

THIRD WALNUT CREEK MUTUAL

REGULAR SESSION MEETING MINUTES OF THE BOARD
MONDAY, NOVEMBER 6, 2018 AT 9:00AM
BOARD ROOM, GATEWAY COMPLEX
1001 GOLDEN RAIN RD., WALNUT CREEK, CA 94595

Call to Order

President Bank called the Regular Meeting of the Board of Directors of Third Walnut Creek Mutual (TWCM) to order at 9:02 a.m.

Roll Call

Directors Present:

Judy Bank, President XV (2019)	Claire Wolfe, Director District XII (2020)
Gery Yearout, Vice President District XI (2018)	Matt Kaplan, Director District V (2019)
Hillery Trippe, Treasurer District VII (2018)	Ron Mucovich, Director District IV (2020)
Arlyss Rothman, Secretary District IX (2019)	Kay Barthold, Director District XIII (2020)
Toby Dicker, Director District VIII (2020)	James McFarland, Director District III (2021)
Christine Monsen, Director District XIV (2019)	Chuck Decker, Director District X (2021)

*Director Ron Mucovich left the meeting at 11:04 a.m.

Also Present: Mutual Operations staff was represented by Paul Donner, Director of Mutual Operations; Rick Chakoff, Chief Financial Officer; Clayton Clark, Building Maintenance Manager; Kelly Mattison, Board Services Coordinator. Melissa Ward Esq. with Hughes Gill Cochrane & Tinetti was also present.

Members' Forum

Residents were afforded the opportunity to express their general concerns and make comments. The topics discussed in members' forum were: governance, CC&Rs, and re-voting.

Approval of Meeting Minutes

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

Regular Meeting of the Board	October 8, 2018
Executive Session Meeting of the Board	October 8, 2018
Executive Session Meeting of the Board	October 11, 2018

The aforementioned meeting minutes were approved with one motion.

Moved, Seconded, Carried 11-0-1, Director Monsen abstained

President's Report

President Bank asked Jo Ann Cooper, Financial Analyst to give an overview on the Project's Helsing Reports (Reserve Studies). A motion was made to make a complete reserve analysis available to residents upon request with an estimated reserve balance per unit column added.

Moved, Seconded, Carried 10-2, Directors Bank and Monsen voted no

President Bank also reported that Ann Rankin was authorized to summarize her legal opinion

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to be available to residents. President Bank reminded the Board and residents that the Mutual President does not get to decide what is confidential. It was announced that President Bank and Jo Ann Cooper reviewed the disclosures that are included in the annual budget mailing to all residents and removed the appendix A for alterations to reduce the number of pages in the booklets.

Secretary's Report

No report was presented.

Treasurer's Report

Treasurer Trippe gave the following treasurer's report:

Based on the financial information prepared by MOD, Third Walnut Creek Mutual had an adjusted bank balance of \$15,004 as of October 31, 2018. Major expenses for the month were legal and accounting which totaled \$28,182. Hillery announced due to project budgeting the Mutual as a whole does not budget for these types of costs. Each project does budget for legal fees individually and all Projects combined budgeted for a total amount of \$110,830. The amount ranges from \$2.37 a month to a high of \$17.38 a month, which has to do with policy 16 that requires Projects to pay their own expenses. In 2017 the rolled-up number was \$165,000 and in 2016 it was \$180,000. Included in these numbers are Helsing and accounting fees. It is assumed that a bulk of the amount is legal fees since the other fees are usually reasonable.

Budget and Finance Committee Report

No report was presented. Please refer to the Treasurer's report.

Building and Maintenance Committee

Director Monsen gave the following building maintenance committee report:

This month the committee had three Board Members present - thanks Jim McFarland for joining me and Chuck Decker. Three resident members also attended, as well as Clayton Clark from MOD.

- 1) Clayton has developed new signs for buildings that are strong plastic. They will be rolled out during rehabs. The Committee unanimously supported the new signs.
- 2) Termite Inspections between rehabs. The Committee is recommending that the Board approve a process that would require termite inspections between rehabs, at around five years. The estimated cost is \$100 per unit and would come out of the reserve funds. The goal is to catch any infestations before they become a huge, costly problem. The unanimous recommendation was to require funds to be budgeted starting in 2020. The total cost would be an additional \$10 per year per unit, since this would be conducted every ten years, five years after the ten-year rehabs. If the Board approves this in concept, it will need to be put on the agenda for approval at the next meeting.
- 3) Window installations. The Committee is recommending that the Board provide authorization for MOD to address any rot found during window installations. Typically, the rot is found by a contractor for the resident and reported to MOD. Contractors are required to report any dry rot found during installations, but it is the Project's

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responsibility to replace the siding that has rotted. After authorization, it costs more to address the situation, especially if scaffolding is needed, or the trim that was just installed.

There are two options for addressing this issue:

- a) MOD will repair the area within a few days
- b) Have a set unit price to pay the installer, if they are approved by MOD, to do the work.

The Committee believes this will save money, get the improvements made in a timely manner, and save time for both the installer and residents.

- 4) In order to address third party issues more quickly, additional staff will be assigned to this task, under Clayton.
- 5) Light bulb replacements can only be performed by MOD or a contractor that has liability insurance. Directors and residents are not allowed to do this; it can result in additional liability for the Project and the Director.
- 6) Wood peckers are still a problem. MOD is looking for ways to address the issue, since these birds can cause significant destruction to wood siding.
- 7) Water bibs on upper decks and balconies. These are not allowed and are removed during rehabs. The automatic watering systems can cause significant dry rot and damage to the surface costing. If you see any, please have the resident remove them.
- 8) Water usage and meters. The committee discussed the possibility of trying to separate resident usage from irrigation. We will have more discussion at a future meeting.
- 9) The November Building Maintenance meeting has been cancelled, since it is Thanksgiving.

Landscape Committee

Director Yearout reported that the committee has been working on the bidding process for the landscape maintenance contract. The bids are due by the end of November and 3 have been requested. The committee will be meeting on December 3 to review the bids and create a report and recommendation to the Board for the December regular meeting.

Governing Documents Committee

Director Bank reported that the Directors of any Project in Group 2 have been asked by Ann Rankin to collect information and correspondence on their effort to get out the vote and that is was due by today. Clarification was given on GRF's role in the establishing agreements and the Board's request to terminate them.

Alterations Permit Application Review Committee

Director Barthold reported that the Mutual is receiving many alteration applications which is keeping the committee busy returning them in timely fashion.

Communication Committee

Director Rothman requested that the Board approve two more members for the committee: Matt Kaplan and Jim McFarland. A motion was made to add directors Matt Kaplan and Jim McFarland to the Communication Committee.

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Moved, Seconded, Carried 12-0

Emergency Preparedness Committee

Director Rothman announced the debut of the EPO website that has FEMA presentations on it. The website is: www.rossmoorepo.org and owners are encouraged to review it. Director Rothman also recommended that Fran Gibson and Harris Greenberg be added as committee members. A motion was made to add Fran Gibson and Harris Greenberg to the Emergency Preparedness committee.

Moved, Seconded, Carried 12-0

Old Business

- a. **Latest Update on Governing Documents:** President Bank announced that Ann Rankin is working with Melissa Ward on the petition per Ann's request.

New Business

- a. **Discussion on GRF Approval of TWCM's request to Terminate Establishing Agreements and Associated legal Costs:** The Board had a discussion on the need for GRF approval to terminate the establishing agreements and the associated legal costs for GRF's counsel to review any necessary documentation in relation to this request. A motion was made to approve GRF's legal counsel to review any necessary documents for Projects 26,32, 44, 50-B, and 64 (AKA Group 1) and approve reimbursing GRF for the associated costs in connection with the request for termination of the establishing agreements.
Moved, Seconded, Carried 10-0-1, Director Wolf abstained and Director Mucovich left the meeting prior to this motion
- b. **Appointment of Inspector of Elections for P39 Disengagement:** A motion was made to appoint Nancy Richardson, Mary Bell, and Mary Hufford as the Inspectors of Election for the P39 disengagement election.
Moved, Seconded, Carried 11-0
- c. **Appointment of Inspector of Elections for P34 & P38 Revote on the Proposed Master CC&Rs:** A motion was made to approve the re-vote in P34 and P38 for the proposed master CC&Rs and to appoint Richard Fong as the Inspector of Elections for both Projects.
Moved, Seconded, Carried 10-0-1, Director Wolfe abstained
- d. **Appointment of Inspector of Elections for P35 Revote on the Proposed Master CC&Rs:** A motion was made to appoint Nancy Richardson as the Inspector of Elections for the re-vote in P35 on the proposed Master CC&Rs.
Moved, Seconded, Carried 10-0-1, Director Wolfe abstained
- e. **P50 Minimum Amounts Due to Rehabbing:** Director Dicker announced that P50 is completing building rehab this year and explained to the Board that this will put their financial threshold below what is required by Policy 89 and explained that the Project's plan to meet that threshold defined in Policy 89 is to increase their reserve fund contribution and working capital line item in the 2019 budget that was recently approved.

Next Board Meeting

The next Regular Meeting of the Board is scheduled for Monday December 10, 2018 @ 9 a.m.

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in the Gateway Board Room.

Adjournment

There being no further business, the Regular Meeting of the Board was adjourned at 11:36 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 fee waiver requests, an architectural variance request, a lease extension request, and legal matters.

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.



Assistant Secretary

Third Walnut Creek Mutual