

MINUTES

FIRST WALNUT CREEK MUTUAL REGULAR MEETING OF THE BOARD OF DIRECTORS FRIDAY, AUGUST 28, 2015 AT 11:00 A.M. DONNER ROOM – EVENT CENTER

PRESIDENT Ken Anderson called to order the regular meeting of the Board of Directors of First Walnut Creek Mutual on Friday, August 28, 2015 at 11:00 a.m. in the Donner Room, Event Center, Walnut Creek, California.

PRESENT: Ken Anderson, President, District 4
Shanti Haydon, First Vice President, District 5
John Nutley, Second Vice President, District 1
Nancy Turnier, Secretary, District 3

EXCUSED: Barbara Gilbert, Treasurer, District 2

Staff was represented by Paul Donner, Mutual Operation Director; Rick Chakoff, Chief Financial Officer; Doug Hughs, Building Maintenance Manager; and Anne Paone, Administrative Secretary.

Mr. Anderson welcomed the 12 residents in attendance.

APPROVAL OF THE MINUTES

Ms. Gilbert moved to approve the minutes of the regular session Board meeting of July 24, 2015 as written and reviewed. Ms. Turnier seconded and the motion carried without dissent.

Ms. Gilbert moved to approve the minutes of the executive session Board meeting of July 24, 2015 as written and reviewed. Ms. Turnier seconded and the motion carried without dissent.

President Anderson asked for a motion to appoint Sally Nordwall to the Board.

Ms. Haydon motioned to appoint Sally Nordwall to fill the position left vacant by John Nutley. Ms. Turnier seconded and the motion carried without dissent.

Mr. Anderson thanked Mr. Nutley for his service to the Mutual.

Ms. Nordwall made a statement to the membership giving some background on her history at Rossmoor.

LANDSCAPE REPORT

Mr. Donner read Mr. Perona's report as follows:

LAWN MAINTENANCE: Mowing will be every other week.

Watering has been adjusted to fall within EBMUD guidelines, twice a week. System checks are under way throughout the Mutual. All turf areas were sprayed for broadleaf weeds as needed and were fertilized in mid-August with sulfur coated urea, a slow release fertilizer.

ENTRY MAINTENANCE: Crews are working on spraying for weeds in shrub areas and edging groundcover. The main task for crews has been pruning for non-flowering shrubs and hedges. All entries will be detailed monthly through the summer.

200 yds of bark were installed in various entries throughout the Mutual in June, this is included in VCL contract.

Touch-up fire abatement work for the control of coyote brush, poison oak and other undesirable volunteer growth is underway.

TREE MAINTENANCE: All work orders are taken care of monthly. The tree crew is working on Fairlawn and Tice Creek entries B & C.

LANDSCAPE REHAB: Landscape rehab projects include work for District reps.

We are working on a plan to remove turf in several areas throughout the Mutual. This will be presented to the board for approval at the September Board meeting. We will qualify for EBMUD rebates.

RESIDENTS' FORUM

Judy Foley, Golden Rain, E14 – Ms. Foley reported that her entry had wood chips put down and they covered up the border of rocks and were spilling out onto the walkway. She passed the information on to the work order desk. Mr. Donner advised her that she can speak to Rich Perona. He will tell Mr. Perona.

Ms. Foley also had a question about guest parking and a certain vehicle. Ms. Nordwall told Ms. Foley that she will handle her issue if she will give her the car information and license plate number.

TREASURER'S REPORT

Mr. Chakoff reported that the July operating fund YTD is \$84,000 under budget. Building maintenance is over budget. Fire safety is \$57,000 over budget, plumbing is \$29,000 over budget, manor inspections are \$22,000 over budget, and carpentry is \$33,000 over budget. Some items are unpredictable and may come back to budget by year's end. Insurance is favorable by \$20,000 each month. The utilities are \$93,000 favorable to the budget. This is the hot season so this may change.

BUDGET & FINANCE

No report.

MUTUAL OPERATIONS REPORT

Mr. Donner reported that the Board has received a copy of their 2016 draft budget. The Board needs to contact Jo Ann Cooper to schedule a meeting.

Mr. Hughs gave the following report:

CARPENTRY-Carpentry crews are currently working on 1873 Golden Rain Road, entry 9 and 1601 Oakmont Drive, entry 13.

PAINTING-Painters are working on 1108 Fairlawn Court, entry 3 and 1865 Golden Rain Road, entry 9.

ROOFING- Roofers are finishing up on the last five laundry room roofs converting the tile to comp. This is going on in entries 1-4 on Oakmont Drive.

PG & E-We have been informed that electrical crews will be starting some underground

electrical upgrade work on Oakmont Drive. Work will be going on under the main road between entries 9 through 11 as well as in the actual entries. They may be starting this work as early as next week.

Ms. Turnier reported that workers do not have bathrooms and some have used bushes out of necessity. Mr. Donner reported that contractors are responsible to provide bathroom breaks and an area to use. Mr. Hughs mentioned that entry 18 laundry room bathrooms are available.

PRESIDENT'S REPORT

Mr. Anderson reported that there will be a water update at the next Presidents' meeting. The Presidents talked about landscaping. Other items mentioned were: FEMA does not cover co-ops. Condos are not funded by Ginnie Mae or Freddie Mac.

The CEO search is moving forward. Five candidates were selected for interviews. This was then narrowed down to two candidates. Finally, one candidate will meet with the Mutual Presidents and some key staff. No offer will be made until that is done.

A resident asked the Board about earthquake insurance and who would rebuild if severe damage was caused. Mr. Donner reported that earthquake insurance is too expensive. Ms. Nordwall stated that the deductible is too high.

The corporation owns the structure, not individuals. Therefore, you cannot get earthquake insurance on the building.

The Mutual has changed insurance carriers. The policy came in at less than expected.

Mr. Chakoff reported that earthquake insurance doesn't cover much of the maximum loss. Most likely, the Mutual would have to borrow money from a bank to rebuild.

Ms. Nordwall served on the insurance commission that Warren Salmons had set up. The committee looked at earthquake insurance.

A resident asked if the co-ops could be changed to condos. Ms. Turnier reported that this has been studied. It is very involved legally and very expensive to change from co-ops to condos.

Ms. Hayes, the Mutual counsel, reported that the membership has part ownership in the Mutual Corporation. There are no deeds to the manors. Changing would require tremendous preparation and would be incredibly expensive. There is not much difference in the price between co-ops and condos. Condos are more easily transferred. Co-ops have an active Board and the ability to address issues via the occupancy agreements.

Mr. Donner reminded the membership that interior appliances are covered by the Mutual, if they are the original ones. Mr. Chakoff reported that a change may trigger a raise in individual property taxes. Mr. Anderson stated that the Mutual comes first if liens are placed on a property, even before the bank.

ORIENTATION – Jerry Priebat

Mr. Priebat announced the next meeting date is September 8, 2015 at 10:00 a.m. in the Donner Room and everyone is welcome. He explains to new residents what the Mutual owns and is responsible for.

UNFINISHED BUSINESS

The asphalt path was discussed. Mr. Anderson reported that a lot of people use it to get to the Hillside Clubhouse. Ms. Nordwall stated that it is a hiking path. Signs are posted reminding people to be careful of trip hazards. Mr. Anderson reported that no action will be

taken on this issue at this time. The Board will ask for advice from their counsel.

NEW BUSINESS

Mr. Anderson announced that John Reppart will be the inspector of Election for First Walnut Creek's Board election.

ANNOUNCEMENT

The next regular Board meeting: Friday, September 25, 2015 at 11:00 a.m. in the Donner Room at the Event Center.

ADJOURNMENT

Having no further business, the meeting adjourned at 11:45 a.m.

/s/

Nancy Turnier, Secretary
First Walnut Creek Mutual