

THIRD WALNUT CREEK MUTUAL

SPECIAL MEETING MINUTES OF THE BOARD
MONDAY, DECEMBER 16, 2019 AT 1:00PM
BOARD ROOM, GATEWAY COMPLEX
1001 GOLDEN RAIN RD., WALNUT CREEK, CA 94595

Call to Order

President Rothman called the Special Meeting of the Board of Directors of Third Walnut Creek Mutual (TWCM) to order at 1:00 p.m.

Roll Call

Directors Present:

Arlyss Rothman, President Dist. IX, (2022)
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)
(1:39pm) Poppy Tanner, Director Dist. IV, (2020)

Directors Absent: Gery Yearout, VP and Toby Dicker, Distr. VIII.

Also Present: Mutual Operations staff was represented by Paul Donner, Mutual Operations Director; Rick Chakoff, Chief Financial Officer; John Tastor, AJ Gallagher; Spencer Brush, AJ Gallagher and Lucy Limon, Administrative Assistant.

Members' Forum

Residents were afforded the opportunity to express their general concerns and make comments. Topics discussed included: SB 323, litigation and Board legal counsel.

Insurance

John Tastor from AJ Gallagher appeared before the Board to explain what is to come in 2020 with D&O insurance. He explained that CNA issued a nonrenewal notice and is firm in that position. He then stated that TWCM has been declined by all but two (2) insurance companies. Only TWCM is facing this problem, all other Mutuals' will be renewing their D&O insurance.

The Board made a motion to approve a \$1,000,000 limit with D&O/EPLI at \$25,472.00.

Moved, Seconded, Carried 9-0

The Board made a motion to extend the reporting period claims coverage for next year with EPLI at \$18,655.00.

Moved, Seconded, Carried 9-0

The next step for the Board is to develop a mitigation plan as requested by the new D&O provider in exchange for them to bind the new policy. The Board made a motion to approve Nan Warren, Arlyss Rothman, Marilyn Mason and Chuck Decker as the mitigation committee.

Moved, Seconded, Carried 9-0

SB 323 and Discussion of Rules

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The Board discussed and considered the concerns of the membership regarding different sections of the proposed voting and election rules. The Board deliberated on what would be their next steps regarding SB 323. Two concerning issues were the sections on Equal Access and Acclimation. It was decided that the December 31st, 2019 meeting to adopt SB 323 would be cancelled.

A motion was made to cancel the December 31st, 2019 meeting at which time the Board would have considered adopting the newly drafted Election Policy. The policy will be sent to the Governing Documents committee for revisions.

Moved, Seconded, Carried 8-1 (Swearingen voted against)

MOD Holiday Party Funding

The Board made a motion to fund the expenses for the MOD Staff party.

Moved, Seconded, Carried 9-0

Next Board Meeting

The next Regular Meeting of the Board is scheduled for Monday, January 13, 2020 @ 9 a.m. in the Gateway Board Room.

Adjournment

There being no further business, the Regular Meeting of the Board was adjourned at 2:22 p.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 disciplinary action and discussed legal counsel retention

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