

THIRD WALNUT CREEK MUTUAL

REGULAR SESSION MEETING MINUTES OF THE BOARD
MONDAY, JANUARY 13, 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) | |
| Gery Yearout, VP Dist. XI, (2021) | James McFarland, Director Dist. III, (2021) |
| Matt Kaplan, Treasurer Dist. V, (2022) | Nan Warren, Director Dist. XIV, (2022) |
| Marilyn Mason, Secretary Dist. XV (2022) | Chuck Decker, Dist. X, (2021) |
| Kay Barthold, Director Dist. XIII, (2020) | John Swearingen, Director Dist. VII, (2021) |
| Poppy Tanner, Director Dist. IV, (2020) | Vacant, Director Dist. VIII, (2020) |

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

Members' Forum

Residents were afforded the opportunity to express their general concerns and make comments. Topics discussed included: legal expenses, Voting & Election rules and project disengagements.

Approval of Meeting Minutes

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

- a) Special Meeting Minutes.....November 26, 2019
- b) Regular Board Meeting MinutesDecember 9, 2019
- c) Executive Session Minutes.....December 9, 2019
- d) Special Meeting Minutes.....December 16, 2019
- e) Executive Session Minutes.....December 16, 2019

The aforementioned meeting minutes were approved as presented.

Moved, Seconded, Carried 10-0

President's Report

No report presented.

Secretary's Report

No report was given.

Finance Committee Report and Treasurer's Report

Treasurer Kaplan gave the following Report:

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Treasurer Report: January 13, 2020

This report is based on the TWCM financial report for November 2019. As of November 30, 2019, the TWCM bank balance was \$22,227.

TWCM payments in November, were \$31,610, allocated correctly to the projects.

Republic Services was \$21,140. MOD recycling was \$8,092. Legal payments were \$2,378, with \$518 to Hughes, Gill, and Cochrane, and \$1,860 to Ann Rankin.

TWCM Owner Billables (amounts owed by owners to their project) as of November 30, 2019 was \$105,462.

TWCM Assessments (Coupon) owed as of November 30, 2019 was \$37,025.

- 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 10-0
- b. **Motion that all Directors have reviewed their Project Specific Financials:** The motion was made for all Project Specific Financial Reports ending on November 31, 2019.
Moved, Seconded Carried 10-0

Building and Maintenance Committee

Kay Barthold presented the following report:

The committee discussed the draft version #3 of the new policy - Changing the Paint Color of a Front Door. The committee appreciated that Jim Hayes from MOD attended this meeting, and he provided helpful input regarding the process involved in painting front doors during rehab. He made a suggestion regarding an issue that he felt was important to be covered in the new policy.

The committee agreed with Mr. Hayes' suggestion, as well as another small change. With these changes, this new policy for Changing the Paint Color of a Front Door was approved by a unanimous committee vote for presentation to the full board for its approval, and it appears under New Business for this meeting.

The committee then discussed the draft version #3 of the revisions to the Electrical Policy 64. One additional issue was discussed and an adjustment to the policy was agreed upon. Then the Revised Electrical Policy 64 was approved for presentation for the full board's approval, with Ms. Stallings abstaining from the vote. This Revised Electrical Policy 64 appears under New Business for this meeting.

Landscape Committee

Gery Yearout reported that there is not a scheduled walkthrough yet. Yearout reported that Rebecca Pollon is in the middle of scheduling with Terra Landscape. Yearout provided the

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landscape maintenance checklist that is used when rating the walkthroughs with Terra Landscape.

A staff report by Steve Ormond was provided in the Board Packet.

Governing Documents Committee

No report was presented.

Alterations Permit Application Review Committee

The committee had no report to give this month.

Communication Committee

Marilyn Mason encouraged board members to go over Policy 21, which explains disengagements. A brief update on the disengagement with projects 40 & 41 was given. Residents in projects 40 & 41 were notified of an open meeting. Residents understood the pros and cons of disengaging.

Emergency Preparedness Committee

President Rothman reported on the EPO meeting in January. She reported that the meeting was well attended. The committee would like to contact additional people to survey about the last picnic. Rothman reported on planning another picnic sometime in the Spring.

Budget & Finance/Audit Committee

The committee had no report to give this month.

New Business

- a. **Legal Representation:** The Board decided on December 16, 2019 to terminate contract with Hughes Gill Cochrane Tinetti and Melissa Ward as Legal Board Counsel.
- b. **Need for transition due to - Correction of administrative errors in current CC&R's and P39 withdrawal and Coordination with Ann Rankin petition process if needed regarding ADR process:** The Board made a motion to notify the insurance agent that the Board may need the services of Hughes Gill Cochrane Tinetti and Melissa Ward in the future regarding assistance to Ann Rankin in the petition process of the CC&R's.
Moved, Seconded, Carried 10-0
- c. **Selection Committee for legal representation:** The Board made a motion to appoint Nan Warren, Marilyn Mason and Arlyss Rothman as the committee for legal representation.
Moved, Seconded, Carried 10-0
- d. **Review and Adoption of New Policy – Changing the paint color of a front door:**
Kay Barthold provided the following:

New Policy: Changing the Paint Color of a Front Door

Living in a planned community such as Rossmoor means respecting the need for harmony in both color and design within a neighborhood to help ensure that aesthetics and marketability are maintained.

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In order for a homeowner to apply for director approval to change the paint color of his/her unit's front door to an accent color, meaning a color different from the one that was used during rehab by the Project, it is necessary to first enlist agreement from the neighbors whose homes are adjacent to their unit or whose front entrance faces their unit, as determined by the director. A sample of the new paint color must be provided so that the neighbors can view the proposed new color.

If the homeowner is unable to obtain all of the necessary signatures due to unavailability of signatories, a refused signature, or a dispute, the director will have the final decision.

Once the necessary neighbor approvals are received, the form must be submitted to the Project's director for the director's final approval and signature. A copy of the approved application will be given to the resident and a second copy maintained in the resident's MOD file.

An MOD Alteration application is not required. Changing the paint color of a front door in this way is considered an alteration and the door becomes the responsibility of the owner to maintain.

Painting must be done by a licensed painter or contractor.

This Policy refers ONLY to doors that are painted. This Policy does not refer to doors that are varnished or stained.

The Board made a motion to approve the above Policy as presented.

Moved, Seconded, Carried 10-0

Review and Adoption of Revised Electrical (Attached): Kay Barthold presented the revised Electrical Policy 64, which covers the charging of electric vehicles, low speed vehicles, neighborhood electric vehicles, golf carts, major appliances and power tools in garages and carports, both attached and stand-alone.

Barthold thanked Building Maintenance Committee members Nan Warren and Joe Tracy for all their research and work in creating this Policy, to which the Committee only made minor adjustments.

The Board made a motion to approve the revised Electrical Policy 64 as presented.

Moved, Seconded, Carried 9-1 (Kaplan)

e. Borrowing for Insurance from Reserves:

| PROJECT | RECOMMENDED AMOUNT TO BE BORROWED |
|---------|-----------------------------------|
| 23 | \$10,000 |
| 32 | \$10,000 |
| 33 | \$5,000 |
| 34 | \$10,000 |

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| | |
|-----|-----------|
| 36 | \$10,000 |
| 37 | \$20,000 |
| 38 | \$20,000 |
| 40 | \$70,000 |
| 41 | \$30,000 |
| 42 | \$20,000 |
| 44 | \$10,000 |
| 50 | \$5,000 |
| 51A | \$105,000 |
| 51B | \$80,000 |
| 53 | \$35,000 |
| 54 | \$35,000 |
| 64 | \$10,000 |

| PROJECT | AMOUNTS TO EXTEND PAYMENTS TO THE RESERVE ACCOUNT |
|---------|---------------------------------------------------|
| 23 | \$10,000 |
| 33 | \$10,000 |
| 36 | \$20,000 |
| 40 | \$20,000 |
| 42 | \$10,000 |
| 44 | \$45,000 |
| 51A | \$45,000 |
| 51B | \$45,000 |
| 54 | \$30,000 |
| 64 | \$5,000 |

The Board made a motion to approve borrowing the above amounts from reserves for insurance.
Moved, Seconded, Carried 10-0

Old Business

- a. **D&O Insurance:** Rick Chakoff, Chief Financial Officer, reported that there is no update on D&O insurance.
- b. **Claims Mitigation Sub-Committee Report:** Check Decker, Marilyn Mason, Nan Warren and Arlyss Rothman met to develop mitigation. They are looking to develop a plan on early intervention/mediation to try to deal with future TWCM issues to prevent claims.
- c. **Dispute Resolution Committee Volunteers from General Owner Population:** President Rothman mentioned that an article is to go out in the paper to encourage the membership to join committee.
- d. **SB 323 Update:** The meeting to adopt the voting and election rules proposed by HGCT on December 31, 2019 was cancelled. More information to come.

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Next Board Meeting

The next Regular Meeting of the Board is scheduled for Monday, February 10, 2020 @ 9 a.m. in the Gateway Board Room.

Adjournment

There being no further business, the Regular Meeting of the Board was adjourned at 10:58 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

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