

Board of Directors Regular Meeting

Tuesday, July 18, 2023 at 1:00 p.m.
Creekside Clubhouse - Club Room
1010 Stanley Dollar Drive, Walnut Creek, CA 94595

MINUTES

Call to Order

President Landeros called the Regular Meeting of the Board to order at 1:01 p.m.

Directors Present

Donna Landeros – President
Rich Johnstone – Treasurer
Vacant – Secretary
Vacant – Director-at-Large

Director Absent

Jim Bolinger – Vice President

Personnel Attending

Jeroen Wright – Mutual Operations Director
Clayton Clark – Building Maintenance Manager
Victoria Thomas – Board Services Coordinator

New Business

- a. Steven Vartabedian was appointed as the Director-at-Large on the Board of Directors with an expiring term of May 2024.

A motion was made by Johnstone, seconded by Landeros, to approve Steven Vartabedian as Director-at-Large on the Board of Directors. Motion passed unanimously. (2-0)

Members Forum

No comments.

Approval of Meeting Minutes

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

- a. Annual Member Meeting Minutes - May 31, 2023

A motion was made by Landeros, seconded by Johnstone, to approve the minutes as posted. Motion passed unanimously. (3-0)

- b. Board of Directors Organizational Meeting Minutes - May 31, 2023

A motion was made by Landeros, seconded by Johnstone, to approve the minutes as amended. Motion passed unanimously. (3-0)

President's Report

No report was presented.

Secretarial Report

No report was presented.

This position will not be filled at this time as Thomas can act in the role as she is appointed as the Assistant Secretary.

Walnut Creek Mutual Fifty

Treasurer's Report

Operating Fund

- 1) Used for routine payments, such as building and landscape maintenance, insurance, utilities, and professional services.
- 2) As of May 31, Operating expenses were 36% of the 2023 budget.
- 3) Significant May financials:
 - a) For the first time this year, there were no rain leak expenses.

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 May 31, Reserve expenses were 2% of the 2023 budget. Reserve expenses will increase significantly during the remainder of 2023 for paving, exterior light replacements, roof tune-ups, balcony inspections, and rehabilitation of the 5201 and 5213 buildings.
- 3) Significant May financials:
 - a) Hamilton Tree Service charged \$8,200 for tree removal. This charge was partially offset by a \$5,000 credit from a Cal Fire grant.

Bank Accounts

- 1) M50 has two checking accounts at City National Bank (CNB): One for Operating funds and the other for Reserve funds.
- 2) As of May 31, the combined balance of the M50 checking accounts was \$191,922, which was below the \$250,000 limit for FDIC insurance coverage.
- 3) The remaining M50 balance was \$1,373,557 in Reserve funds deposited in CNB Deposit Sweep accounts, which were 100% covered by FDIC insurance.
 - a) The Finance Department is coordinating with City National Securities (CNS) to invest M50 Reserve funds in 6-month Treasury Bills according to the M50 2023 Reserve Investment Plan approved by the Board. However, the investment in Treasury Bills has not begun. CNS has paused the opening of new brokerage accounts while CFO Tom Hand is set up as a signer on accounts for all mutuals.
 - b) In May, M50 earned approximately 4.2% on deposit sweep balances; interest income for May was \$4,734. Yields on 6-month Treasury Bills are currently above 5%.

A motion was made by Johnstone, seconded by Vartabedian, to certify compliance with Civil Code 5500 for the April and May 2023 financial reports. Motion passed unanimously. (3-0)

Committee Reports

Finance Committee

No report was presented.

Buildings and Facilities Committee

Update on Manor Building Roof Tune-Ups

- a) The Committee discussed two alternative long-term forecasts:
 1. Roof tune-ups in 2023, and roof replacements for manors and their attached garages during 2028-2033. This alternative would increase expenses by approximately \$165,000 for tune-ups and should mitigate roof leaks until roofs are replaced.
 2. No roof tune-ups, and roof replacements for manors during 2026-2031 and for their attached garages during 2032-2033. This alternative would avoid the tune-up cost but likely result in continued roof leaks for up to 8 years and have different roof material for manors and garages for up to 4 years.
- b) The Committee recommends the alternative with roof tune-ups to maintain quality of life for M50 residents and to avoid different roof materials for manors and their attached garages.

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Update on Replacement of Exterior Lighting with LED Fixtures

- a) Dellamar Electric is waiting for the delivery of fixtures. They expect to receive the address fixtures by July 21 and the remaining fixtures by July 31.
- b) After Dellamar receives all fixtures, Clayton Clark will confirm the installation schedule.

Status of Condo Smoke Alarms

- a) The Committee will proceed with the demonstration project approved by the Board in October 2022: Spend up to \$5,000 to determine the material and installation cost for current-technology AC-powered hallway smoke and carbon monoxide alarms with 10-year battery backup and exterior bells.
- b) The existing AC-powered alarms and exterior horns were installed when the units were built in the late 1980s.

Repaving of Entry 22 and Portion of Entry 23

- a) Black Diamond Paving completed the paving and restriping of parking spaces on entries 22 and 23.
- b) Black Diamond Paving was unable to restripe two of the parking areas on entry 25 because cars were parked in these areas despite restriping notices posted in these areas. Clayton Clark is coordinating with the contractor to reschedule the striping.

A motion was made by Johnstone, seconded by Vartabedian, to approve 2023 roof tune-ups by Frank Fiala Roofing on 19 manor buildings at a cost of approximately \$165,000. This project will be funded by \$110,745 unspent 2021-2022 funding for this purpose at approximate \$54,255 to be included in the 2024 budget. Motion passed unanimously. (3-0)

A motion was made by Johnstone, seconded by Vartabedian, to approve composition shingles as an acceptable material for the roof replacements beginning in 2028. The current cost estimate for composition shingles is \$1,500 per roof square (or 100 square feet). Motion passed unanimously. (3-0)

Landscape Committee

Landeros reported that approximately four years ago there was a shrub that needed to be cut down. The past Landscape Chairperson and the four residents that live near the shrub could not decide whether the shrub should be cut down, hence the shrub is still alive. Residents that live near the shrub proposed that the Mutual put up a lattice screen with a guardrail. Landeros said that neither she nor Bolinger could recommend that as it would set a precedent with other owners that have a privacy concern.

Wright proposed that heavy pruning be done with the understanding that the shrub may need to be removed and replaced with trees and/or small shrubs.

Johnstone asked what the requirements were for exterior fire prevention with regards to ground vegetation near buildings. Wright said the requirement is ground vegetation should be 100 feet away from buildings.

A resident raised concern for safety if pruning is stalled till the fall season as residents must step off the sidewalk in order to get around the shrub. Wright will inspect the area for safety.

It was determined that a professional needs to inspect the type of plant the shrub is and determine the best course of action.

The topic was tabled to allow for further research.

Governing Documents

No report was presented.

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New Business

- a. Appointment of Steve Vartabedian as Chairperson and Rich Johnstone and Abbie Ogawa as Committee Members on the Governing Documents Committee.

Motion made by Johnstone, seconded by Vartabedian, to appoint Steve Vartabedian as Chairperson and Rich Johnstone and Abbie Ogawa as Committee Members on the Governing Documents Committee. Motion passed unanimously. (3-0)

- b. Firewise Program

Wright reported that he is heading a project to get Rossmoor to be a certified fire wise community.

The first phase of the program is to form a Firewise Committee with nine volunteers. The purpose of the Committee is to organize the volunteer efforts and the monetary spend that Rossmoor puts towards defensive actions against wildfires. Once the Committee is formed, then partner with a fire inspector. Create a three-year action plan and fulfill the action plan. After three years, Wright would submit fulfilled action plan to a California state liaison with the National Fire Protection Association to get the certification if approved.

The Committee will organize a group of volunteers to walk their Mutual to determine what could or has been done to prevent the risk of wildfires. Items to look for are: overgrown landscaping, removal of gathered debris, removal of shrubs, junipers, etc. Resulting with up to 15 feet of clearance between vegetation and large trees and buildings.

Wright asked residents to contact him if they would like to volunteer. Wright's email address is jwright@rossmoor.com.

A resident asked if once Rossmoor is Firewise certified will insurance companies be more inclined to offer property fire insurance or offer better premium rates. Wright said Rossmoor's insurance carrier said there would be no premium reduction but would be good to have if Rossmoor would like to continue to receive the same type of insurance already in existence.

Old Business

Manager's Report

Wright reported on landscaping. Residents wanting plants replaced need to get their requests in to John Tawaststjerna, the Landscape Manager, by September 1, 2023.

Tawaststjerna is waiting to receive permits from the City of Walnut Creek to remove trees.

Wright and Clark are working with the CFO, Tom Hand, and Bud Baxter in the Accounting Department to get the preliminary financials together for June so they can begin working on the budget.

Donner is retiring. Donner's last day is August 1, 2023.

Announcements

The Mutual is have its first BBQ on August 17, 2023 from 4:00-7:00pm. The BBQ will be held at the Buckeye Tennis Courts.

The next scheduled is the Board of Directors Regular Meeting will be held on Tuesday, August 15, 2023, at 1:00 p.m. in the Fairway Room at Creekside Clubhouse.

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Adjournment

The Board of Directors Meeting adjourned at 2:22 p.m.

Secretary's Certificate

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

Victoria Thomas
Assistant Secretary