

## MINUTES

FIRST WALNUT CREEK MUTUAL  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
FRIDAY, MAY 23, 2014 AT 11:00 A.M.  
DONNER ROOM – EVENT CENTER

PRESIDENT Sue Adams called to order the regular meeting of the Board of Directors of First Walnut Creek Mutual on Friday, May 23, 2014 at 11:00 a.m. in the Donner Room, Event Center, Walnut Creek, California.

PRESENT: Sue Adams, President, District 3  
Ken Anderson, First Vice President, District 4  
Shanti Haydon, Second Vice President, District 5  
Barbara Gilbert, Treasurer, District 2  
Margaret Woodside, Secretary, District 1

EXCUSED: None

Staff was represented by Paul Donner, Mutual Operations Director; Doug Hughs, Building Maintenance Manager; Tess Haskett for Rick Chakoff, Chief Financial Officer; Rich Perona, Landscape Manager; and Anne Paone, Administrative Secretary.

Ms. Adams welcomed the 19 residents in attendance.

### APPROVAL OF THE MINUTES

Mr. Anderson moved to approve the minutes of the regular and executive session Board meetings of April 25, 2014 as written and reviewed. Ms. Haydon seconded and the motion carried without dissent.

Mr. Anderson moved to approve the minutes of the executive session Board meeting of March 28, 2014 as written and reviewed. Ms. Haydon seconded and the motion carried without dissent.

### LANDSCAPE REPORT

Mr. Perona reported that when trees are removed, they can be replaced with any 15 gallon tree-of-choice. Following is Mr. Perona's report:

**LAWN MAINTENANCE** Mow schedule is weekly.  
Irrigation systems are on. All landscape irrigation has been reduced by 10%.  
Lawns were recently sprayed for broadleaf weeds. Fertilizing will be in mid-June.

**ENTRY MAINTENANCE** Crews are working on spraying for weeds in shrub areas and edging groundcover. The main task for crews has been pruning non-flowering shrubs and hedges. All entries will be detailed monthly through the summer.  
Bark mulch (200 yards) will be installed throughout the Mutual in June.

**TREE MAINTENANCE** The tree crew recently spent time on the north side of Oakmont Drive working on the Monterey Pines.

We have applied to the City of Walnut Creek for tree permits to remove a dead Pine tree in Oakmont entry 10 and a declining Calif Live Oak on the street between Golden Rain entry 14 & 17. We will also be applying to the City for tree permits to remove a dying Oak tree behind 2557 Golden Rain entry 18 and a dead Oak tree on the back slope behind the laundry room at Golden Rain entry 12.

**LANDSCAPE REHAB** Landscape rehab crews are working on requests from district reps, this work will be completed by the end of June.

### RESIDENTS' FORUM

Sheryl Almon, Golden Rain Road - Ms. Almon was concerned about the proposed Bylaw changes, Article 11, Section 11.8 regarding reserve funds. She wanted to be sure that preserving the principal is given more priority than getting a reasonable return on investments.

Jiayi Zhou, Golden Rain Road – Mr. Zhou spoke about energy efficient windows. Ms. Adams asked that he put his request/discussion in an email to her because it was unclear exactly what he wanted to relate to the Board.

### TREASURERS REPORT

Ms. Adams introduced Tess Haskett sitting in for Mr. Chakoff.

Ms. Gilbert reported that a resident did some work without contacting MOD and getting the appropriate permits. She reminded the membership to contact MOD.

Thirty-seven residents have a \$25 late fee. This fee may be waived if they sign up for ACH.

She advised that the Mutual spent \$8,343 on the Bylaws mailing. The mailing is mandated by law.

Mr. Donner reported that the operating fund has \$386,023. The reserves fund has \$4,331,703. The operating fund is \$43,691 under budget. YTD, the operating fund is \$125,716 under budget. The utilities YTD were \$142,971 under budget. It won't remain at that level because summer is coming and usage will rise. YTD, PG&E is \$8,241 under budget. The reason for that is the California Climate Credit. The credit results from fees charged by the state to reduce carbon pollution and increase use of cleaner forms of energy. These fees are returned to customers on their electric bill. Households will receive the credit twice per year. The Mutual received \$4,830 last month.

Ms. Gilbert gave the floor to Tess Haskett. Ms. Haskett asked Ms. Almon to explain the request for the Board to approve the transfer of \$2,000,000 in the reserves to City National Bank. Ms. Haskett reported that this is because the law was changed so that any entity with one tax I.D. could only be insured up to \$250,000.

Mr. Anderson motioned to transfer \$2,000,000 in the reserve accounts to City National Bank in order to comply with our governing documents that require us to be in federally insured deposits, which have a current limit of \$250,000 per account, with the understanding that we will participate in City National Bank's C-DARS program which will insure that our aggregate deposit, which is much greater than \$250,000, will be parceled out to comply. Ms. Gilbert seconded and the motion carried without dissent.

There was some discussion regarding the Comcast proposal for internet use. It was decided that some research needs to be done and the Budget and Finance Committee will make its recommendation to the Board in the future. They will research whether residents may opt out.

### MUTUAL OPERATIONS REPORT

Paul Donner reported for Mr. Hughs. Carpentry crews are still moving forward. The foundation stabilization work that was approved last meeting at 2101 Tice Creek is underway. The roof replacement work is starting. Ms. Haydon asked about solar panels. Mr. Donner advised her that they can be installed with the Board's approval.

### PRESIDENT'S REPORT

No report because it is scheduled on Monday.

Ms. Adams reported that the median sale price for April was \$339,000 up from the January price of \$242,750

### ORIENTATION – Jerry Priebat

Mr. Priebat reported that everyone is happy to attend the orientation. The next one will be on July 8 at 10:00 a.m.

### SAFETY AND DISASTER PREPAREDNESS COMMITTEE

Ms. Woodside reported that there was a small safety meeting. The committee wants to work with the entry coordinators. The Map Your Neighborhood program will begin again with a new format. Ms. Ellen Dietschy will help out.

The next Safety and Disaster Preparedness meeting: Wednesday, July 23, 2014 at 9:30 a.m., Board Room (Gateway).

### TRUST AGREEMENT REVIEW 7 REVISION MONITORING COMMITTEE

The committee is on hiatus until September.

POLICIES/BYLAWS - Sue Adams

Ms. Hayes, attorney for First Walnut Creek Mutual discussed the proposed changes to be made to the Bylaws. Ms. Almon expressed concern regarding Section 11.8. She would like the focus to be very clear that the main goal is stabilizing the fund, not acquiring interest. It was determined that two correctly positioned commas-one after preserving principal and the other after reasonable return-would clarify the text. After hearing the explanation of the modified language, the Board president asked for a motion.

Ms. Haydon motioned to add commas to Section 11.8. Ms. Gilbert seconded and the motion carried without dissent.

NEW BUSINESS

None.

ANNOUNCEMENT

The next regular Board meeting: Friday, June 27, 2014 at 11:00 a.m. in the Donner Room at the Event Center.

ADJOURNMENT

Having no further business, the meeting adjourned at 12:05 p.m.

/s/ \_\_\_\_\_  
Margaret Woodside, Secretary  
First Walnut Creek Mutual