

THIRD WALNUT CREEK MUTUAL

REGULAR SESSION MEETING MINUTES OF THE BOARD
MONDAY, MAY 13, 2019 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 9:00 a.m.

Roll Call

Directors Present:

Judy Bank, President XV (2019)	Ron Mucovich, Director District IV (2020)
Gery Yearout, Vice President District XI (2021)	Chuck Decker, Director District X (2021)
Arlyss Rothman, Secretary District IX (2019)	Matt Kaplan, Director District V (2019)
Hillery Trippe, Treasurer District VII (2021)	Kay Barthold, Director District XIII (2020)
James McFarland, Director District III (2021)	

Toby Dicker, Director District VIII (2020) arrived @ 9:14AM

Directors Absent:

Christine Monsen, Director District XIV (2019)

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

Members' Forum

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

Approval of Meeting Minutes

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

Executive Session Meeting	March 11, 2019
Regular Meeting	April 8, 2019
Executive Session Meeting	April 8, 2019
Special Meeting	April 24, 2019

The aforementioned meeting minutes were approved as presented.

Moved, Seconded, Carried 9-0

President's Report

President Bank presented the Mutual & Trust Operations Flow Chart to all Directors for discussion.

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Secretary's Report

No report was presented.

Finance Committee Report and Treasurer's Report

Treasurer Trippe gave the following Report:

Included in this month's Board agenda materials is the financial report in its entirety prepared by MOD in its operational management capacity for the Third Walnut Creek Mutual corporation. The adjusted bank balance shown is \$16,088.91. The report shows total payments for the month of March from the General Account in the amount of \$17,745.96. Payments this month included \$5,000 in audit expenses and \$3,200 for legal services to two law firms.

The total amount of delinquent coupon payments is \$36,529.84 of which \$21,75.91 is over 90 days delinquent. The total amount of owner reimbursements owed to Projects is \$112,680.68, of which \$57,922.99 is over 90 days delinquent. Directors should review the list and follow up with MOD accounting with regard to collection efforts on accounts that are significantly delinquent.

At the end of April, the independent audit firm BHLF LLP issued an independent auditor's report on Third Walnut Creek Mutual and each Project. Copies of the auditor's report and financial statements are being mailed this week to all TWCM members.

The auditors concluded that the financial statements presented fairly in all material respects the financial condition of Third Walnut Creek Mutual and were consistent with their previous report issued in April of 2018. The audit report includes the project financial statements as prepared by MOD and reviewed regularly by the Directors representing the individual Projects. Members in each Project are mailed a copy of their Project financials, in addition to the audited TWCM financial statements.

The project financial statements for 2018 from the independent auditors show Project 51, Phase 1 and Phase 2, as a single Project as shown in the 2017 and prior years. Management and the auditors discussed that the Superior Court of Contra Costa County determined that Project 51 accounts should be separated into two sets of accounts representing Phase 1 and 2 of Project 51. Management and the auditors discussed that further review and analysis is required with regard to the separation of the accounts into 51-Phase 1 and 51-Phase 2 to assure consistency with Generally Accepted Accounting Principles applicable to Homeowner's Associations. In order to accomplish this further analysis, management has obtained a proposal for services from Porter and Lasiewicz CPA's.

The purpose of the audit services to be provided by Porter and Lasiewicz will be to specifically review the division of Project 51 accounts that was prepared by Mutual Operations Division and has been utilized for operational management of Phase 1 and Phase 2 of Project 51 during 2018. Project 51 currently maintains separate bank accounts, separate budgets and separate operating statements for Phase 1 and Phase 2 of Project 51. Payments for operating and building reserves expenses for each Phase are made from the separate bank accounts that are designated for that Phase.

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- a. **Motion that the Mutual Funds Report has been reviewed by the Treasurer and all Directors:** The motion was made for the March 31, 2019 Mutual Funds Report and excluded Christine Mosen who was absent today.
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 March 31, 2019 and excluded Christine Mosen of projects 36 and 37 for District XIV.
Moved, Seconded, Carried 10-0
- c. **Resignation of Hillery Tripp as Treasurer:** Hillery Tripp resigned from the officer position of Treasurer of the Mutual. She will be not be resigning from her Director Position until the end of the meetings being held today. A resolution was made by the Board to thank Hillery Tripp for all her hard work as Treasurer of Third Mutual.
Moved, Seconded, Carried 10-0
- d. **Appointment of Matt Kaplan as Treasurer:** A motion was made to appoint Matt Kaplan as the Treasurer of Third Mutual until the next organizational meeting that is scheduled after the annual meeting on June 11.
Moved, Seconded, Carried 10-0

Building and Maintenance Committee

Director Barthold gave the following Building Maintenance Report in Christine Mosen's absence:

Third Walnut Creek Mutual
Building Maintenance Committee
April 26, 2019

This month the only topic of discussion was BBQs.

Background:

In the memory of those present, there has been only one fire related to BBQs here in Rossmoor in 30 years.

Our Insurance Representative said that the underwriters asked if we had developed a BBQ policy, in response to the devastating fire on Rossmoor Parkway. Since the insurance is Rossmoor-wide, it will be important for all Mutuals to develop policies. He could not say if having a policy would reduce our premiums, only that is harder to get insurance these days, and having a policy that reduces our risk would help. He recommended at a minimum that we ban charcoal BBQs.

Other apartment complexes are restricting BBQs, either entirely, or to only gas/propane and electric sources of fuel. They also often limit the size of the fuel canisters, as well as clearances to combustible materials.

Recommended Restrictions, if BBQs are allowed:

The Committee discussed a number of issues, and requests that the Board first decide if they

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want to allow BBQs at all.

If the Board decides they would like to allow BBQs, the Committee has the following suggestions for consideration:

- 1) Restrict the fuel sources to gas/propane and electric.
- 2) Limit the allowable canisters to no more than one pound of fuel. Require residents to disconnect the canister/unplug the BBQ when not in use.
- 3) Require that gas/propane-fueled BBQs not be operated within three feet of combustible material, both horizontally and vertically. This means some residents may not be able to have BBQs, if there is not adequate clearance from combustible material (wooden walls or railings, under an overhang, and structural components beneath the deck surface). We are checking if this restriction should apply to electric grills as well.
- 4) Require that residents not leave the grill unattended at any time while it is in operation (from turning on the fuel source to turning it off and disconnecting it).
- 5) Keep a spray bottle and fire extinguisher near the grill, to address any flare ups.
- 6) Require residents to adhere to the operation/maintenance instructions for their BBQ.
- 7) Project Directors can work with residents to implement communal grilling areas that are open to people in an area/entry.
- 8) If there is an incident, the Board should re-evaluate this policy immediately, and further restrict the use of BBQs.

Landscape Committee

The following landscape report from Steve Ormond was given in the Board Packet:

Lawn Maintenance: Weekly mowing alternating edging front and rear of manor every other week. Fertilize with Sulphur coated urea.

Entry Maintenance: Once a month routine maintenance, ground cover trimming, shrub pruning, weed control. Fertilize all shrubs and ground cover areas FIRE BREAKS AS NEEDED.

If a director has special area they would like trimmed or not, please notify Steve.

Tree Maintenance: Waraner Brothers will be starting tree maintenance in projects 35, 36,37, & 38 June. Please schedule your walkthroughs now.

Landscape Rehabs: Our in-house crew will start projects 27, 31, & 32 for the month of May.

Paul Donner clarified what is covered by the Projects in the landscape line item: pest control, MOD Crew, and Irrigation Specialist. The Terra landscape contract covers maintenance, shrub trimming, and they will provide bids for larger scale items to rehab project landscaping. MOD crew will charge for any plant material.

Governing Documents Committee

Director Bank reported that the committee worked on a BBQ policy to be further discussed later in the agenda. The committee asked the Building Maintenance committee to also discuss a

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BBQ policy. CA Fire Code does ban charcoal in multi-family dwellings which is adopted by county and Contra Costa County has not adopted the CA Fire Code. John Tastor with Arthur Gallagher Insurance Brokers recommends banning charcoal.

Alterations Permit Application Review Committee

No report was presented.

Communication Committee

No report was presented.

Emergency Preparedness Committee

The committee is almost done completing a list of entry coordinators and is deciding on holding a party/training session for this summer. The committee is looking for volunteers. Please contact Arlyss Rothman if you are interested.

New Business

- a. **Update Architectural Standard 1022 for a P32 Variance on Window Frame Color:** It has been proposed to allow the standard window frame color in P32 to be silver/grey instead of Bronze to match the paint color of the exterior buildings in this project. A motion was made to approve this variance and update the Mutual's Standard 1022 as follows:

TWCM Standard

Standard Number: 1022

Subject: Color Selection for Project Window Frames and Sliding Doors
Applicability: X Required Throughout TWCM ___ Recommended
Background: An increasing number of units in TWCM are electing to replace existing windows and sliding glass doors. Architectural standards prescribe the new windows to be "like for like". The objective has been to retain the same "look and feel" that the original architect envisioned. Over the years, practices have varied within the project.
Reference Material: TWCM Architectural Standards TWCM Standard 1010 Replacement Windows and Doors

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Standard:

Project Responsibility:

1. The window frame and sliding glass door standard is now BRONZE, except for Project 55, where the standard is white, and P32, where the standard is silver/grey.
2. Approve Alteration requests that conform to this Standard.

Owner Responsibility:

1. Assure that Contractors incorporate the prescribed color in their bid.
2. Work with the District Director and Alterations Department to assure continuity within the project.

Photo(s): NA

Issue Date: 5/14/2018

Contributor: Maintenance Committee

Next Review Date: + 3 years

Moved, Seconded, Carried 9-1, Director Decker voted No

- b. P49 Garage Variances:** The Board discussed the need for the Project 49 Director to get a variance that will allow small groups of architectural applications for garage door replacements to be reviewed instead of the entire building submitting applications at once. This is for building 1812 Stanley Dollar Drive in Project 49. After much discussion, a motion was made to grant authority of a variance to Alterations Chair Kay Barthold and Director Jim McFarland who will work out the details of information needed in order to allow the alteration applications to be reviewed and approved in small groups.

Moved, Seconded, Carried 10-0

- c. Initial Discussion on BBQ Policy:** It was discussed that the focus of the policy should be on all open flame devices within a certain amount of feet of structure. Also discussed was banning open flame devices on balconies, electric grills, extension cords GFIs, fire extinguishers, sprinkler systems, and that greater risks should be eliminated. Getting a policy approved and in place will not lower insurance costs but will make the Mutual more insurable.

Next Board Meeting

The next Regular Meeting of the Board is scheduled for Monday, July 8, 2019 @ 9 a.m. in the Gateway Board Room.

The Annual Meeting of the Members is scheduled for Tuesday June 11, 2019 @ 9 a.m. in the Fireside Room at Gateway and an Organizational Meeting of the Board will directly follow the annual meeting.

Adjournment

There being no further business, the Regular Meeting of the Board was adjourned at 10:38 a.m. and the Board moved into Executive Session.

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Executive Session Summary

An Executive Session was held immediately following the regular meeting where the Board held a disciplinary hearing, discussed variance requests, reviewed a contract and reported on the status of legal items.

A motion was made to ratify the approval of a contract for a separate audit to be conducted with P51-1 and P51-2 by Porter and Lasiewicz, CPAs in the amount of \$5,750.00

Moved, Seconded, Carried 9-0

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