

BOARD OF DIRECTORS SPECIAL MEETING

Friday, May 10, 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 10:00 a.m.

2. **Roll Call of Directors**

Mary A. England – President – District 5
Peter Catalano – 1st Vice President – District 4 - Absent
Young Chung – 2nd Vice President – District 3
Jen Moreau – Secretary – District 2 - Absent
Jean Autrey – Treasurer – District 1

Mutual Operations Staff

Jeroen Wright – Mutual Operations Director
Todd Arterburn – Chief Financial Officer
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:

- Communication is lacking from Board Members and in the newspaper.
- Some members were confused by the letter they received regarding early notice nomination for the 2024 Director Election and there was no mention as to what districts the open positions were in.
- Member felt attacked by the Board when invited to a meeting with the Board to discuss a contractor was not told that it was a Hearing and that another staff member would be in attendance.
- The Board acts against its members not for them. Board responsibility is to maintain property values.
- The Board wants to require members to have HO6 insurance on their personal property. Member opined that the Board could foreclose on a property if the member did not comply.
- Contractors are not held financially responsible when they damage a manor. Board did not release a contractor's insurance information to a member after damages were made.
- Alterations Dept. continue to allow contractors to work in the Mutual after making multiple violations.
- When policies are approved members should consider who the policy benefits.

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- It was asked who the advocate for members if not Staff and the Board. It was asked if the member is financially responsible for duct cleaning.
- Asked why cars cannot be backed into the carport. England explained that most car fires occur in the engine compartment. In the carports the area above the car engine, walls, and the siding are fire retardant to help prevent a fire.
- Board meetings need to be conducted properly: residents should not be permitted to participate during the meetings. This is the time for the Board of Directors to conduct business matter on behalf of the Mutual. Residents have the opportunity to be fully engaged on topics at the Annual Members Meeting.

4. **Treasurer** – *Jean Autrey/Ann Prichard*

a. Treasurer’s Report – *Jean Autrey*

This was placed on the agenda as the March financials have not been certified compliant with Civil Code §5500. Two Directors are required to review the financial statements.

This did not happen.

Topic Deferred

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

Action Items

a. Review Proposed Maintenance Policy 2.0 Changes

Topic Deferred

b. Proposed amendment to Bylaws on insurance (possible necessity for legal opinion on timing) – *Autrey*

Currently the Bylaws state that the Mutual is required to have 100% insurance coverage. Due to the nationwide insurance crisis 100% coverage is not accessible. Therefore, the Bylaws need to be amended to reflect the coverage change.

Section 15.6 Members’ Individual Insurance Requirements in the Bylaws read ‘Each Member sole cost and expense shall obtain and maintain a special causes of loss insurance policy in an amount equal to or greater than the replacement value of the unit interior, including upgrades to the unit and the personal property.’

Other Mutual’s require members to have HO6 insurance coverage. There was discussion on if First Mutual should require members to have HO6 insurance coverage. Autrey stated that if the requirement passed there would be no resources to enforce the requirement.

Motion made by Autrey, seconded by Chung, to approve the insurance coverage amendment in the Bylaws. Approved by unanimous vote. (3-0)

Motion made by England, seconded by Autrey, to approve amending the agenda and move topic D above C. Approved by unanimous vote. (3-0)

d. Proposed amendments to Bylaws on Board Expansion – *England*

Governance Committee proposed the Board Member and Districts increase to 7 or 9.

Motion made by England, seconded by Chung, to approve Board Member and District expansion from 5 to 7.

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Discussion – Autrey is not in favor of the increase. Stating the Board has managed the Mutual for sixty years with 5 Board Members and does not understand why the current Board Members cannot handle the workload. Adding, the more Board Members will extend the meeting time.

Chung said the expansion would be beneficial to allow for topics to move forward faster as there would potentially be more people to meet the voting quorum.

England reported that the Governance workgroup created a ten-year plan in 2021 that included a survey of the Directors' workload. It was discovered that the Directors felt overwhelmed and were handling too many tactical tasks; dealing with daily matters preventing them from working on strategic tasks and planning.

England stated the challenge still exists and supports increasing the Board to 7 Directors. Directors currently oversee approximately 370 manors each. Adding two more Directors would reduce the amount of work for each Director.

Second Motion made by England, seconded by Chung, to approve Board expansion from 5 Directors to 7 Directors. Motion did not pass as there was not a quorum with the vote results. (England and Young-Yes, Autrey No 2-1)

Topic Deferred

- c. Proposed amendment to Bylaws for Increase Participation in Committees – *England*
Young proposed that Committees change to at-large versus by District. Doing so may allow for more volunteers.

Topic Deferred

- f. Landscape Policy Violation Letter – *England/Power*
The Landscape Committee created a violation letter and directed MOD Staff to mail the letter to members when a violation occurs.

Motion made by England, seconded by Autrey, to adopt the Landscape Policy Violation letter with an amendment. Approved by unanimous vote. (3-0)

Amendment to the process – First step is to mail the member a warning letter. If not corrected by the requested date a violation letter will be mailed asking the member to meet with the Board to discuss the violation.

6. New Business

Action Items

- a. Appoint Todd Arterburn as Assistant Treasurer – *England*

Motion made by Autrey, seconded by England, to appoint Todd Arterburn as the Assistant Treasurer. Approved by unanimous vote. (3-0)

- b. Landscape Department Project Bids – *England*
The Landscape Committee requested Landscape Department provide the Board with 3 competitive bids for landscape projects over \$15,000.

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Motion made by England, seconded by Autrey, to approve the Landscape Department provide 3 competitive bids for landscape projects over \$15,000. Approved by unanimous vote. (3-0)

- c. Approve Amendments to Elections and Voting Policy – *England*
Legal counsel amended the policy to reflect the new state law on election rules.

Section 3.2 (3.2.1 and 3.2.2) - Removed language ‘Candidates shall be required to reside in the District, as that term is defined in the Bylaws at Section 8.2, that they serve...’

Section 6.1 – Amended language ‘...In an election of Directors, each Mutual Member shall be entitled to cast one vote....’

Section 10 - Added language – England stated that Section 10 may need to be modified to reflect 7 Districts.

10. Number of Directors, Residency:

10.1 There shall be nine directors.

10.2 The Mutual has been divided into nine districts as follows:

<u>District Number</u>	<u>Number of units</u>	<u>Entries</u>
<u>1</u>	<u>216</u>	<u>Golden Rain Road 21 through 29</u> <u>Pine Knoll 9</u>
<u>2</u>	<u>204</u>	<u>Golden Rain Road 15 through 20</u>
<u>3</u>	<u>212</u>	<u>Pine Knoll Drive 4 through 8</u>
<u>4</u>	<u>213</u>	<u>Oakmont Drive 4, 6, 7, 8, 4&8, 10,</u> <u>11, 12</u> <u>Golden Rain Road 1</u>
<u>5</u>	<u>209</u>	<u>Fairlawn Court 1, 3, 5</u> <u>Tice Creek Drive B, C</u> <u>Rockledge Lane 1, 2, 10</u> <u>Oakmont Drive 1, 2, 3, 5</u>
<u>6</u>	<u>204</u>	<u>Rockledge Lane 3 through 9</u>
<u>7</u>	<u>202</u>	<u>Oakmont Drive 9, 13 through 16</u> <u>Pine Knoll Drive 1 through 3</u>
<u>8</u>	<u>204</u>	<u>Golden Rain Road 2 through 9</u>
<u>9</u>	<u>214</u>	<u>Golden Rain Road 10 through 14</u>

Board will get clarification from legal counsel on the proposed amendments.
Topic Deferred

- d. Review Proposal for Compliance Officer – *Catalano*
Past discussion Catalano clarified that he wants a proposal for a new Property Manager.
Topic Deferred

7. Informational/Discussion Items

- a. HVAC and Duct Cleaning

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Autrey opined that damaged duct work should be the Mutual's financial responsibility as the ducts are inside the walls and duct cleaning should be the member's financial responsibility. Funds should be allocated in the replacement reserve for the future repair of damaged duct work.

- b. Townhall – Update on Membership Bylaw Discussion – *Catalano*
Topic Deferred
- c. Status of Governance Committee – *Catalano*
Topic Deferred
8. **Announcements** – The next scheduled meeting is the Board of Directors Regular Meeting. The meeting will be held on May 24, 2024 at 10:00 a.m. in the Donner Room at the Event Center as well as virtually.
9. **Adjournment to Executive Session** – There being no further business, the Board of Directors Regular Meeting was adjourned at 11:22 a.m. and the Board moved into Executive Session.
10. **Executive Session Summary** – The Board met in Executive Session from 11:31 a.m. – 12:24 p.m. to discuss:
 - a. Disciplinary Hearings
 - Verbal altercation between neighbors
 - Past alterations done incorrectly causing mold. Inspection verified successful asbestos abatement and now focus on final mold remediation.
 - b. Settlement Finalized
 - c. Discussion on Golf Port and Golf Cart Charging Contract
 - d. Legal Matters
 - Discussion on potential lawsuits

Board Assistant Secretary's Certificate

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

Victoria Thomas