

## MINUTES

### FIRST WALNUT CREEK MUTUAL REGULAR MEETING OF THE BOARD OF DIRECTORS FRIDAY, OCTOBER 23, 2020 AT 10:00 A.M. ZOOM MEETING

President John Moe called to order the regular meeting of the Board of Directors of First Walnut Creek Mutual on Friday, October 23, 2020 at 10:12 a.m. (Zoom Meeting)

PRESENT:           John Moe, President, District 3  
                  Tom Hansen, 1<sup>st</sup> Vice President, District 1  
                  Gerald Priebat, 2<sup>nd</sup> Vice President, District 2  
                  Pat Donahue, Treasurer, District 4  
                  Peggy Kaiser, Secretary, District 5

EXCUSED:           None

Staff was represented by Paul Donner, Mutual Operations Director; Rick Chakoff, Chief Financial Officer; Doug Hughs, Building Maintenance Manager; Rebecca Pollon, Landscape Manager; Jo Ann Cooper, Financial Analyst; Tess Haskett, Assistant Controller, and Anne Paone, Administrative Secretary.

Mr. Moe welcomed the 26 residents in attendance.

#### APPROVAL OF THE CONSENT CALENDAR

The consent calendar consisted of:

Regular Meeting Minutes – September 25, 2020

*Ms. Donahue moved to approve the consent calendar as presented. Mr. Hansen seconded and the motion carried without dissent.*

#### RESIDENTS' FORUM

Resident asked about increasing the size of the Board of Directors. He asked if residents can be informed when there is construction or renovation work being done on a building to know how long it will take.

Resident brought up landscaping issues-brown spots on lawn, dead plants, tree looks dead.

Resident concerned about coupon increase. Does not approve landscape budget.

Resident asked about the operating borrowing from the reserve fund.

Resident thinks there is a disconnect between alterations and the Mutual. Some work has been going on since June. Mr. Moe said he would take a look and get back to her in about a week.

Resident asked what happens if a contractor violates the Mutual policies. The Board said they will address the matter. Mr. Donner stated if a contractor is violating any policy, a red tag will be placed, which stops the project.

#### LANDSCAPE REPORT

Ms. Pollon reported she is working on approvals received thus far. Plant replacements are being addressed. Junipers have been removed. The Mutual is over in tree reserves.

There is \$13,000 left in irrigation. This can be used to replace 4 controllers if this money remains once the water is turned off for the season.

### Landscape Committee

Ms. Crinnion reported there will be a meeting on February 5, 2021 either on Zoom or MPR #1. Four of the five committee reps are new and are doing well.

### TREASURER'S REPORT

Ms. Donahue reported that the property fund has money that is held to pay taxes. She asked for a motion to ratify the transfer of funds to pay insurance premiums.

#### **Resolution Ratifying Temporary Transfer of Funds from Property Fund to Pay Insurance Premiums**

WHEREAS, the cost of the Mutual's insurance premiums has risen exponentially in the past few years;

WHEREAS, as a result, funds were temporarily transferred from the Property Fund to cover the cost of the insurance premiums;

WHEREAS, as a result, funds were temporarily transferred from the Reserve Fund to cover the cost of the property taxes;

WHEREAS, the funds temporarily removed from the Reserve Fund have been returned to that Fund;

WHEREAS, Civil Code section 5502 authorizes transfers of over \$10,000 from the reserve and operating accounts with Board approval;

NOW THEREFORE, BE IT RESOLVED, THAT

1. The Board ratifies and approves the temporary transfer of funds from the Reserve Fund to the operating fund for the purpose of paying the Mutual's property taxes;
2. The Mutual's agents are directed to provide a full accounting regarding this specific transfer and the restoration of funds to the Property Fund at the next Board meeting.

*Mr. Priebat moved to approve the Resolution Ratifying Temporary Transfer of Funds from Property Fund to Pay Insurance Premiums. Ms. Kaiser seconded and the motion carried without dissent.*

Ms. Donahue stated that the loan to pay the insurance costs will be \$1,507,082. Ms. Haskett reported that this was done in September and the reserve account has been paid.

*Ms. Donahue moved to approve the review of the financials for September in compliance with civil code #5500. Ms. Kaiser seconded and the motion carried without dissent.*

Ms. Donahue reported the September financials show the Mutual is over budget in insurance and utilities (water), but they are close to being on budget. Ten accounts are

being reviewed for delinquency issues.

### BUDGET & FINANCE COMMITTEE

Ms. Autrey reported the committee met on October 15<sup>th</sup>. No financials were available. Insurance and water have a negative impact. The committee thought the budget process was very good. They reviewed the management contract. The next meeting will be on November 19<sup>th</sup> at 10:30 a.m.

### MUTUAL OPERATIONS REPORT

Mr. Hughs' read his report as follows:

First Walnut Creek Mutual – Board Meeting –October 23, 2020

CARPENTRY/PAINT WORK- We have completed the carpentry and painting work on 27 buildings so far. Painters are currently working on 1401 Oakmont Drive, entry 10. Carpenters have completed their building rehab work for the year.

ASPHALT- The Mutual's asphalt work finished up yesterday, the 22<sup>nd</sup> on Golden Rain Road entry 6.

Mr. Hughs reported that EBMUD worked on the fire hydrant yesterday. If there are any issue, call EBMUD.

### RECYCLE/COMPOSTING

Mr. Moe reported overflowing bins create additional costs to the Mutual. If the landfill bins are overflowing, try to move items around so the lids can close. You may also call John and he will take a look.

### PRESIDENT'S REPORT

Mr. Moe reported there has not been a forum yet. He will attend on Monday.

### ORIENTATION – Gerald Priebat

On hold due to shelter-in-place.

### UNFINISHED BUSINESS

#### 1. Adopt 2021 Budget

There was some discussion on the budget. Mr. Priebat was opposed to the increase. He wanted it to be closer to \$64.00 or half of the recommended increase.

Ms. Kaiser stated the increase is necessary. It is the Board's fiduciary duty and the operating fund needs to be built up.

Mr. Hansen had no comment.

Ms. Donahue stated that the Board would just be avoiding the inevitable. They must meet the requirements of Helsing and Davis-Stirling.

Mr. Moe stated that in the past, the Board did not follow Mod and the B&F Committee recommendations. They should do so now.

*Ms. Kaiser moved to adopt the 2021 budget with an increase of \$149.00, as recommended by the B&F Committee, for a total monthly coupon per manor of \$894.00. Mr. Hansen seconded and the motion carried 4-1. (Priebat)*

## 2. BBQs

Mr. Priebat sent the Board the CA code for open-flame cooking, code #308.1.4. There should be nothing within 10 feet of a combustible surface. Some buildings do not have sprinklers. He thinks the policy should be revised to outlaw BBQs in the Mutual buildings.

Mr. Moe reported an exception would be if you have an LP of one pound propane cylinder. If you are using this, you are ok. We are then in compliance with the code.

Mr. Priebat does not think the revision meets the fire code at all. There can be flare-ups and smoke problems.

Mr. Moe stated it would be best to wait to see if member comments come in. If there is a lot of concern, the policy can be addressed.

Mr. Hughs reported that fully charged fire extinguishers must be available within 5 feet. An employee saw heavy smoke. He ran up and saw it was a grease fire. He grabbed the extinguisher on the building and put it out. The resident did not have an extinguisher there.

## NEW BUSINESS

None

## ANNOUNCEMENTS

The next regular Board meeting: Friday, November 20, 2020 at 10:00 a.m. (ZOOM Meeting)

## ADJOURNMENT

Having no further business, the meeting adjourned at 11:22 a.m.



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Anne Paone, Assistant Secretary  
First Walnut Creek Mutual