



ROSSMOOR

WALNUT CREEK

Walnut Creek Mutual Fifty-Five (Mutual 55)

REGULAR MEETING MINUTES OF THE BOARD OF DIRECTORS JUNE 23, 2021, AT 9:00 A.M. (PACIFIC TIME)

Call to Order

President Kelly Boruszewski called a regular meeting of the Board to order at 9:06 a.m.

Directors Present

Kelly Boruszewski – President
Bobbie Richard – Vice President
Jan Klein – Secretary
Rob Ingalls – Treasurer
Kris Carey – Director at Large

Also Present

Kelly Maki, Assistant Secretary & Board Services Coordinator, Christine Conti, Board Services Coordinator, Paul Donner, Director of Mutual Operations, and Clayton Clark, Building Maintenance Manager.

Approval of Minutes

Regular Meeting held March 30, 2021: Motion to approve the Minutes of the Board of Director's Meeting held March 30, 2021. Moved, Seconded, Carried 5-0

Residents' Forum

Residents were afforded the opportunity to express their concerns, make comments, and have questions answered by the Board and M.O.D. staff representatives. No comments were made.

President's Report - Kelly Boruszewski

President Boruszewski gave the following report:

The Mutual is five months and three days old and settling in. This is our fifth meeting, we will need one more at least in July, and maybe move to a quarterly basis. Barring any unforeseen events, the board meetings will now be in person.

Insurance related to fire at 2925 Golden Rain Road. The following is provided to explain the Shared Insurance Deductible Agreement (01/01/2021). Property Insurance is \$50,000,000. Coverage is by Underwriters at Lloyd's London, Evanston (Markel), Ironshore, Steadfast, Aspen, Golden Bear, and Allied World. It comes with a \$250,000 deductible. To offset one mutual in having to pay such a large amount, 19 Mutuals entered into a Shared Deductible Agreement. The Agreement is designed to provide a source of funding for the \$250,000 deductible for losses resulting from Fire, Flood, Wind, Wind-Driven Rain, Vandalism, and unspecified causes/accidents not from an appliance or system owned by a resident. How it works: (presume 6,700 unit)

Example One: A fire in Mutual 55 causes \$250,000 in damage: Under the Shared Deductible Agreement: Mutual 55 pays the first \$10,000 of the \$250,000 deductible. (Equates to \$151 per unit.) The remaining 18 mutuals pay the remaining \$240,000, based on a proportion of number of units in that mutual. **Without the Shared Deductible Agreement:** Mutual 55 pays the entire \$250,000 (or \$3,78 per unit)

Example Two: Mutual X is a 100 unit mutual and a fire in Mutual X causes \$250,000 in damage: Under the Shared Deductible Agreement: Mutual X pays the first \$10,000 of the \$250,000 deductible. The remaining 18 mutuals, including Mutual 55, pay the remaining \$240,000, based on a proportion of number of units in that mutual. Here, Mutual 55 would pay \$2,400 (\$240,000 / 6,600 remaining units to the Shared Deductible Agreement x 66 units in Mutual 55. Without the Shared Deductible Agreement: Mutual 55 pays zero.

Update on Other Mutual's Solar Initiative

First Mutual made a motion for a Feasibility Study. The motion did not receive a second and did not move forward. Third Mutual's motion was 8 to 1 in favor of Table Rock Capital doing a feasibility study. During the Presidents Forum on June 21, the GRF strongly advised that, if a Mutual is thinking of entertaining this concept, that they hire an independent consultant/advisor for their feasibility study. The GRF also provide "road map" of thought to consider.

MOD Property Insurance Return

Rossmoor received the first insurance commission refund for 2021 in the amount of \$479,423.43. Mutual 55's share is \$4,707.03. The funds will be deposited this month, and so the June financials will reflect the refund. There will be two more refunds in the coming months, but the amount will be significantly less, as most of the commission has been paid to the brokers. As additional commissions are received, then the appropriate amount will be calculated and distributed. The refund is the same allocation as the premium paid, which is based on a still mystery system from long ago. During the Presidents Forum, the insurance broker Gallagher Bassett agreed that the MOD could not only look at losses over a three-year period, but also potential issues of any mutual not increasing their reserves in compliance with Helsing and other reports.

GRF/MOD Contract with Mutuals

For three months, the Working Groups of Mutual Presidents and GRF have worked on revising the existing MOD Contract. During the Presidents' Forum meeting on June 21, the proposed agreement is almost complete.

Inspection Drones

GRF bought one 2-years and use, but not the case, b/c licensing process. Using it for roof inspection and keep guys off of ladders, so may see a drone around the mutual.

Landscaping Control

Subscription based proposal (to be discussed in future) \$2,250 per for replacing. (b/c 5G network) and 5 yrs. of service. Newer ones on 3G/4G may not be usable in the future. So "payment plan" proposal, which is a subscription model \$30/month per controller (\$360/yr. in sum) Options are a payment plan or use them until break. Replacement of controllers already in the reserves.

Reporting Violations

If you tell a director of a possible violation, the Board must investigate.

Secretary's Report – Jan Klein

No report

Committee Report – Finance (Treasurer's Report) – Rob Ingalls

Chair Rob Ingalls advised that Mutual 55 is in good financial stance. Finance Committee recommends all \$600,000 reserves be distributed into FDIC protection, but still need 2020 YTD financials for complete analysis.

Motion to certify the Board's compliance with Section 5500 of the Civil Code, i.e., that the Mutual Funds Reports for January, February, March, April, and May have been reviewed by the Treasurer

and all Directors as such monthly statements have been presented by our Managing Agent. Moved, Seconded, Carried 5-0.

Committee Report – Emergency Preparedness – Kelly Boruszewski for Jane Blanchard

Chair Jane Blanchard was unavailable but conveyed via President that Entries 18 and 21 have had their initial meetings. Entry 19 will have their meeting on June 26. The EPC is planning future meetings, based on issues that arose from the entry meetings. We will keep you informed.

Committee Report – Governing Documents & Rules – Bobbie Richards

Chair Bobbie Richard is monitoring two bills, both in committee. SB 391 is looking into having zoom meetings be allowed during non-emergencies. AB1101 would establish protections for HOA funds by prohibiting investing HOA monies in stocks or high-risk investment options. Requires funds be deposited into accounts that protect the principal such as those insured by the FDIC. Will update BOD as needed.

President reminded all that the initial CC&Rs, Bylaws, and Rules and Policies will undergo a review and rewrite by the end of the year. Therefore, if any Members wish to be on the Governing Documents and Rules Committees, or wish to contribute proposals, a meeting will be scheduled in the future.

Committee Report – Landscape Committee – Kris Carey

Kris Carey reported that the Board and MOD discussed the possibility of adding a nutrient rich mulch this year since it would be helpful with retaining water and supporting the addition of new trees in the Fall.

New Business

Approval of Contra Costa ARC Contract

Motion to approve the Contra Costa ARC Contract to clean the Trash Enclosures but not the Compost Trash. Discussion: Donner – Contact “Nice Cans, LLC” for Compost cleaning. Kelly Boruszewski is charged with task. Moved, Seconded, Carried 5-0.

Landscaping – \$18,750 Expense Request (from 2023 Budget)

Motion to approve the Expense Request for \$18,750 (from 2023 Budget). Moved, Seconded, Carried 5-0.

Announcement of Future Board Meeting

All meetings will be in person – access via Zoom / Audio pending. Discussion to have meetings monthly or quarterly. All directors then agreed on Quarterly with Special meetings as needed, likely the first Monday of the Month, but will advise. Still need mid-July meeting for FDIC issue and landscape plan.

Adjournment to Executive Session

President adjourned the regular meeting at 10:10 a.m.
No Executive Session was convened.

Assistant Secretary
MUTUAL 55