

# THIRD WALNUT CREEK MUTUAL

REGULAR SESSION MEETING MINUTES OF THE BOARD  
MONDAY, OCTOBER 14, 2019 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) Toby Dicker, Director Dist. VIII, (2020)

**Directors Absent:** Gery Yearout, Dist. XI and John Swearingen, Dist. VII.

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

## Members' Forum

Residents were afforded the opportunity to express their general concerns and make comments. Topics discussed included: Compliments to the TWCM Board.

## Approval of Meeting Minutes

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

- a) Regular Meeting Minutes ..... September 9, 2019
- b) Executive Meeting Minutes ..... September 9, 2019
- c) Special Meeting of the Board ..... September 16, 2019

The aforementioned meeting minutes were approved as presented.

**Moved, Seconded, Carried 8-1 (Abstention)**

## President's Report

Marilyn Mason presented the following report on behalf of President Arlyss Rothman:

The Presidents' Forum met on Monday, September 23, 2019 in the Board room at Gateway.

The Presidents Only session was held from 9:00 - 10:00 a.m. followed by a full session of the Forum.

Topics discussed during the Presidents Only meeting included the following:

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- Insurance Premiums. A few Mutuals are concerned about the impact of insurance premiums on their current and pending 2020 budgets. Questions were raised regarding the possibility of monthly premiums and biannual premiums. Both possibilities would include interest fees. Rick Chakoff is in discussions with the provider to obtain more information.
- Legacy Markers. A question was presented to the “legality” in Rossmoor of residents being allowed to place legacy markers in their entries. Although it has been done the consensus was that it is not allowable. Policies regarding common area were referenced.
- The Comcast issue concerning the Turner Movie channel was raised. That channel was removed from the Rossmoor lineup and is now a separate package, Turner Classics and Sports, with an additional fee. It was noted that all cable providers change channel lineups at various times. This cannot be controlled in a contract. GRF is currently negotiating with Comcast on the potential contract renewal. It was determined that Rossmoor currently has an excellent contracted program. Comcast, being the largest cable provider in the nation, has the power and the means to provide Rossmoor with comprehensive service. In the alternative, apparently Rossmoor is the largest single payer client that Comcast has which provides GRF with strong negotiation points as well. It appears there is a real possibility that the Turner Channel will remain on the Rossmoor menu under the new contract.
- Helsing and Budgets. Concern was expressed with regard to significant differences in Helsing reports and computations made by various budget and finance committees within some Mutuals. This will require closer scrutiny due to the potential effect on long term budgets matters.
- Smoking Policy. Concern was expressed regarding violations of the Rossmoor smoking policy. There is a Walnut Creek Smoking Enforcement division, the “smoking police” that can be called to assist with enforcement. This is a part of the WC Code Enforcement division: 925.943.5899 or [codeenforcement@walnut-creek.org](mailto:codeenforcement@walnut-creek.org).
- Tim O’ Keefe provided information to clarify concerns surrounding PG&E Power Shut-offs that may be scheduled. The consensus is that many residents have not prepared for a power outage. The first power shutdown will most likely lead to some chaos as a result. The significant point directors are encouraged to share with residents is that each of us will be on our own. Neither Walnut Creek nor Rossmoor will be providing personal assistance. YOYO: You’re on your own!
- Tim O’ Keefe discussed the Emergency Operations that will be rolled out at the GRF Meeting on October 8, 2019, beginning at 9:00 a.m. in Peacock Hall. All directors are encouraged to attend. Additional Information meetings are scheduled that day at 2:30 p.m. and 6:00 p.m. in the Fireside Room. Another information meeting is scheduled for October 9th at 10:00 a.m. in the Diablo Room at Hillside. This first phase of the plan will focus on management of fires and evacuations in Rossmoor. The video will also be posted

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on the Rossmoor.com (Golden Rain) website. This is the initial phase of the Walnut Creek Emergency Operations Program using Rossmoor as the first WC area for implementation

## **Secretary's Report**

No report was presented. A summary of each Board meeting will be published in the Rossmoor News the week following each meeting.

## **Finance Committee Report and Treasurer's Report**

Treasurer Kaplan gave the following Report:

Treasurer Report: October 14, 2019

This report is based on the TWCM financial report for August 2019. As of August 31, 2019, the TWCM bank balance was \$23,919.

TWCM expenditures in August, allocated to the projects was \$34,410.

Payment to MOD for Republic Services trash pickup and recycling was \$21,658. This was then allocated correctly to the projects. Note that this is a process change. Previously, each project paid Republic Services directly from their operating checking account.

Payment to Contra Costa Fire Protection was \$6,412 and was allocated to the projects on a unit basis.

MOD recycling was \$6,340.

TWCM Owner Billables (amounts owed by owners to their project) as of August 31, 2019 was \$90,710, a reduction of approximately \$35,000, due mainly to the removal of a \$29,253 owner billable in one unit.

TWCM Assessments (Coupon) owed as of August 31, 2019 was \$44,587.

- a. **Motion that the Mutual Funds Report has been reviewed by the Treasurer and all Directors:** The motion was made for the September 30, 2019 Mutual Funds Report.  
**Moved, Seconded Carried 9-0**
- b. **Motion that all Directors have reviewed their Project Specific Financials:** The motion was made for all Project Specific Financial Reports ending on September 30, 2019.  
**Moved, Seconded Carried 9-0**

## **Building and Maintenance Committee**

Kay Barthold presented the following report:

### **Exterior Paint Color Selection Policy**

After discussion, the Building Maintenance Committee voted unanimously to recommend that the TWCM Board of Directors approve the new policy regarding the process for 'Exterior Paint

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Color Selection' at the start of a Project's new rehab cycle. This new policy will be presented later in the meeting under New Business.

### Medical-related requests for a variance to Policy 59

Mr. Bill Parsons, Chief Inspector for Alterations and Resales at MOD, was in attendance at this meeting to share his expertise on the subject of hard-surface flooring and sound transmission. He also answered questions from committee members.

After discussion, the Building Maintenance Committee voted unanimously to recommend that the TWCM Board of Directors approve the prerequisites for consideration of a medical-related request for a variance to Policy 59' s limitations on hard-surface flooring in upper units. This information will be presented later in the meeting under New Business.

A staff report by Clayton Clark was provided in the Board Packet

### Landscape Committee

No report was given. A staff report by Steve Ormond was provided in the Board Packet.

### Governing Documents Committee

Director Marilyn Mason gave the following report:

### **THIRD WALNUT CRFEK MUTUAL BOARD REPORT September 9, 2019 Governing Documents Committee Meeting**

The Committee met on Tuesday, September 24, 2019, at 3:00 p.m. in the Board Room at Gateway. The topic for discussion was the second draft of the Code of Ethics and Conduct.

In depth discussion took place regarding the contents of the second draft and a couple of points were clarified with respective edits made to the document. Discussion also ensued regarding whether directors' signatures would be mandatory or voluntary. It was decided that the Code would not require a signature in order to serve as a TWCM Director, in other words, it is not a requirement to become a director. A signature is voluntary and participation in the Code by all TWCM Board Directors is encouraged.

The committee agreed that the Code should be placed on the TWCM portion of the Rossmoor.com website, published in the Rossmoor News, and provided to residents when requested.

The Governing Documents Committee approved the second draft with the requisite edits. It will be presented to the TWCM Board at the October meeting for approval.

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## **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**

The committee reported that the picnic for entry coordinators was a success. About 35 entry coordinators were present. The main goal is to encourage entry coordinators to perform a drill, primarily focused on earthquakes. It was also that the picnic was about \$150 under budget from what was originally budgeted.

## **Budget & Finance/Audit Committee**

The committee had no report to give this month.

## **New Business**

### **a. Approval of Prerequisites for Consideration of a Medical Variance to Policy 59:**

Prerequisites for Consideration of a Request for a Medical Variance to Policy 59 on Hard Surface Flooring in Upper Units:

In order to be considered for a medical-related variance to Policy 59, which prohibits hard-surfaced flooring in the main living areas, hallways and bedrooms of upper units, an Alteration Application **must include:**

1. A letter from a medical doctor confirming that this variance is medically necessary.
2. Confirmation that the installation of the requested hard-surfaced flooring includes, but is not limited to, a floating floor system with no fasteners to the floor structure, including no glue, and with a minimum ¼" expansion space left around the perimeter of the room, the space to be filled with silicone or a similar product.
3. Published verification from the manufacturer that the flooring material to be used has an IIC rating of at least 75.
4. Flooring product and installation information.
5. Acknowledgement from the applicant that he or she understands that at the time of sale of the unit and prior to a subsequent owner taking title to and occupying the unit, the hard-surface flooring in the unit must be restored to a product that complies with the then-current Third Mutual Policy pertaining to hard surface flooring.

The Board made a motion to approve the above prerequisites for consideration of a medical variance to Policy 59.

### **Moved, Seconded, Carried 8-1 (Abstention)**

- ### **b. Approval of New Alteration Application Approval Process:** Sharon Fees and Bill Parsons from the Alterations and Resales Department proposed to the TWCM Board that Chief Inspector Bill Parsons approve all standard alteration application requests. Bill Parson has had authorization for several years from other Mutuels to perform these approvals. The idea behind this request is to free up Directors time so that they may focus on other Mutual matters. The Board decided to forward this request to the Alteration Committee for further review. The Directors suggested that the Alterations

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Department and the Alterations Committee find a compromise to speed up the process for the benefit of the membership.

### **c. Approval of Exterior Paint Color Selection Policy:**

#### **Exterior Paint Color Selection Policy**

All buildings in a Project are rehabbed approximately every ten years. In each ten-year cycle, all Project buildings are painted from a single palette selection of colors. This ensures that all buildings in a Project reflect harmony and consistency in color throughout. This also ensures that all homeowners in the Project are offered the same paint color choices so that the exterior paint colors of all buildings are equally attractive. A full cycle of painting all buildings in a Project may take several years to complete.

At the beginning of a new rehab cycle for a Project, a new exterior paint color palette may be chosen. To begin the process of exterior paint color selections, MOD staff will meet with the Project's director to get a general idea of what the director might envision for the color scheme.

Next, the director will notify all homeowners in a Project of the start of a new rehab cycle, with the opportunity to select paint colors for the exterior siding and trim of the buildings. The director will ask for volunteers to serve on a Paint Selection Committee. All who volunteer must be accepted as members of the Paint Selection Committee.

The director will then notify homeowners as to who the Paint Selection Committee members are and encourage homeowners to contact the committee members with suggestions or comments.

The director and MOD staff will meet with the Paint Selection Committee to develop a color palette. MOD staff will provide a selection of color boards at these meetings to help the committee work through color suggestions so that the committee can eventually narrow the selection of colors to a limited number (ideally 5-8). If the committee cannot come to a unanimous agreement on colors, there will be a vote of committee members and the majority will prevail. Finally, the palette will be reviewed by the director who has final approval of the color selections.

MOD staff or the director will then contact the homeowners whose buildings are about to be rehabbed and set up meetings with them to select siding and trim colors from the approved color palette. MOD staff will provide color boards and other information to help homeowners in the selection process.

After these meetings, MOD staff will distribute petitions, one per unit in each building, requesting the preference of color for both siding and trim. All units in a building must agree as there can be only one siding color and one trim color per building. If the color choices in a building are not unanimous, the majority choice of those who returned the petitions will prevail.

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## **Front Doors**

Original front doors will be painted in a high gloss finish that is the same color as the body of the building, with trim around the door being painted the trim color.

Front doors that have been altered in any way will not be painted during rehab.

The Board made a motion to approve the Exterior Paint Color Selection Policy.

## **Moved, Seconded, Carried 9-0**

- d. **Summary of Coupons and Policy 89:** Paul Donner Mutual Operations Director reported that 2020's budget was a difficult year because of insurance. He reported that there are four (4) projects in compliance with working capital requirements in the beginning of 2020. MOD projects that by the end of 2020 there will be eight (8) projects in compliance. The remaining projects are taking action to rebuild their working capital, this will take a couple years. Donner stated that all projects are in compliance with their reserves.

## **Old Business**

- a) **Approval of Code of Ethics Policy:** Director Marilyn Mason presented the Board with the finalized version of the Code of Ethics Policy. **(Ethics policy is attached)**

The Board made a motion to approve the attached Code of Ethics Policy as presented.

**Moved, Seconded, Carried 8-1 (Abstention)**

## **Next Board Meeting**

The next Regular Meeting of the Board is scheduled for Monday, December 9, 2019 @ 9 a.m. in the Gateway Board Room.

## **Adjournment**

There being no further business, the Regular Meeting of the Board was adjourned at 10:24 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