetings where the Board meets only by email need to be posted. Such meetings do not need to be confirmed at a subsequent Board meeting.

e. Maintenance Yard – *Catalano*

The Board has approved the formation of a committee tasked with exploring the relocation of the yard, with Catalano and England serving on the Ad-Hoc Committee.

10. **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.

11. **Adjournment**

There being no further business the meeting was adjourned at 1:51 p.m.

Board Assistant Secretary's Certificate

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

Victoria Thomas