



Walnut Creek Mutual Forty

MEETING MINUTES OF THE BOARD
THURSDAY, JUNE 22nd, 2023, AT 1:00PM
FAIRWAY ROOM AT CREEKSIDE
1010 STANLEY DOLLAR DR – WALNUT CREEK, CA 94595

Call to Order

President White called the meeting to order at 1:00 p.m.

Directors Present

Susie White – President
Greg Gould – Vice President
Gayl Westendorf – Treasurer
Nancy Herney – Secretary
Kathy Parish – Director

Staff Present

Paul Donner, Mutual Operations Director
Jeroen Wright, Mutual Operations Director
Lucy Limon, Board Services Coordinator
Clayton Clark, Building Maintenance Manager
Tom Hand, Chief Financial Officer

Approval of Minutes

1. Board of Directors Meeting Minutes of May 18th, 2023
2. Executive Session Meeting Minutes of May 18th, 2023
3. Special Meeting Minutes of June 5th, 2023
4. Executive Meeting Minutes of June 5th, 2023

Kathy Parish made a motion and Gayl Westendorf seconded to approve the minutes to the aforementioned Board meetings.

Moved, Seconded, Carried 5-0

President's Report

President White welcomed all residents to the meeting and presented the following report:

President White welcomed Jeroen Wright to the meeting. Jeroen is currently learning Paul Donner's complicated position and Paul will leave us effective August 1.

As usual your board has had a busy month, much of which will be reported by the committee chairs. White reminded the members of the upcoming Ice Cream Social this Sunday from 4 to 5:30 pm in Yearout Park. Members will gather to formally dedicate the park to Gery and Floyd. White hoped everyone will join to celebrate their contributions to our Mutual.



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There have been some fires in Rossmoor, one of which will affect our treasury. As soon as we know more about how much this cost will be Gayl will report it in his treasurer's report. However, you should understand that we are one of 21 mutuals who have an agreement to share the \$250,000 deductible amount under the commercial property coverage of the blanket insurance policies after the affected mutual pays the first \$10,000. That mutual is also obligated to share in the shared deductible portion of the policy.

We have a very active board and I appreciate their service.

Treasurer's Report.

The Treasurer, Gayl Westendorf, reported that the April financial reports for both Projects 40 and 41 have been received and reviewed by all directors.

Gayl Westendorf made a motion and Susie White seconded to certify compliance with Civil Code 5500.
Moved, Seconded, Carried 5-0

He reported that the April financial reports show that we are still performing according to budget, with some water cost savings for the first 4 months and higher interest income than budgeted.

Gayl also reported that a review of the 2022 financial statements has been completed by Porter & Lasiesicz, CPAs, and that those reviewed financial statements should be mailed out to all M40 members soon. He noted that the reviewed financials contained some routine yearend adjustments to expense accruals, but also contained an additional \$6,500 bad debt allowance for some very old member receivables. The board is still pursuing collection of these receivables.

Committee Reports

Landscape Committee -

Kathy Parish gave the following report:

The meeting was called to order at 3:40 p.m. It was attended by committee members Janis Duysen, Fred Kerns, Shari Carroll, Barbara Bigelow, and Susie White. Karyl Toms attended as a guest and was invited to join the committee.

It was announced that our MOD workdays would be June 19th-23rd. Shari discussed and summarized the Resident Forms. The general consensus was very positive, and requests were reasonable. Most responses concerned sprinklers, drainage, pruning, mulching, and plant replacements. Having this feedback from the residents, in a timely manner, allowed the MOD workdays to be planned more efficiently.

Fred Kerns presented a report from the Golden Rain Technology Committee for Irrigation. Fred served on this committee and the report is now 5 years old. It was suggested that an Ad Hoc Mutual Committee be formed to do a "deep dive" to assess how much of the report has been implemented in



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Mutual 40 and what work still needs to be done.

Fred also presented a form he has developed to help evaluate when lawn replacement, and the costs associated with it, is the best, most efficient, choice for water conservation. This will be discussed at the August Meeting.

There is no meeting in July.

After the meeting, Shari and I met with Brian from Waraner Trees. The Annual maintenance work in both projects will begin soon.

The next meeting will be August 2nd at 3:30 in the Mulligan Room.

The Yearout Park Dedication and Ice Cream Social will be June 25th. Several people volunteered card tables and chairs. Janis Duysen offered to bring the centerpieces.

Governing Documents Committee:

Nancy Herney reported that the on the following:

Enforcement, V&E, Assessment Collection Operating Rules have been adopted by the Board following the 28-day resident comment period and are now posted on our website.

Status of other Operating Rules:

- BBQ's: Draft #4, waiting confirmation on acceptable tank sizes from the Director of Code Enforcement at CCCFPD
- Maintenance: Maintenance Matrix was reviewed and updated by the Building Maintenance Committee on June 5. Final draft in process with GDC.
- Solar: First draft is complete, GDC and Fred Kern are reviewing for comments.
- Fiscal: First draft is complete, GDC and Gayl are reviewing for comments.
- Alterations: First draft is complete, GDC has partially reviewed, and Greg Gould has completed his review.
- EV: First draft is complete, GDC is in the process of reviewing.

Building Maintenance Committee:

Joe Tracy gave the following report:

Meeting was called to order at 10:00 AM

- Roll Call Joe Tracy, Fred Kern, Bill Snyder, Jerry Daykin, Dave Moulaison, Steve Zahn, Susie White
- Review Mutual 40's Matrix. A Motion was made to change the last item in the Matrix "Negligent acts of Owner will be billed to Owner" Mutual Replace and Repair changed to Owners Replace and Repair. The committee agreed to make the change from Mutual to

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Owner. All other items were accepted by the Committee. A Motion was made to accept the Matrix after the change was made. The Motion was made and accepted and seconded. There was no further discussion. Vote was taken to accept the Matrix. 6 Yes, 0 No, 1 Abstained

- Review of Sang Electric Inc. to upgrade the lighting in Project 41 due the lack of lighting on the Parkway Walk at night. This is a safety issue and possible liability concern. Residents and Committee Members were requested to take a walk of the area in question at night. Sang's estimate was **tabled** till an additional estimate can be obtained. Sang's estimate is \$7,345.00. I have asked the Landscape committee to consider the lighting issue. It may not come under the Buildings Maintenance jurisdiction.
- Building Numbers that was tabled at the May 1, 2023, Committee Meeting was readdressed. The Committee made a Motion to install Building Numbers at a cost, not to exceed \$4,000.00. The Numbers will be metal with white backing with black numbers. The Motion was made and seconded. Vote was taken to install the numbers in 2023 or budgeted for 20. Yes, 6 No, 0, 1 Abstained.
- Motion for Gutter Guards will only be recommended when John Tawaststjerna (John T.), Landscape Manager or Clayton Clark, Building Maintenance Manager approve the building for Gutter Guards. Vote was Yes, 6 No, 0 and Abstained 1

Susie White made a motion, and Kathy Parish seconded that Gutter Guards will only be recommended when Landscape Manager or Building Maintenance Manager approve the building for Gutter Guards for those that need replacement.

Moved, Seconded, Carried 5-0

Kathy Parish made a motion. and Susie White seconded to consider the allocation of a budget not to exceed \$5k for the installation of new building numbers in the 2024 budget.

Moved, Seconded, Carried 5-0

There is a new battery backup generator plan that is available since PG&E is no longer providing support for back up during power outages. Paul Donner will research the name and get back to the Board with details.

Next Meeting August 7 10 AM in the Bunker Room, Creekside
Adjournment was at 11:45 AM

Alteration/Architectural Review Committee:

Greg Gould reported that Mutual 40 approved 4 alterations requests:

- 1 Solar Installation
- 1 Bathroom Redesign
- 1 Kitchen remodel
- 1 Windows and Doors Replacement



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Emergency Preparedness Committee:

Kathy Parish presented the following report:

There was no committee meeting in May.

However, the committee sponsored a Home Fire Safety Presentation with Noelle Crosse from Contra Costa Fire on June 1st. Over sixty residents participated and the feedback from them was very positive. There was also an opportunity for neighborly socialization and “hands on” use of a fire extinguisher. The committee provided refreshments and door prizes, and both were a big hit. Everyone seemed to agree the event was a success.

Noelle provided a video of her presentation. It was distributed to Mutual 40 residents on the “Opt-In” list.

Our next meeting is this afternoon at 4pm in the Bunker Room at Creekside.

Recycling and Green Committee:

Stan Wells provided the following report:

On Wednesday, June 21, there was a meeting of our recycling observers attended by 14 of our dedicated people.

The agenda consisted of discussion and planning for:

1. Scheduling of compost can cleaning.
2. Determination of container inventory.
3. Planning for communicating with move-in and move-out activity.
4. Handling challenging situations without causing animosity.
5. Participating in large and small entry meetings to explain recycling.

Observers also participated in an informative discussion with Treasure Gayl Westendorf about the planned combining of project financial statements.

Managers’ Report

Paul Donner advised the Board that the recent fire in the Second Mutual will result as a claim against our insurance that we share with several other mutuals. He expects the replacement cost to be in the \$500k-\$1M range. The cost will be allocated by unit and therefore our share will not be too high.

Old Business

1. Update and next steps on proposed combination of the finances of Projects 40 and 41, including scheduling a town hall meeting with members and preparing for a member vote:

The Treasurer, Gayl Westendorf, gave an update on the initiative to combine the finances of Projects 40 and 41. He reported the following:

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- the President, Secretary and Treasurer have obtained advice from Mutual 40's legal counsel, Melissa Ward, on the proposed transactions, the required levels of member approval and the appropriate member approval process.
- a computation has been made of the one-time special assessment for Project 41 owners to equalize the reserve fund balances of the two projects, based on the methodology approved by the board in its May 18 meeting, and that the proposed special assessment will be \$1,260 per manor (the computation has been reviewed and approved by the Finance Committee and the GRF CFO)
- the Treasurer is recommending that the special assessment be levied on November 1, 2023, but that P41 owners be allowed to pay in 12 consecutive monthly installments of \$105 per month
- a proposed schedule for presenting the proposed transactions to members and holding a member vote on those transactions has been developed, as follows: (i) hold town hall meeting for all members at 10:30-12:00 on July 21, 2023, (ii) mail ballot packet to all members soon after July 21 town hall meeting (but not later than August 3, 2023), (iii) set the voting deadline and vote count meeting for Tuesday, September 5, 2023.
- John McDonnell has agreed to serve as Inspector of Elections for the member vote, without compensation
- a powerpoint presentation has been prepared for the town hall meeting, and reviewed by all directors, the Finance Committee, and the MOD Director and GRF CFO
- draft ballot packet documents have been prepared and shared with all directors, and are being reviewed by legal counsel

He then presented the following motions to the board, *and all of these motions were individually seconded and approved 5-0:*

1. Approve presenting two items for a vote of the membership: (i) an amendment to the CC&Rs and (ii) a one-time special assessment on P41 owners of \$1,260 per manor to equalize reserve accounts, both as more specifically described in the draft ballot packet provided to all directors.
2. Approve the required level of member approval and other terms of the member vote as set forth in the draft ballot packet provided to all directors.
3. Approve the proposed schedule for the town hall meeting and the member vote process.
4. Approve the draft presentation to be made at the town hall meeting, subject to minor changes which the Treasurer determines are appropriate.
5. Appoint John McDonnell as Inspector of Elections for the member vote

New Business



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Member's Forum:

Members were afforded the opportunity to express their general concerns and make comments. Topics discussed included: a eucalyptus tree on GRF property and the financial merger.

Executive Session Summary

The Board met in executive session from 2:35 pm to 3:05 pm to discuss member matters, delinquent accounts, legal matters and disputes.

Announcements

Next Scheduled meeting will be on July 21st, 2023, at 10:00 am, in the Donner Room at the Even Center.

Adjournment

With no further business, the meeting was adjourned at 2:35 p.m.

Lucy Limon

Assistant Secretary

Walnut Creek Mutual No. Forty