



Walnut Creek Mutual Fifty (Mutual 50)

BOARD MEETING MINUTES
TUESDAY, MARCH 15, 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 10:00 a.m.

Directors Present

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

Directors Absent

Joan Schwanz, Secretary

Also Present

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

Members Forum

Residents were afforded the opportunity to express their general concerns and make comments.
Comments included republic services.

Approval of Meeting Minutes

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

- a. Regular Meeting Minutes February 15, 2022
- b. Executive Meeting Minutes February 15, 2022

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

Moved, Seconded, Carried 4-0

MOD Manager's Report

Paul Donner mentioned the new Administrative Services Manager will begin March 16th. New Landscape Manager will begin March 23rd.

President's Report

No report was made.

Secretarial Report

Rod lee gave the following report for Joan Schwanz:

There were no applicants for the Board Position which opens up May 17,2022 (the AGM). The date has now passed by which an election could 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 wait, continue to ask others to apply, and decide closer to the date how we want to proceed.

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 December 31, Operating expenses were 99% of the 2021 budget.
- 3) As of December 31, the Operating Fund was \$168,965. The estimated 2022 insurance premiums are \$113,705. As a result, M50 should be able to pay these annual premiums from the Operating Fund and not have to borrow from the Reserve Fund.
- 4) Significant December expenses
 - a) \$7,371 for gutter cleaning
 - b) \$2,148 for rain leaks
 - c) \$4,182 for the M50 portion of the shared deductible for a FWCM fire on Golden Rain Road. The 2021 mutual shared deductible budget was \$3,333.

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 December 31, Reserve expenses were 57% of the 2021 budget.
- 3) As of December 31, the Reserve Fund was \$817,841. In 2021, the Reserve Fund increased by \$240,822 compared to the original 2021 estimate of \$150,825.

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 \$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
 - i. Motion to certify compliance with Civil Code 5502: The M50 Board approves and authorizes its Managing Agent (MOD) to make transfers to/ from operating / reserves accounts for any amount of \$10,000 or more upon two directors executing (signing) a proposed work order which is charged (i.e., withdrawn from) the reserve account or upon two authorized - signing directors executing a draft against the reserve account.
Moved, Seconded, Carried 4-0

Committee Reports

Buildings and Facilities

Rich Johnstone gave the following report:

Update on Recommending a Roofing Consultant

- 1) The roof assessment contract submitted by Avelar (dated February 1, 2022) was reviewed by the M50 attorney. Subsequently, Donna Landeros approved and signed the contract.
 - 2) Based on roof leak history, Avelar selected 3 roofs to assess
 - a) Project A: 5533
 - b) Project B: 5333
 - c) Project C: 5565
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- 3) Clayton Clark will prepare a flyer to advise residents of these three buildings when the roof assessments are scheduled.

Update on Replacement of Exterior Light Fixtures

- 1) Most members of the committee met on 2/24/22 with Current Electric, which is the Lightway manufacturer's representative. Lightway is the manufacturer of the original exterior light fixtures. Other meeting attendees included Sang Electric and Clayton Clark.
- 2) Subject to final pricing, the committee plans to recommend to the Board a demonstration project to install 7 different LED light fixtures at or near the 5521 building to determine whether they provide sufficient light for nighttime safety. Clayton Clark will obtain a price quote from Sang Electric for the parts and installation of the 7 fixtures.
- 3) If the demonstration project is approved by the Board and subsequently determined to be successful, the committee plans to recommend to the Board the replacement of all exterior light fixtures because the current fixtures are old and deteriorating; the LED bulbs have a long life (average of 50,000 hours), are replaceable, and use less electricity than the existing fixtures.

A Motion was made to approve an LED lights installation demo up to \$2,000 by Sang Electric.

Moved, Seconded, Carried 4-0

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

- 1) The committee has requested a legal opinion regarding M50 and unit owner responsibility for the hard-wired (AC power) smoke detectors and their exterior alarms.

Landscape -

Rod Lee gave the following report for Joan Schwanz:

The Landscape Committee had a meeting Fri, Feb 18, 2022. We completed the new 3-year contract with Waraners Tree Service and have verbally completed a new 5-year contract with Terra Landscaping. Terra is still reading the new wording of the contract our lawyer provided, but we do not expect any problems. I am currently looking for an MOD staff member to create DocuSign contracts to make this process easier for all.

We are planning a meeting with the President of Terra, their Landscape Designer and their supervisor to plan juniper replacements- our biggest challenge is the mega

drought (the longest in 1200 years) which is creating severe water shortages and irrigation rationing.

We finalized (and submitted to the documents committee) our preferred the wording to the Policies and Procedures which would allow disabled Homeowners to use watering hoses on porches, but the Homeowners would still be responsible for any porch water damage or dry rot created by the watering. The final changes will be presented to Homeowners for consideration.

We are encouraging the Board to work on identifying and informing Homeowners with unpermitted landscaping so they can apply to MOD and the Board for permits before they intend to sell their manors. This should simplify future sales responsibility, forms and agent understanding.

Our first 7 MOD prepaid days are 5/12- 5/20, and we will have the rest of the junipers removed on E23. Because of the drought, and some limitations of the MOD crews, it is becoming an increasing problem to find work that can be done by MOD during these prepaid days.

2 large Aleppo Pines at the corner of 24/25 will be removed next week. They are diseased with beetles and leaning dangerously over parked cars. We would like to consider some replacements, but until the drought has abated this doesn't seem wise. Fortunately, there are some young trees in the shade of these Pines that will be able to grow better. Waraners will remove the 3 Pine stumps created last year when we removed the three Pines on E23, and we will ask him to remove these 2 stumps as well. Tree removals are becoming very expensive as they age out and are weakened by drought. Unfortunately, this is not work that MOD could do for us during their prepaid days.

Next meeting, we are going to discuss Memorial Plantings and the creation of a Community Parklet.

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 December 31st, 2021, Financial Report.
Moved, Seconded, Carried 4-0

Old Business

- a. FHA Mortgage status – Mutual Fifty was FHA approved for Reverse Mortgages, and Martha Echols of Mutual of Omaha sent around a flyer to Mutual Fifty Homeowners informing them of this change. I would like to ask her to come to our April 19/2022 meeting to give a 15 min presentation to the Board and Homeowners about the implications. It is my understanding the rules around reverse mortgages have changed, and I think it wise for us to learn what we can about this important benefit for our Homeowners.
- b. Seller/Buyer/Realtor Expectations, Forms, and Info – Ms. Landeros: – Donna is still addressing this topic; however, this is not a pressing matter. More information to come at later meetings.
- c. Amendment to CC&Rs to comply with the California Law (CA Code Section 4741) regarding rental restriction – Ms. Ogawa: - A notice has been mailed to all Mutual 50 residents advising of the amendment to section 5.13 of the CC&Rs. Adoption of the amendment will occur at the April meeting, at that time residents will be allowed to comment on the proposal.
- d. Surveillance Cameras P&P changes – Ms. Ogawa: This topic is still under review by the governing documents committee.
- e. Delinquency/Collections Policy – Ms. Landeros: The Board is still inquiring advise from legal counsel on hiring a licensed and certified debt collector.

New Business

- a. Waraner Tree Service 3-year contract completed – Ms. Landeros: Contract has been proved and signed by president Landeros.
- b. Amendment to P&P re hose to water plants on porches – Ms. Owaga for Ms. Schwanz: The Landscaping Committee finished their preferred changes to the Policies and Procedures which would allow disabled Homeowners to use watering hoses on porches, although the Homeowners would still be responsible for any porch water damage or dry rot created by the watering. These changes have been submitted to the Documents Committee and the final changes will be presented to Homeowners for consideration. This amendment will be presented to the Board along with others.
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- c. Report on E24 Landfill Contamination – Ms. Landeros: Republic has imposed a fine on Mutual 50 for improperly disposing of waste and recycle. An email was sent to residents informing them of this matter, little improvement has been made. Donna created and distributed a flyer to residents. Notice has been well received by residents and improvements are happening.

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, March 14th to discuss civil code 5502, committees, and tax agreements.

Adjournment

The Board Meeting adjourned at 11:28 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
