

Fourth Walnut Creek Board Minutes  
Special Meeting Session  
Date: December 2, 2020

Location: Zoom

Call to Order: The Meeting was called to order by President Vicki Swisher at 10:25 AM.  
Directors Present: Vicki Swisher, Linda Brown, Pamela Ovalle, Carolee Perrich, Sheldon Schwartz

A quorum was present.

### **Residents Forum**

- A resident of 1910 Skycrest Drive had requested time to speak about the placement of a night camera and the installation of a redwood sculpture in the area next to her unit.
- The resident did not sign into the meeting.

### **Old Business**

- Final Helsing Report
  - Helsing, in its final report included all of the changes that Ms. Swisher requested.
  - Ms. Swisher checked the pricing structure used and found it to be acceptable.
  - Assessment of Reserve Funding Disclosure Summary. We were found to be “Marginal” in terms of the projected Reserve Account balances being sufficient at the end of each year to meet the Association’s obligation for repair and/or replacement of major components during the next 30 years. A Marginal rating is acceptable and is attributable to the Threshold funding practice of the Mutual.
  - Ms. Swisher compiled a detailed response to the Helsing draft that had been prepared for the Mutual. As noted above, most of the changes Ms. Swisher requested were made; however, there were some changes that were not made and should be followed up on next year:
    - Ms. Swisher encouraged the Board to go the “Comment Document” and use it as a guide/road map for reviewing the next Helsing Report.
      - Warranty on new PVC roofs is not correctly reflected in estimated life. Should have a 30-year life. Need to give the warranty documentation to Helsing so they will include the 30 year warranty. They need to have this documentation to make the change.
      - No distinction in the report between enclosed and open balconies.
      - No distinction in the report made with respect to the size of the balconies.
      - Number of Scuppers understated.
      - Need clarification/ definition of the terms “Current Useful Life,” “Expected Useful Life “and Remaining Useful Life. In numerous instances the numbers in the various columns do not make sense. The Board needs to understand how the numbers are calculated for each category.
  - There are three important factors in Helsing: the size of the component, the cost of the component, and the useful life of the component. The Helsing numbers do not include labor.
  - In summation, the Mutual is healthy and we are in good shape for projects coming up in the next three years.
  - Ms. Swisher requested a motion that the Board accept the 2021 Helsing Reserve Report dated November 20, 2020 with the following open items to be addressed in the 2022 report regarding:
    - Definitions
    - Notes
    - Observations of Fourth Mutual Board

- Mr. Schwartz moved that Ms. Swisher's motion be accepted. The motion was seconded by Ms. Brown and unanimously approved by the Board. This motion will be ratified in the Jan. 2021 Monthly Board meeting.
- The Board notes the very considerable time and effort that was provided by JoAnn and Rick West in helping the Board review and revise the Helsing Report.
- Policy Committee
  - Marsha Warenberg was introduced to the Board. She has been in Rossmoor since 2003. Ms. Warenberg commented hoping that neighbors will understand more about the policies and how the Board actually cares about the residents in the mutual.
  - Ms. Swisher asked the Board to agree to appoint Ms. Warenberg to the Policy Committee. The Board unanimously agreed.
  - Ms. Swisher is preparing templates to revising the governance. Ms. Swisher sent a Fourth Mutual Governance Summary to Policy Committee members (see Attachment 1).
    - CCR's – This document takes precedence over Association governance. These must comply with California Civil Code and Davis Sterling. Currently they do not.
      - The Language of CC&R's have to be changed to reflect the current roles of Golden Rain Foundation.
      - To revise the CCR's, the Mutual will have to pay GRF's attorney to review the revised CC&R's.
      - Insurance coverage was amended in 2013. Written by Cochran and Hughes and adopted by many of the Mutuels. This is a big item that may have to be addressed.
      - CC&R amendments require vote of residents.
    - A change to By-laws also requires a vote of the residents.
  - Ms. Warenberg inquired about the effect of AB 3182 on the CC&R's.
    - Presently, the CC&Rs appear to be compliant with the provision of AB 3182 regarding minimum rental period and the limit on total rentals allowed within a Mutual. The cap on rentals of one year appear to be a bit less obvious relative to 3182. The Board is awaiting further guidance from our attorney on this provision.
  - A previous Board started work on policy updates in 2016. If the work that was done is acceptable, the revisions should be sent to the attorney for review.
  - The Election Policy and the Solar Policy were completed and had legal review prior to the vote by the Board. No further action is required.
  - All definitions used in any of the By-Laws or Policies should refer to the CC&R definitions. There should be consistency among these documents.
  - Policies need to be updated to include:
    - Golf Ports
    - Emergency generators
    - Barbecues
  - Ms. Swisher will send out the work that has already been done on the Policies. These can be compared with the existing policies to determine acceptability.

A motion was made by Sheldon Schwartz to adjourn the meeting and was seconded by Carolee Perrich. The motion was unanimously approved and the meeting was adjourned at 12:40 PM.

  


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 Anne Paone, Assistant Secretary  
 Fourth Walnut Creek Mutual

## Attachment 1

### **Fourth Mutual Governance**

Hierarchical system of governance:

- A. California Civil Codes / Davis Stirling Act
- B. Covenants, Conditions and Restrictions (CC&Rs)
- C. Bylaws
- D. Policies (Operating Rules)

#### 1. Covenants, Conditions and Restrictions (CC&Rs)

##### a. Status

- Various sections of the CC&Rs no longer comply with California Civil Codes and Davis Stirling Act. Current Civil Codes override Fourth Mutual's CC&Rs.
- The CC&Rs contain language regarding Golden Rain Foundation that is no longer applicable (e.g., architectural reviews, definition of Foundation, GRF role with Mutual).
- July 25, 2013 Amendment to the current CC&Rs poses some issues with insurance coverage and causes various sections of the Bylaws and Policies to be in conflict.
- Any changes to the CC&Rs require a vote of the Mutual Membership.

##### b. Action Items

- None at this time

#### 2. Bylaws

##### a. Status

- Various sections of the Bylaws no longer comply with California Civil Codes or the CC&Rs. The current Civil Codes and CC&Rs override Fourth Mutual's Bylaws.
- Fourth Mutual Legal Counsel has been contracted to revise Bylaws.
- Any changes to the Bylaws require a vote of the Mutual Membership.

##### b. Action Items

- Need to determine when Legal Counsel will provide revised Bylaws.

#### 3. Policies

##### a. Status

- Various sections of the Policies no longer comply with California Civil Codes, CC&Rs, or Bylaws. Current Civil Codes, CC&Rs, and Bylaws override Fourth Mutual's Policies.
- All policies were reviewed and re-drafted in 2016. Because the Board at that time was recalled, nothing further was done with these new drafts.
- Solar Energy System Policy 1.9 was added in 2019.

- Election Rules Policy 10.6 was added in 2020.
  
- The following policy sections have received further updates:
  - Definitions
  - Section 1.0 Alterations
  - Section 3.0 Committees
  - Section 4.0 Emergencies
  - Section 8.0 Occupancy of a Manor
  - Section 12.0 Use Restrictions

b. Action Items

- To be determined in the Dec. 17, 2020 Special Board Meeting