

THIRD WALNUT CREEK MUTUAL

REGULAR SESSION MEETING MINUTES OF THE BOARD
MONDAY, FEBRUARY 10, 2020 AT 9:00AM
BOARD ROOM, GATEWAY COMPLEX
1001 GOLDEN RAIN RD., WALNUT CREEK, CA 94595

Call to Order

President Rothman called the Regular Meeting of the Board of Directors of Third Walnut Creek Mutual (TWCM) to order at 9:00 a.m.

Roll Call

Directors Present:

Arlyss Rothman, President Dist. IX, (2022)
James McFarland, Director Dist. III, (2021) Nan Warren, Director Dist. XIV, (2022)
Matt Kaplan, Treasurer Dist. V, (2022) John Swearingen, Director Dist. VII, (2021)
Marilyn Mason, Secretary Dist. XV (2022) Vacant, Director Dist. VIII, (2020)
Kay Barthold, Director Dist. XIII, (2020) Poppy Tanner, Director Dist. IV, (2020)

Directors Absent: Gery Yearout, VP Dist. XI, (2021), Chuck Decker, Dist. X, (2021)

Also Present: Mutual Operations staff was represented by Paul Donner, Mutual Operations Director; Rick Chakoff, Chief Financial Officer; Clayton Clark, Building Maintenance Manager; and Lucy Limon, Administrative Assistant.

Members' Forum

Residents were afforded the opportunity to express their general concerns and make comments. Topics discussed included: Reserve borrowing and insurance.

Approval of Meeting Minutes

President Rothman asked for any corrections and/or additions to the following minutes:

- a) Regular Board Meeting MinutesJanuary 13, 2020
- b) Executive Session Meeting MinutesJanuary 13, 2020

The aforementioned meeting minutes were approved with a correction of Roll Call.

Moved, Seconded, Carried 8-0

President's Report

Arlyss Rothman reported on a meeting with John Tastor from AG Gallagher. Tastor reported on the insurance crisis throughout Rossmoor. CEO Tim O'Keefe published an article in the Rossmoor News with a long list of issues happening throughout Rossmoor.

Secretary's Report

No report was given.

Finance Committee Report and Treasurer's Report

Treasurer Kaplan gave the following Report:

THIRD WALNUT CREEK MUTUAL

Treasurer Report: February 10, 2020

This report is based on the TWCM financial report for December 2019. As of December 31, 2019, the TWCM bank balance was \$29,149.

TWCM payments in December, were \$34,177 allocated correctly to the projects.

Republic Services was \$21,137. MOD recycling was \$5,384. Trash enclosure cleaning was \$5,743. Legal payment was \$1,102, to Hughes, Gill, and Cochrane. Catering was \$811 to Sunrise Bistro.

TWCM Owner Billables (amounts owed by owners to their project) as of December 31, 2019 was \$122,394 (increased from \$105,462, with a new \$24,300 to one unit).

TWCM Assessments (Coupon) owed as of December 31, 2019 was \$37,160.

- a. **Motion that the Mutual Funds Report has been reviewed by the Treasurer and all Directors:** The motion was made for the December 31, 2019 Mutual Funds Report.
Moved, Seconded Carried 8-0
- b. **Motion that all Directors have reviewed their Project Specific Financials:** The motion was made for all Project Specific Financial Reports ending on December 31, 2019.
Moved, Seconded Carried 8-0

Building and Maintenance Committee

Kay Barthold and the committee thanked Clayton Clark, Building Maintenance Manager on the third part billing presentation he gave.

Landscape Committee

Gery Yearout provided the following report:

The Landscape Evaluation Quarterly review is scheduled for February 27th. The review team for the Mutual is Rebecca, Steve, Paula Erickson, Floyd Yearout, and me. The areas to be reviewed are not yet finalized, but there have been several recommended locations. We do not disclose the locations to be reviewed in order to diminish the chance that special attention to that location would be given. As before, the results will be tabulated and shared in March.

During the evaluation there is discussion re standards of care or treatment of the landscape. In the past, this has clarified several misunderstandings, such as the practice of how to trim Oleanders...when, how severely etc.

Steve will provide details re the routine care to be given during the Month. Directors and their Landscape Reps can be starting their list of Projects to be tackled when each Project has the Rossmoor crew assigned to them. Steve will schedule a walk around with each Director prior to their days. As a reminder, the labor is free to the Project but there could be expenses for materials.

THIRD WALNUT CREEK MUTUAL

Governing Documents Committee

Kay Barthold provided the following report:

The November and January committee meetings (there was no meeting in December) were dedicated to reviewing the Building Maintenance Standards that are posted on the Third Mutual website. These Standards were created starting in 2015 and are not compliant with Davis-Stirling state laws, which require that all newly created or revised operating rules must first be approved by the board, then sent to all homeowners for a 28-day review and comment period and, finally, adopted by the board.

These Standards, most of which are labelled “Required Throughout TWCM” , were never mailed to Third Mutual homeowners for their review and comment. They were simply approved by the then board and posted on the website. Therefore, these Standards are not enforceable.

The committee reviewed these Standards to determine which ones should be brought forward and properly adopted as new or revised Policies, which might be best put into a possibly to-be-created “Helpful Information” website category, and which should be discarded.

All of these Standards will now be removed from the website. Of the 13 Standards listed, two will be brought to the board as new Policies (Water Shutoff Valve and Hot Water Line Breaks), one will be moved to the Architectural Standards (Color Selection for Project Window Frames and Sliding Doors), and two will be researched further (Parking and Asbestos Abatement). The remainder will be discarded.

Alterations Permit Application Review Committee

The committee had no report to give this month.

Communication Committee

The committee had no report to give this month.

Emergency Preparedness Committee

Arylss Rothman reported that the committee is working on creating a survey for entry coordinators to see what training is left outstanding.

Budget & Finance/Audit Committee

The committee had no report to give this month.

New Business

- a. **Claims Mitigation Committee:** In December the Board appointed Chuck Decker, Marilyn Mason, Nan Warren and Arylss Rothman to form the Claims Mitigation Committee. This committee's intention is to identify means to mitigate liability on behalf of TWCM as required by the provider of the 2020 D&O Policy.
- b. **Dispute Resolution Committee:** The Board made a motion to approve putting out feelers for owners to participate in the program. The committee, with Arylss Rothman as chair, would meet to draft language for the newspaper to recruit owner volunteers

Moved, Seconded, Carried 8-0

THIRD WALNUT CREEK MUTUAL

- c. **Approval of change to Website:** The Board made a motion to have the 13 TWCM Maintenance Standards removed from the Rossmoor website.

Moved, Seconded, Carried 8-0

Old Business

- a. **Newly Revised Election Policy for Approval:** The Board made a motion to approve the revised Election Policy proposed by Board Legal Counsel, Richard Fong. (Proposal Attached)

Moved, Seconded, Carried 8-0

- b. **Disengagement Board Report:** Gery Yearout provided the following report:

Board Report Feb 2020

Subject: Disengagement from TWCM
Projects: 40 and 41; Projects 50 and 55

Board Representative to all meetings: Gery Yearout, Project Director

Policy Number 21 for TWCM defines the steps a Project or District must take to Disengage from Third Mutual.

Update: Projects 40 and 41 have completed steps 1 and 2.....had a Project/Projects meeting with the required 20% quorum and agreed to proceed. For step 2, the Board sent an announcement of a meeting by first class mail, to all owners in these Projects. 140 residents attended. A summary of the steps was discussed, FAQs were distributed and discussed, and a list of Pros and Cons was shared, Q&A followed. A straw Poll at the end of the meeting saw 100% of the attendees vote to continue the disengagement process.

There is now an interim representative committee; their job will be to take the next steps leading up to a final vote by ballot mailed to each household. A 50% plus 1 yes vote is the threshold to disengage. In the meantime, an Attorney has been retained to help in the next stages.

Update: Projects 50 and 55 have also completed steps 1 and 2. They too had a very large turnout of residents and had a comprehensive presentation to inform their residents of the options. They have also formed their Interim Representatives Committee. In their case, they are 5 groups of units, with 5 sets of CC&Rs. Each group, Project, or Mutual must independently vote on whether to disengage. Their Interim Representatives Committee has had an initial meeting and is presently looking for their attorney.

There will be 2 groups voting (40 & 41) whose intention is to both disengage and to then merge together as one new Mutual.

In the other group (50 and 55), there are 5 groups voting. The vote results will afford them options on how to either go in together or be separate Mutuels.

THIRD WALNUT CREEK MUTUAL

With both these groups of Condo owners, there is a clear path forward as all the documents are available from the recent Disengagement of Project 39.

c. Borrowing from Reserves for Insurance:

PROJECT	RECOMMENDED AMOUNT TO BE BORROWED	CHANGE	UPDATED AS OF 01/20/2020 FINAL RECOMMENDED AMOUNT TO BE BORROWED
23	\$10,000	NO CHANGE	\$5,000
32	\$10,000	\$15,000	\$15,000
33	\$5,000	NO CHANGE	NO NEED TO BORROW
34	\$10,000	NO CHANGE	\$10,000
36	\$10,000	\$15,000	NO NEED TO BORROW
37	\$20,000	\$25,000	\$25,000
38	\$20,000	\$25,000	\$25,000
40	\$70,000	\$75,000	\$70,000
41	\$30,000	\$35,000	\$30,000
42	\$20,000	\$25,000	\$25,000
44	\$10,000	\$15,000	\$15,000
50	\$5,000	\$10,000	\$15,000
51A	\$105,000	\$70,000	\$55,000
51B	\$80,000	\$40,000	\$35,000
53	\$35,000	\$40,000	\$35,000
54	\$35,000	NO CHANGE	\$40,000
64	\$10,000	NO CHANGE	\$10,000

The Board made a motion to approve the updated above amounts from Reserves for Insurance.
Moved, Seconded, Carried 8-0

Next Board Meeting

The next Regular Meeting of the Board is scheduled for Monday, March 16, 2020 @ 9 a.m. in the Gateway Board Room.

Adjournment

There being no further business, the Regular Meeting of the Board was adjourned at 9:59 a.m. and the Board moved into Executive Session.

Executive Session Summary

An Executive Session was held immediately following the regular meeting where the Board discussed a variance request and held a disciplinary hearing.

Secretary's Certificate

THIRD WALNUT CREEK MUTUAL

I hereby certify that the foregoing is a true and correct copy of the minutes of the Board of Director's meeting.

Respectfully Submitted,

Lucy Limon
Administrative Assistant