



Walnut Creek Mutual Fifty (Mutual 50)

**BOARD MEETING MINUTES
TUESDAY, JANUARY 18, 2022, AT 10:00 A.M.
ZOOM MEETING**

Call to Order

President Landeros called the Regular Meeting of the Board to order at 10:02 a.m.

Directors Present

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

Also Present

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

Approval of Meeting Minutes

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

- a. Regular Meeting Minutes November 16, 2021
- b. Executive Meeting Minutes November 16, 2021

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

Moved, Seconded, Carried 5-0

President’s Report

Donna Landeros gave the following report:

Board Meeting Agendas

Regular Board meetings will be held on the 3rd Tuesday of each month at 10am. The official posting site for our agendas will be:

- 1) The M50 website at least 4 days before the meeting; and
- 2) Effective Jan 3, 2022, agendas will be posted at a new bulletin board that is accessible 24 hours a day/7 day a week/365 days a year at the Gateway Plaza. The Bulletin board is situated in the breezeway on the exterior wall of the Gateway Administrative Building to the left of the counseling department entrance.

Courtesy notices will be posted on the Trash Enclosures.

Board Meeting Minutes

Minutes will be posted at the same 2 locations following approval of the minutes by the Board at the following Board meeting.

Board Meeting Locations

Board meetings will continue to be held on Zoom until we have the ability to meet in person. State law has been amended to allow for hybrid meetings, provided there is also a meeting room attended by at least 1 Board Member. When we are able to meet in person, we will provide additional details.

Committee Members and Meetings

Building and Facilities

Meetings – the 2nd Friday of most months at 10 am.

Rich Johnstone, Co-chair
Abbie Ogawa, Co-chair
Doug Bettencourt
Mark Strovink
Marjie Musante

Landscaping

Regular meetings are the 3rd Friday of most months.

Joan Schwanz, Chair
Rod Lee
Lee Wright
Susan Grancio

Governing Documents

Meetings will be scheduled as needed. Much of the Committee's work will be done by email as documents are edited by the Committee. Recommended changes will be listed on Board agendas for action by the Board.

Abbie Ogawa, Co-chair
Rich Johnstone, Co-chair
Toby Decker, Committee Member

Financial Information

The tabs on the Mutuals' Websites are being changed to provide a location for the Financials to be posted by the Accounting Division.

Our Board is committed to providing our members with detailed information about Mutual 50's business. If you have special needs, or do not use a computer, please contact me directly at 925-382-6574 to explore other options.

On behalf of the Mutual 50 Board, our best wishes for a safe and happy 2022!

Secretarial Report

Joan Schwanz gave the following report:

Board meetings will continue to be held on ZOOM until we have the ability to meet in person. State Law (Davis-Stirling) has been amended so that after the Pandemic, hybrid meetings will be allowed consisting of ZOOM plus in person - which will likely be a meeting room attended by at least 1 Board Member, and our MOD secretary Lucy. When we are able to meet in person, we will provide additional details.

Elections for our M50 Board will at our AGM, **May 17, 2022**. As a new Mutual, we are phasing in 3-year Board members positions one by one, so they come due in different years. In 2022 there will be an election for **ONE 3-year Board member's position**, currently held by Abbie Ogawa who will not be running.

Of note, the law now allows Board Acclamation if there is only 1 candidate for a position, so the expense of hiring an electioneer can be avoided by the Mutual.

If you are interested in running, please mail or email a statement indicating your interest, your qualifications (less than 300 words) , and a photo to our secretary LLimon@rossmoor.com by **2/16/2022**, and Lucy will send you an official candidate form. She will also write an article in the Rossmoor Mews indicating we are having an election.

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 November 30, total Operating expenses are 89% of the 2021 budget.
 - 3) In October and November, \$9,322 was spent on repairing rain leaks. (Of the \$9,322, \$1,361 was charged to the Reserve Fund, which has no
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budget for rain leaks.) The October-November amount represents 91% of the January-November total of \$10,203 for rain leaks. The 2021 budget is \$10,000.

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 November 30, total Reserve expenses are 56% of the 2021 budget. The largest single Reserve expense was charged in September: \$49,302 for August paving of Entry 24 and a portion of Entry 23.

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 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 December 31, the combined balance of the M50 checking accounts is \$183,975 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

- a) Motion to certify compliance with Civil Code 5500
The Board decided to table this motion for the January 2022 meeting.
Motion was tabled until the February meeting.

Committee Reports

Buildings and Facilities

Update on Recommending a Roofing Consultant

- 1) The committee discussed a roof assessment proposal submitted by Avelar. Their assessment would be conducted by a senior roofing consultant and a registered roof consultant.
- 2) The proposal consists of 3 phases:
 - Phase 1: Visual inspection of 3 roofs, one from each phase of the M50 development. Avelar would select which roofs to inspect, and notify homeowners prior to inspections.
 - Phase 2: Letter Report would include opinions on the remaining life of the roofs and whether an open valley system would be beneficial to extending roof lifetime and/or prevent roof leaks; it would also include recommendations to extend roof life and/or prevent roof leaks.
 - Phase 3: Peer Review of the report by a Principal Architect.
- 3) The committee is in favor of proceeding with the Avelar proposal. After the committee receives the final proposal, it will be submitted for a legal review. The committee will request the Board for approval to spend up to \$11,000 on this assessment.
- 4) After the Letter Report is received, the committee plans to request two roofing contractors to provide cost estimates based on the Avelar recommendations.

Update on Replacement of Exterior Light Fixtures

- 1) The reasons M50 would want to replace CFL fixtures with LED fixtures
 - a) LED bulbs need to be replaced less frequently than CFL bulbs.
The MOD cost to replace a light bulb is approximately \$70.
 - b) CFL fixtures might fail in the next few years, and if so, would need to be replaced.
- 2) The committee will obtain information regarding the current fixture failure rate. If the failure rate is low, M50 could replace the current CFL bulbs with LED bulbs using the existing fixtures and not replace these fixtures until they fail (which is the solution selected by M55).
- 3) After Sang Electric provides the remaining cost information on LED light fixtures, the committee will proceed with the 5521 Terra Granada test of whether 5-watt exterior LED lights would provide adequate lighting.
- 4) The committee is concerned it may be difficult to obtain horizontal LED fixtures sufficiently large to display the building address

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

- 1) Results of the 5521 Terra Granada test of hardwired smoke detectors connected to exterior alarms to obtain an indication of how well these detectors are performing (Note: Hardwired detectors operate on AC power rather than batteries.)
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- a) There were originally 8 of these detectors in the 6 units
 - b) 7 detectors are still connected to the exterior alarm and each of these successfully triggered the exterior alarm during the test.
 - c) 1 detector had been removed and replaced with a battery-operated device that is not connected to the exterior alarm.
- 2) The committee does not know how many units still have hardwired detectors and whether these detectors are operating as intended.
 - 3) The CC&Rs have provisions regarding battery-operated detectors but not hardwired detectors.
 - 4) The committee intends to request a legal opinion regarding M50 responsibility for the installation, operation, and testing of hardwired detectors.

Landscape -

Joan Schwanz gave the following report:

At a walk around meeting, we established with Terra Landscape that the current drought might well result in 50% enforced water restrictions in 2022. Even if we can irrigate, the cost will likely be prohibitive to establish new plants. The recent rains have helped somewhat, but the water situation in California is still very precarious. With this in mind, we decided to plant only bare essentials this year, with the most drought tolerant plants.

Oleanders, which are extremely drought tolerant, have been planted at entry 22 to replace the removed Junipers at a cost of \$3670. Oleanders will also be planted for \$2200 behind the existing 3 Black Pine hedges, to allow them to take and grow before we try to remove these dying hedges.

Waraners Tree Service, for \$1150, will flush cut the 3 Stumps from the 3 Pines on E23 removed last year, and perform the annual tree trimming service for \$4950 to remove dead trees, keep tree branches 6 ft away from condos, preventing animals getting into attics, damage on the roofs, and fire fuel near the wooden structures. They also will remove another Monterey Pine at the corner of E24/25 for \$5975.

The Pines along E25 are Scotch Pines, a different species, and they seem to be in better shape than the removed Aleppos, but they will still need removing in several years. One homeowner would like to pay to have one pine tree trimmed (because it causes needles on her porch), rather than waiting for it to be cut when it finally is deemed to be unsafe. MOD and Waraners will be consulted as to whether this can be done.

We had a long discussion with Rebecca Pollen of MOD and Mr Waraners about replacements for the 3 pines when the drought is over. Several Homeowners prefer another large tree for shade and appearance, but it will be difficult to find a species that is not crowded by the condo foundations, will not pose a danger of falling onto the buildings and does not need exorbitant amounts of watering to become established.

Rebecca mentioned putting in a whole new irrigation system on the E25 hill, behind the E23 condos which might improve the water situation. We could then put 2 bubblers per tree or plant all along the hill, letting the current ground cover (which is doing well) die. At an approx cost of \$50,000- \$75,000, a new irrigation system just for one hill at this time seems exorbitant to the Landscaping Committee. M50 is facing a combination of new roofs and rehabs in the next few years, and even if we phased the irrigation in over several years, the Committee thought the timing was wrong to consider an expense of this magnitude and uncertainty.

We decided instead, to continue to repair and adjust the existing irrigation on the hill and get input from Tom Wilhite at Terra for the species of tree that could fulfill most of the wishes of the Homeowners. We also decided to ask Tom, in the spring, to lay out a rehab plan for the whole Mutual to be started when the drought has improved. By conserving our funds from last year and this year, and starting when the drought has improved, we are hoping to be able to pay for a large rehab up front, or phase it in over 2-3 years. Perhaps in 10 years, when the roofs and rehabs are done, we can revisit installing a newer irrigation system.

We have laid out a plan with MOD for the prepaid work they will do for us in 2022. The times have been changed so that all Mutuals get some days in the spring, some in summer and some in fall. We are trying to have MOD do as much as possible.

The contract with Terra comes up for renewal this month. I will discuss it further with the Board in Executive session as it includes confidential costs.

Finally, last month the Committee had a walk around to look for unpermitted Private Gardens, landscape alterations and front porch alterations associated with electric stair chairs. These become an issue for the cost of upkeep, Homeowner responsibility upon sale of a Manor and occasionally common use land being used for private use. I will discuss this further with the Board in Executive session as it may include Homeowner names.

While investigating Homeowner responsibility for alterations and Private Gardens upon sale of a unit, we came upon a disclosure statement currently used by MOD

currently at the end of a sale. It puts the responsibility of inspection and determination of whether a private garden exists onto the new Homeowner very late in the sale process. The new Homeowner then has to accept responsibility for the Private Garden or initiate a process whereby the seller must pay to return the Private Garden or alteration back to its normal state. The Committee all agreed this is “too little too late” in the sale process. Most people buying a new unit do not understand the form, it is attached to hundreds of pages of other material, and they will not understand the implications. Plus, it introduces a complicated subject into the sale of a unit.

We strongly suggest that the Board look at all the MOD/Mutual information given to potential buyers and a real Estate agent upon the sale of a unit, with emphasis on education and proper Homeowner understanding. I believe that Donna Landeros and Rich Johnstone have already had an experience with a real estate agent during the sale process. This will be further discussed in Executive Session, since it includes private information of a Homeowner.

Governing Documents -

Abbie Ogawa gave the following report:

In order to comply with new provisions, the California Code, specifically CA Civil Code Section 4741 “Limitations on Rental Restrictions”, the Governing Documents Committee drafted the following paragraph, which they recommend adding to “**Article 5, Rental or Leasing**” of the Mutual 50 CC&R’s:

“5.13 No more than 25% of the Units (or 28 Units) may be rented or leased at any given time”

The Board made a motion to submit the proposed language to legal counsel for review.

Moved, Seconded, Carried 5-0

Financial –

- i. Motion to add Donna Landeros to the Finance Committee

Moved, Seconded, Carried 5-0

Old Business

- a. FHA Mortgage status: Motion to Authorize Donna Landeros to sign 2010 GRF contract for FHA approval application – Joan Schwanz

When M50 left TWCM last May 2020, it automatically lost its FHA (Federal Housing Authority) approval status through the US Dept of Housing and Urban Development (HUD). A number of Homeowners would like us to reestablish

FHA-Approval, as it allows Homeowners to get reverse or new mortgages for their manors that are insured by the FHA.

At the last BOD meeting, Nov 16, 2021, the Board agreed we should pursue this application process to FHA which I have done with the help of Martha Echols of Mutual of Omaha on Tice Creek Rd and MOD staff. For the application, I have been able to assemble all the required information except one- the current GRF contract with M50. M50 is still grandfathered in with the old TWCM contract still in effect for all parties, with ongoing indemnification discussions for the new contract. Our legal counsel has advised us to just sign the “old” TWCM 4/29/2010 contract, until the new one takes effect. This allows us to apply for the FHA approval status.

The Board made a motion to authorize Donna Landeros to sign the current April 29, 2010, GRF/TWCM Contract, enabling M50 to apply to the FHA for mortgage approval

Moved, Seconded, Carried 5-0

- b. Seller/Buyer Expectations – First educational interview with a realtor of prospective listing – Donna Landeros and Rich Johnstone: Donna and Rich attended a pre- listing session with a realtor. Issues discussed included rugs for second floors, Private Gardens, need for Alteration permits and other issues which can cause confusion for buyers and sellers. Landeros and Johnstone will work on a written summary of what items should be discussed with listing agents.
- c. Installment and maintenance of evacuation signs by MOD – Donna Landeros: Installation of signs and been completed. Maintenance will be done by MOD as needed.

New Business

a) Surveillance Cameras – consideration of allowing Ring type cameras aimed at garage:

After much input and deliberations, the Board moved to create an AD HOC committee to draft a new policy on surveillance cameras, after language is drafted, the policy will then be sent for legal review. The AD HOC committee consists of Pam Armstrong, Gayle Rother, Rod Lee, and Abbie Ogawa.

Moved, Seconded, carried 4-1 (Lee abstained)

Members Forum

Residents were afforded the opportunity to express their general concerns and make comments.

Comments included motion detectors and entry cameras.

Announcements

Next scheduled meeting will be held on Tuesday, February 15th, 2022, at 10am via Zoom.

Adjournment to Executive Session

The Board Meeting adjourned at 12:02 PM and went into an Executive session. Executive session topics included contract approvals and legal matters.

Secretary's Certificate

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

Lucy Limon

Assistant Secretary
Mutual 50

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