



Walnut Creek Mutual Fifty (Mutual 50)

**BOARD MEETING MINUTES
TUESDAY, APRIL 19, 2022, AT 10:00 A.M.
FAIRWAY ROOM – CREEKSIDE
1010 STANLEY DOLLAR DR – WALNUT CREEK, CA 94595**

Call to Order

President Landeros called the Regular Meeting of the Board to order at 10:07 a.m.

Directors Present

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| Donna Landeros, President | |
| Abbie Ogawa, Vice President | Rich Johnstone, Treasurer |
| Rodney Lee, Director at Large | Joan Schwanz, Secretary |

Also Present

Mutual Operations staff was represented by Paul Donner, Mutual Operations Director; Clayton Clark, building Maintenance Manager; John Tawastjerna, Landscape Manager and Lucy Limon, Board Services Coordinator.

Special Guest: Martha Echols, Reverse Mortgage Advisor – Mutual of Omaha

Members Forum

Residents were afforded the opportunity to express their general concerns and make comments.
No comments were made.

Approval of Meeting Minutes

President Landeros asked if there were any additions or corrections to the following sets minutes:

- a. Regular Meeting Minutes March 15, 2022
- b. Executive Meeting Minutes March 14, 2022

A motion was made to approve the above sets of minutes.

Moved, Seconded, Carried 5-0

FHA Reverse Mortgage Conversation

Martha Echols from Mutual of Omaha gave a 10 min talk on reverse mortgages- the advantages and disadvantages. Mutual 50 recently qualified for FHA mortgages, and Martha helped Joan Schwanz with the legwork and paperwork for this

onerous task. We Homeowners thank her for her help and expert advice on the pros and cons of these mortgages

MOD Manager's Report

Paul Donner advised that Kris Peterson, Admin Services Manager, has quit as of April 13th. Donner hopes to find a replacement as soon as possible.

President's Report

Rich Johnstone presented the following report for Donna Landeros:

Hybrid Meeting (In-Person and Zoom) Status:

- 1) The Board Room will be upgraded in April to support Zoom meetings; the IT department will conduct training
- 2) Zoom allows only one microphone per meeting; the IT department can setup a room using a laptop and microphone to enable a hybrid meeting if the room has adequate wi-fi coverage
- 3) Contact Resident Services to discuss setup of a particular room for a hybrid meeting

GRF Management Agreement with Mutuals:

- 1) There is a continuing difference of opinion between GRF and the mutual presidents regarding liability for errors & omissions

Joel Lesser (GRF CFO) presentation:

- 1) GRF allocation of property insurance premiums
 - a) M50 will pay an estimated 8% less in 2022 than in 2021
 - b) All mutuals will pay an estimated 37% more in 2022 than in 2021
 - 2) MOD Accounting target dates to produce monthly financial reports for all mutuals
 - a) April 15 for January reports (M50 report received on April 8)
 - b) April 29 for February reports
 - c) May 6 for March reports
 - d) June 3 for April reports
 - e) June 24 for May reports
 - f) July 19 for June reports (12 working days)
 - 3) Discussion of Civil Code 5502 regarding requirement for mutual Boards to provide GRF with prior written approval for transfers/payments above certain amounts
 - a) M50 amount is \$10,000 or more, which applies to mutuals with 51 or more units
 - b) M50 is also requesting GRF to require the signatures of two Board directors to authorize any work order of \$10,000 or more
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Secretarial Report

There have been no applicants for the Board Position which opens up May 17,2022 (the AGM). The date has now passed by which an election can be organized by the usual date of the AGM, but the remaining Board members are able to appoint someone by acclamation at that time. Assuming no one comes forward, we will continue to ask others to apply, and decide closer to the date how we want to proceed. On a happier note, we are pleased that we can return to hybrid Mutual meetings (a combination of ZOOM and in -person meetings). The GRF bought 3 portable computer units that enable these meetings, and one will be in the Creekside at all times. Lucy has already used the unit and found it easy- we hope with the May or June meetings we will start using it and offering hybrid meetings again. An advantage of hybrid meeting is Homeowners and Board members can continue to travel to see family and go on holidays, without missing meetings. Mutuals and Committees at Rossmoor found attendance improved when hybrid meetings were possible, and we expect to be able to attract younger, more mobile Homeowners to Board positions.

Treasurers Report

Rich Johnstone gave the following report:

Operating Fund

- 1) Used for routine payments, such as building and landscape maintenance, insurance, utilities, and professional services.
- 2) As of January 31, Operating expenses were 7% of the 2022 budget.
- 3) As of January 31, the Operating Fund was \$175,307, an increase of \$6,342 over December 31.
- 4) Significant January expenses:
 - a) \$4,058 for rain leaks
 - b) \$1,140 for sprinkler inspection and repair

Reserve Fund

- 1) Used mainly to pay for capital improvements in the current year and to fund capital improvements in future years
- 2) As of January 31, Reserve expenses were less than 1% of the 2022 budget.
- 3) As of January 31, the Reserve Fund was \$852,874, an increase of \$35,033 over December 31.

Bank Accounts

- 1) Mutual 50 has two checking accounts at City National Bank (CNB): One for Operating funds and the other for Reserve funds. In addition, there are two checking accounts for Project 50: One for Operating funds and the other for
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Reserve funds. CNB has informed the Accounting & Finance department that M50 and P50 each have \$250,000 in FDIC insurance, for a total of \$500,000.

- 2) As of January 31, the combined balance of the M50 checking accounts was \$287,189, \$37,189 over the FDIC insurance limit; if this balance does not go below \$250,000 in the February financial statement, I will follow-up with GRF Finance. The combined balance of the P50 checking accounts was \$8,195.
- 3) The remaining M50/P50 balances were \$806,625 in Reserve funds deposited in CNB Deposit Sweep accounts, which were 100% covered by FDIC insurance.
- 4) GRF Finance has made significant progress with the transfer of P50 balances into M50 accounts. The January 31 balance of \$8,195 was significantly down from the December 31 balance of \$143,724.

Bank Accounts

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- 2) As of December 31, the combined balance of the M50 checking accounts is \$159,680 and the combined balance of the P50 checking accounts is \$143,724. So, all checking account balances are currently covered by FDIC insurance.
- 3) The remaining M50/P50 balances are \$762,920 in Reserve funds deposited in CNB Deposit Sweep accounts, which are 100% covered by FDIC insurance.
- 4) The GRF Assistant Controller is working on the transfer of P50 balances into M50 accounts, with the appropriate amounts going into M50 Deposit Sweep accounts to maintain FDIC insurance. As there are still coupon payments being deposited in P50 accounts, it will take time to transfer these payments to M50 accounts

Committee Reports

Buildings and Facilities

Rich Johnstone gave the following report:

Update on Recommending a Roofing Consultant

- a) The roof assessment was completed by Avelar. The committee is waiting for the assessment report, which is expected in April.
- b) Abbie requested Clayton to inform Avelar that the committee wants to have sufficient time to review the report before a phone or Zoom call with Avelar to discuss the report and ask questions.

Update on Replacement of Exterior Light Fixtures

- a) The Board approved up to \$2,000 for a demonstration project to install 7 LED light fixtures at or near the 5521 building to determine whether they provide sufficient light for nighttime safety. The committee will make a recommendation to the Board regarding the results of the project.
- b) The committee will confirm whether the existing Sang Electric contract is sufficient or if there will be a new contract with Sang Electric prepared by our attorney. The contract should apply to the demonstration project and future work orders for a period of time. The demonstration project price should be included in the contract.

Update on Smoke Detectors and Whether Any Corrective Action Should be Recommended to the Board

- a) The committee discussed the legal opinion regarding M50 and unit owner responsibility for the hard-wired (AC power) smoke detectors and their exterior alarms.
 - 1. Maintenance: The owner is responsible.
 - 2. Repair and Replacement: If there is damage or destruction caused by the owner's negligence or willful misconduct, the owner is responsible; otherwise, M50 is responsible.
 - 3. The CC&Rs require this equipment to be maintained. M50 would need to consult with a fire and building code expert regarding replacement.
 - b) The committee consensus is smoke detectors older than 10 years are probably beyond their useful life and, if so, should be replaced with current-technology equipment approved by the fire district. If there is a decision to replace this equipment, the committee would prefer to replace AC power with 10-year battery power if a battery can power an exterior alarm.
 - c) Clayton will research whether there are any local contractors who have worked with the Contra Costa Fire District regarding replacement of this type of equipment. If there are any such contractors, the committee would like Doug to evaluate them.
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- d) The committee recommends preparation of a communication to owners regarding how to turn-off an exterior alarm in the event of a false alarm triggered by a smoke detector malfunction. It may be difficult for elderly owners to reach detector on/off switches on their interior ceilings.

A Motion was made to authorize Donna Landeros to sign electrical contract with Sang Electric and All-Star Mold.

Moved, Seconded, Carried 5-0

Landscape -

Joan Schwanz gave the following report:

The Landscape Committee had a meeting April 15. We are going to change our times to every third Thurs, every 1-2 months as members are traveling more post COVID.

At this meeting we had a Homeowner guest who is interested in drawing up plans for a parklet in M50 for everyone's enjoyment. He is looking at a few sites, and ideas besides table and chairs, and we hope to eventually bring several plans to the Board for consideration to choose from.

We are arranging a meeting in June with Terra- Cassidy Lundin, Kevin Jackson, Tom Wilhite, and the Committee- to form a rehab plan we can institute over the next 5 years or so, when the drought and finances allows.

Two diseased large Aleppo pines and stumps were removed by Waraners at the corner of 24/25, and mulch put down. It looks improved and Homeowners are relieved it is safer without them. Of course, our major concern is the ongoing drought, which continues despite a few days of light rain this week. We expect this is going to be "the new normal", and we will have to change what we plant, where, and modify our expectations.

A motion was made to appoint Russell Ogawa as a consultant to the Landscape committee.

Moved, Seconded, Carried 5-0

Governing Documents -

Ms. Ogawa briefly mentioned that the committee is actively working on updating all Mutual Documents. The committee has divided all the tasks that need to be addressed. Currently, the committee is focused on developing a security camera policy that addresses both privacy and protection.

Finance –

See Treasurers report.

- a) Motion to certify compliance with Civil Code 5500 by review of the January 31st, 2021, Financial Report.

Moved, Seconded, Carried 5-0

Old Business

- a. Seller/Buyer/Realtor Expectations, Forms, and Info – Ms. Landeros: – No report.
- b. Amendment to CC&Rs to comply with the California Law (CA Code Section 4741) regarding rental restriction – Ms. Ogawa: - Amendment has been made. Legal counsel to update CC&R's.
- c. Surveillance Cameras P&P changes – Ms. Ogawa: Draft language has been completed. The Governing Documents committee will forward the draft to the Building and Facilities committee for their review and approval. Lastly, one the Building and Facilities committee have made their reviews, the proposed policy will be sent to the members of the AD-HOC committee.
- d. Delinquency/Collections Policy – Ms. Landeros: No update.
- e. Recycle Contamination and Fines: Donna advised that Republic is becoming more assertive and aggressive about contaminated recycle. The fines that are imposed are very significant.

Announcements

Next scheduled meeting will be held on Tuesday, April 19th, 2022, at 10am in the Fairway Room at Creekside.

Executive Meeting Disclosure

The Board met in an executive session on Monday, April 18th to discuss legal matters, water damages, and garages.

Adjournment

The Board Meeting adjourned at 11:16 AM.

Secretary's Certificate

I hereby certify that the foregoing is a true and correct copy of the minutes.

Lucy Limon

Assistant Secretary
Mutual 50
