

THIRD WALNUT CREEK MUTUAL

REGULAR SESSION MEETING MINUTES OF THE BOARD
MONDAY, FEBRUARY 12, 2018 AT 9:00AM
BOARD ROOM, GATEWAY COMPLEX
1001 GOLDEN RAIN RD., WALNUT CREEK, CA 94595

Call to Order

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

Roll Call

Directors Present:

John McDonnell, President X	Hillery Trippe, Director District VII
Gery Yearout, Vice President XI	Jack Case, Director District V
Judy Bank, Vice President XV	Claire Wolfe, Director District X
Christine Monsen, Treasurer XIV	Arlyss Rothman, Interim Secretary District IX
Kay Barthold, Director District XIII	Ron Mucovich, Director District IV
Toby Dicker, Director District VIII	Vacant Seat, District III

Also Present: Mutual Operations staff was represented by Paul Donner, Director of Operations; Rick Chakoff, Chief Financial Officer, Kelly Mattison, Board Services Coordinator; Melissa Ward, Esq., Hughes Gill Cochrane Tinetti.

Appointments of Directors

- a. Appointment of Jay Fischer to Director of District III: A motion was made to appoint Jay Fischer as Director of District III.

Moved, Seconded, Carried 11-0

- b. Appointment of Arlyss Rothman to Secretary: A motion was made to appoint Arlyss Rothman as Secretary.

Moved, Seconded, Carried 12-0

- c. Appointment of Hillery Trippe to Treasurer: A motion was made to appoint Hillery Trippe as Treasurer.

Moved, Seconded, carried 12-0

Approval of Meeting Minutes

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

Executive Session Meeting.....November 13, 2017

A motion was made to approve the November 13, 2017 executive session meeting minutes as presented.

Moved, Seconded, Carried 12-0

Ballot Count Meeting for District VIII Director.....January 3, 2018

A motion was made to approve the January 3, 2018 ballot count meeting minutes as presented.

Moved, Seconded, Carried 12-0

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Special Meeting of the Board.....January 5, 2018

A motion was made to approve the January 5, 2018 special meeting minutes as presented.

Moved, Seconded, Carried 12-0

Regular Meeting of the Board.....January 8, 2018

A motion was made to approve the January 8, 2018 regular meeting minutes as presented.

Moved, Seconded, Carried 12-0

Executive Session Meeting of the BoardJanuary 8, 2018

A motion was made to approve the January 8, 2018 executive session meeting minutes as presented.

Moved, Seconded, Carried 12-0

Members' Forum

Residents were afforded the opportunity to express their general concerns and make comments. The topic discussed in members' forum was the CC&Rs draft.

President's Report

A report was not presented.

Secretary's Report

A report was not presented.

Treasurer's Report

Treasurer Monsen provided the following report:

The Third Walnut Creek Mutual maintains a checking account at City National Bank.

The beginning balance as of 11/30/2017 was \$19,436.38

The ending balance as of 12/31/2017 was \$31,055.32

The Aging Report reflects amounts owed the projects for overdue coupon payments and late fees.

The amount owed to all projects as of 12/31/2017 amounted to \$21,494.83. This includes a total of 78 accounts, one which is over \$10,000, and 1 account between \$2,000-3,000. The rest are all under \$1,000.

Last month (November 2017) the amount owed was \$18,139.33

Last year the amount was \$25,692.10 at the end of December 2016.

The Owner Billable Report reflects the total amounts owed to all of the projects for overdue payments that are billable to owners for work done to their manor for work not covered by the coupon.

The amount owed to all projects as of 12/31/2017 was \$86,431.25, from 48 accounts. Nearly half (47.3%) of the total is due from 5 accounts owing between \$5,000 and \$12,000.

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Last month (November 2017) the amount was \$84,422.37
Last year the amount was \$82,262.55 at the end of December 2016.

Budget and Finance Committee Report

Director Monsen gave the following report from the February 5, 2018 Budget and Finance Committee meeting:

Three Board members and three residents attended

The Committee discussed Policy 89, including:

- 1) Three projects were not expected to meet the capital reserve threshold, but only one did not at the end of 2017.
- 2) Thirteen projects were not expected to meet the operations threshold, and at the end of 2017, thirteen did not.

Five projects had to borrow from capital reserves to cover their insurance payments. Two projects were not able to repay loans from capital from last year, and the Board approved new loans.

There was a question about the Civil Code requirements, and the requirement that written explanations for not meeting the thresholds or for borrowing should be reviewed by the Board.

The committee also discussed that there should be a review of where projects are in terms of repayment prior to developing budgets for 2019.

Discussion of Reserve Study: There was a question about the Helsing/Reserves study, and a comment that national, rather than local costs were used. Waterford uses a different company for their reserve study, and perhaps we should look into using a local firm.

Building and Maintenance Committee

Director Monsen gave the following report from the January 26, 2018 Building and Maintenance Committee meeting:

The Committee discussed a potential Policy/Standard for BBQs.

Concerns about establishing a policy or standard:

- Enforcement would be difficult
- It seems that the County Fire Department does not have a standard, and may not want restrictions.

The Committee discussed replacing the existing policy with recommendations for using grills. There was not a majority supporting restrictions of electric, compressed gas or charcoal grills.

The committee discussed Recommendations for using grills:

- Never leave a grill unattended
- Place the grill as far away from combustible material as possible

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- Have a lid and squirt bottle nearby to address any flare-ups
- Have a fire extinguisher within 5 feet of the grill (3-4 pound capacity)
- Provide information about how to address a fire: PASS method, call fire department

There was a resident comment/question about how we treat dry-rot - with chemical coating, copper treatment?

Landscape Committee

Steve Ormond's Landscape report for February 2018 was as follows:

Lawn Maintenance: Mowing will be once a month or as needed.

Entry Maintenance: Winter maintenance! Leaf clean-up, V-ditch and drain clean out. Reduction pruning of oleanders and junipers are taking place. If a director has special areas they would like trimmed or not, please notify me.

Tree Maintenance: Waraner Brothers will be starting tree maintenance in projects 23 and 26.

Landscape Rehabs: Our in-house crew is scheduled for projects, 35 and 26 in February.

Irrigation: Please report any leaks, breaks, or adjustments needed to 988-7650, or email to workorder@rossmoor.com. If you know of areas that show signs of excess irrigation, notify Steve Ormond.

Governing Documents Committee

Director Banks reported that the committee recommends approving the Policy 64 acknowledgement form that will be reviewed by the Board today.

Alterations Permit Application Review Committee

Director Case reported that the application process is continuing to go smoothly.

Audit Committee

Rick Chakoff reported that the CPA has completed the onsite fieldwork, field questions, and requests for information. Rick will receive the draft statements, review them, and provide any necessary feedback before providing them to the Board.

Communication Committee

A report was not presented. Secretary Rothman and President McDonnel are working on upcoming articles for the Rossmoor News.

Emergency Preparedness Committee

Secretary Rothman reported that the committee last met on January 8th and is working on a spring event for entry coordinators that will be fun and educational.

A motion was made to appoint Director Fischer to the Emergency Preparedness Committee.

Moved, Seconded, Carried 12-0

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Old Business

Governing Docs Project/CC&Rs and Bylaw Changes

The Board further discussed necessary changes and clarifications in the governing document rewrites. The following sections of the CC&Rs were discussed:

Section 8.6 Assessments – This section was revisited and reconfirmed by Rick Chakoff that each project has their own bank accounts and that no funds are or will be commingled.

Definition 1.33 Major Rehabilitation Project – The definition of “Major Rehabilitation Project” was provided by Director Monsen who worked with Clayton Clark on defining such a project.

Definition 1.5 Storage spaces – The definition of “Storage Spaces” was provided by Director Monsen.

Section 6.2.11 Garages subsection (a) Project Responsibility and (b) Owner Responsibility – This section was discussed and clarified to ensure that it is in line with current practices and that the components to the garages are correctly identified in terms of responsibility.

A motion was made to post the redline versions of the CC&Rs and Bylaws to the Rossmoor website after final review of 8.6 by Rick Chakoff and the review of the maintenance sections by Paul Donner, Clayton Clark, and Director Monsen. If major changes are needed, a special meeting will be called to take place on February 27, 2018.

Moved, Seconded, Carried 10-2, Directors Barthold and Wolfe voted No.

New Business

Policy 64 Dedicated Circuit Acknowledgment Form

The Board reviewed an acknowledgement form that was created to help enforce Policy 64 – Power Sources for Electric Automobiles. The Board discussed forwarding the form to the Inspections and Resale Departments.

A motion was made to approve the acknowledgement form for distribution when necessary.

Moved, Seconded, Carried 11-1, Director Wolfe voted No.

Project 50 Transfer Request of \$20K

The Board reviewed a request for a transfer of funds from the Reserve account to the Operating account for Project 50. A motion was made to approve the transfer of \$20,000 in Project 50 from the Reserve account to the Operating account.

Moved, Seconded, Carried 12-0

Next Board Meeting

The next Regular Meeting of the Board will be held on Monday, March 12, 2018 at 9:00 a.m. in the Board Room at Gateway.

Adjournment

There being no further business, the Regular Meeting of the Board was adjourned at 11:16

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a.m. and the Board moved into Executive Session.

Executive Session Summary

An Executive Session was held following the regular meeting. The Board discussed delinquencies, a foreclosure, late fee waivers, legal matters and an owner request for repairs.

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