



Walnut Creek Mutual Fifty-Five (Mutual 55)

ORGANIZATIONAL MEETING MINUTES OF THE BOARD WEDNESDAY, JANUARY 20, 2021 DIRECTLY FOLLOWING ANNUAL MEETING ZOOM MEETING

Call to Order

President Kelly Boruszewski called the Organizational Meeting of the Board of Directors to order at 10:08 a.m.

Directors Present

Kelly Boruszewski
Kris Carey
Rob Ingalls
Joe Pehl
Bobbie Richards

Also Present

Mutual Operations staff was represented by Paul Donner, Mutual Operations Director; Clayton Clark, Building Maintenance Manager; Kelly Maki, Board Services Coordinator; and Rick Chakoff, Chief Financial Officer

Organizational Formation

a. Directors' Election of Officers

(1) Appointment of President, Vice President, Secretary, Treasurer, and Director-at-Large

Motions were made as follows to elect the Officers of Mutual 55 from the newly elected Board of Directors, each of whom are a "natural person" (Bylaws § 1.4.20), and who have declared themselves to be Members of and Owners in the Mutual (§1.4.17), and Members of Good Standing (Bylaws, §§ 1.4.17, 1.4.18.)

President: A motion was made to appoint Kelly Boruszewski as President of Mutual 55 for a term of one-year.

Moved, Seconded, Carried 5-0

Vice President: A motion was made to appoint Bobbie Richards as Vice President of Mutual for a term of one-year.

Moved, Seconded, Carried 5-0

Treasurer: A motion was made to appoint Rob Ingalls as Treasurer of Mutual 55 for a term of one-year.

Moved, Seconded, Carried 5-0

Secretary: A motion was made to appoint Joe Pehl as Secretary of Mutual 55 for a term of one-year.

Moved, Seconded, Carried 5-0

Director at Large: A motion was made to appoint Kris Carey as Director-at-Large for a term of one-year.

Moved, Seconded, Carried 5-0

(2) Appointment of Assistant Secretary

Pursuant to § 5.3.4 of the Bylaws, the Board is to appoint an Assistant Secretary of the Golden Rain Foundation of Walnut Creek, a nonprofit mutual benefit corporation. The Assistant Secretary shall be Mutual's functioning Board Services Coordinator. At this time the GRF has assigned Kelly Maki as our Board Services Coordinator.

A motion was made to appoint Kelly Maki as the Mutual's Assistant Secretary pursuant to Section 5.3.4 of the Bylaws.

Moved, Seconded, Carried 5-0

(3) Appointment of Assistant Treasurer

Pursuant to Section § 5.3.5 of the Bylaws, the Board is to appoint an Assistant Treasurer, who shall be the CFO of the GRF, who for information purposes only is current occupied by Rick Chakoff

A motion was made to appoint Rick Chakoff as the Mutual's Assistant Treasurer pursuant to Section 5.3.5 of the Bylaws.

Moved, Seconded, Carried 5-0

(4) Appointment of Terms of Office

Pursuant to § 5.3 of the Bylaws, the elected Directors will determine among themselves who will serve the following initial terms:

- a. Two approximate three-year terms of office (Jan. 20, 2021 to Jan. 31, 2024)
Kelly Boruszewski and Rob Ingalls
 - b. Two approximate two-year terms of office (Jan. 20, 2021 to Jan. 31, 2023)
Bobbie Richards and Kris Carey
 - c. One approximate one-year term of office (Jan. 20, 2021 to Jan. 31, 2022)
Joe Pehl
- b. Next election of one director of the board will be held on January 31, 2022. The election will be for a three-year term of February 1, 2022 to January 31, 2025.
 - c. Establishment of Committees and Committees' Roles and Responsibilities, and Appointment Chairpersons and Committee Members

(1) Finance Committee

Under § 8.1.2 of the Bylaws, a motion was made to establish a Finance Committee, which will be an advisory committee whose duty will be to assist the Board in the performance of its duties and having such specific authority as expressed in the document titled, "Finance Committee - Roles and Responsibilities."

Moved, Seconded, Carried 5-0

With that passage of forming the Finance Committee, under Section 8.1 of the Bylaws, a motion was made appoint Director Rob Ingalls as Chairperson of the Finance Committee.”

Moved, Seconded, Carried 5-0

Under Section 8.1 of the appointed Bylaws, a motion was made to appoint committee members to the Finance Committee, who are Joe Pehl and Harry Beadle.

Moved, Seconded, Carried 5-0

(2) Governing Documents and Rules Committee

Under § 8.1.2 of the Bylaws, a motion was made to establish a Governing Documents & Rules Committee, which will be an advisory committee whose duty will be to assist the Board in the performance of its duties and having such specific authority as expressed in the document titled, “Governing Documents & Rules Committee - Roles and Responsibilities.”

Moved, Seconded, Carried 5-0

With that passage of forming the Governing Documents & Rules Committee, under § 8.1.2 of the Bylaws, a motion was made to appoint Director Bobbie Richards as Chairperson of the Governing Documents & Rules Committee.

Moved, Seconded, Carried 5-0

Under Section 8.1 of the appointed Bylaws, I move to appoint committee members to the Governing Documents & Rules Committee, who are Kelly Boruszewski and Janet Tong.

Moved, Seconded, Carried 5-0

(3) Landscape Committee

Under § 8.1.2 of the Bylaws, a motion was made to establish a Landscaping Committee, which will be an advisory committee whose duty will be to assist the Board in the performance of its duties and having such specific authority as expressed in the document titled, “Landscaping Committee - Roles and Responsibilities.”

Moved, Seconded, Carried 5-0

With that passage of forming the Landscaping Committee, under § 8.1.2 of the Bylaws, a motion was made to appoint Director Kris Carey as Chairperson of the **Landscaping** Committee.

Moved, Seconded, Carried 5-0

Under Section 8.1 of the appointed Bylaws, a motion was made to appoint committee members to the Landscaping Committee, who are Lynda Phelps, Robert Semar, and Ann Jordan.

Moved, Seconded, carried 5-0

(4) Community Committee

Under § 8.1.2 of the Bylaws, a motion was made to establish a “Social” or “Community” Committee, which will be an advisory committee whose duty will be to assist the Board in the performance of its duties and having such specific authority as expressed in the document currently titled, “Community Committee - Roles and Responsibilities.”

Moved, Seconded, Carried 5-0

With that passage of forming the Community Committee, under § 8.1.2 of the Bylaws, a motion was made to appoint Director Joe Pehl as Chairperson of the Community Committee.

Moved, Seconded, Carried 5-0

Appointment of any Community Committee Members was tabled until the next meeting.

(5) Emergency Preparedness Committee

Under § 8.1.2 of the Bylaws, I move to establish an Emergency Preparedness Committee, which will be an advisory committee whose duty will be to assist the Board in the performance of its duties and having such specific authority as expressed in the document titled, "Emergency Preparedness Committee - Roles and Responsibilities."

Moved, Seconded, Carried 5-0

With that passage of forming the Emergency Preparedness Committee, under § 8.1.2 of the Bylaws, a motion was made to appoint Jane Blanchard as Chairperson of the Emergency Preparedness Committee.

Moved, Seconded, Carried 5-0

New Business

a. Certification of CC&RS by Secretary

On January 19, 2021, the Members adopted the "Restated Declaration of Covenants, Conditions, and Restrictions of Walnut Creek Mutual Fifty-Five (Mutual 55)".

Under Article 12 of those CC&RS, a motion was made to have those CC&RS certified in a writing executed and acknowledged by the Secretary of the Mutual.

Moved, Seconded, Carried 5-0

b. Certification of Bylaws by Secretary

On January 19, 2021, the Members adopted the "Bylaws of Walnut Creek Mutual Fifty-Five (Mutual 55)". Under § 12.3 of the Bylaws, a motion was made to have the Bylaws certified in a writing executed and acknowledged by the Secretary of the Mutual.

Moved, Seconded, Carried 5-0

c. President's Report - President Kelly Boruszewski gave the following report:

It has been a long journey since May 2020, when some Members initially got together and discussed Project 55 withdrawing from Third Mutual. Since that time, some friends and neighbors left us too soon to see this day.

As the former co-chair of the Joint Disengagement Committee, I want to acknowledge and thank the Petitioners and Representatives of the Joint Disengagement Committee, all of whom stood up, volunteered their time and knowledge, and had the audacity to lead the way out of Third Mutual.

- Kathé Cairns, for her “feet-on-the-ground” reality checks and moving forward and campaigning for and getting out the votes, editing the CC&RS and Bylaws, as well as editing and writing articles for the Disengagement Newsletter,
- Tom Cassese, for having the foresight to see the growing day-to-day problems between governance and membership and introducing me to the issues,
- Rob Ingalls, for editing the CC&RS and Bylaws, but mostly for handling the enormous task of discovering the accounting concerns addressing our members,
- Ann Jordan, who wanted to help and anyway possible and is now a part of a newly formed Landscape Committee,
- Denise Markovich, for guiding our “thinktank” discussions of the various issues that await independence, editing the CC&RS and Bylaws, campaigning for and getting out the votes, and editing and writing articles for the Disengagement Newsletter,
- Joe Pehl, whose brain trust of history and knowledge guided the Committee’s footsteps thought the minefield of the inner workings of the Mutual, MOD, and GRF, as well as addressing future financial concerns based on historical financial information,
- The late Bea Pressley who insisted on placing her “John Hancock” on the Petition, and
- Co-chair of the JDC, Penny Ittner, whose leadership and time commitment kept our Committee moving forward, leading the efforts to developing the CC&Rs and Bylaws, and being the Editor-in-Chief of the Disengagement Newsletter.

I am sure they share in the great joy that Mutual 55’s first meeting coincides with today’s transfer of executive power in our Nation’s Capital.

- d. Committee Report – Emergency Preparedness Committee:
No report was given today.
- e. Motion to accept recommendations of Emergency Preparedness Committee:
A motion was made to appoint Kathé Cairns and Jan Klien as members of the Emergency Preparedness Committee.
Moved, Seconded, Carried 5-0
- f. Motion to authorize use of funds based on Board authorization of Emergency Preparedness Recommendations:
Motion was tabled.
- g. Committee Report – Finance: Rob Ingalls:
 - (1) The Board discussed possible Fiscal Year issues
 - (2) The Board discussed the conversion of Third Mutual P55’s budget to Mutual 55 Budget
- h. A motion was made to authorize the Assistant Treasurer and MOD Accounting Department to close all current “Project 55” accounts; open new account under Walnut Creek Mutual Fifty- Five (Mutual 55) for operations, reserves, and CDARS; and investigate account receivables for possible sweep account transfers.
Moved, Seconded, Carried 5-0

- i. A motion was made to authorize the Officers of Mutual 55 to sign checks or instruments on behalf of Mutual 55 for account held by City National Bank on terms and conditions as agree on with City National Bank.

Moved, Seconded, Carried 5-0

- j. A motion was made to have the Finance Committee to review Third Mutual “Project 55” 2021’s Budget and Coupon and determine if that budget should be modified and in preparation for establishing Mutual 55’s 2021/2022 Budget for Fiscal Year April 1, 2021 to March 31, 2022.

Moved, Seconded, Carried 5-0

- k. Committee Report – Landscape Committee: Kris Carey
Kris Carey Presented a Power Point Presentation to the Board covering the following topics:

- (1) Juniper Removal/Replacement
- (2) Tree Removal/Replacement
- (3) The “Crik” (Common-Area between Project 50 and Mutual 55)
- (4) Conversion to Five-Year Plan as outlined and presented on July 2, 2020
 - (a) Landscape Designer
 - (b) Cost
 - (c) Estimated time frame

- l. A motion was made to adopt the Rossmoor Landscape Department 2020 “Strategic Five-Year Plan for Mutuals” as a guideline only.

Moved, Seconded, Carried 4-1, Director Boruszewski voted No

- m. Motion to accept recommendations of Landscape Committee:

- (1) A motion was made to approve the submittal of the DFSC Application, which application included the work “to be done”, which was the \$9,945 removal of the junipers, to get the \$5,000 rebate.

Moved, Seconded, Carried 5-0

- (2) A motion was made to approve using 0.5 of the MOD free days for Juniper Removal.

Moved, Seconded, Carried 5-0

- n. Motion to authorize use of landscape reserve funds based on Board authorization of Landscape Committee Recommendations.

Motion was tabled.

- o. Committee Report – Governing Documents Committee: Bobbie Richards
Bobbie Richards reported that the committee has met via zoom to work on the proposed Rules and Procedures

- p. Motion to adopt Directors and Officers Liability Insurance:
A motion was made to approve option 3 of the proposed D&O policy.

Moved, Seconded, Carried 5-0

- q. Motion to adopt the Mutual Operations Department (MOD) Contract
A motion was made to adopt the Golden Rain Foundation Management Agreement.

Moved, Seconded, Carried 5-0

- r. Motion to appoint attorney for Mutual 55:
A motion was made to move the discussion of appointing an attorney to Executive Session.
Moved, Seconded, Carried 5-0
- s. Motion to adopt Rules and Regulations:
A motion was made to approve the proposed Rules and Procedures for distribution to the members for the mandated comment period prior to adoption by the Board.
Moved, Seconded, Carried 5-0
- t. A motion was made to delegate permitting authority to MOD for alteration requests, except as to issues of upper-level, enclosure of back porch/deck/balcony, encroachment on common area, and the installation of rooftop solar panels.
Moved, Seconded, Carried 5-0
- u. Committee Report – Community Committee: Joe Pehl
No report was given today.

Announcement of Next Board Meeting

The next scheduled Mutual 55 Board Meeting will take place on Thursday, February 11, 2021 at 9:00 a.m. via Zoom. A special Board meeting will be held on Wednesday, March 10, 2021 at 8:30 a.m.

Adjournment to Executive Session

President Kelly Boruszewski adjourned the organizational meeting at 11:59 a.m. and the Board moved into Executive Session.

Executive Session Summary

The Board met in Executive Session to discuss a contract.

Secretary's Certificate

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



Assistant Secretary
Mutual 55