

MINUTES
THIRD WALNUT CREEK MUTUAL
REGULAR MEETING OF THE BOARD OF DIRECTORS
MONDAY, OCTOBER 12, 2015 AT 9:00 A.M.
BOARD ROOM, GATEWAY COMPLEX
1001 GOLDEN RAIN ROAD WALNUT CREEK, CA 94595

President Gery Yearout called the Regular Meeting of the Board of Directors of Third Walnut Creek Mutual to order at 9:00 a.m. on Monday, October 12, 2015.

Ms. Poling took the roll call.

PRESENT:

Gery Yearout, President (XI)
Judy Bank, Vice President (XV)
Kathy Poling, Secretary (III)
Jane Norbeck, Director District IV
Walt Braun, Director District XIII

Chuck Sanderson, Director District VI
Toby Dicker, Director District VIII
Carol Keating, Director District IX
Jean Faszholz, Director District XII
Mike Fleck, Director District XIV

EXCUSED:

John McDonnell, Treasurer (X)
Jack Case, Director District V

Mutual Operations staff was represented by Paul Donner, Director of Mutual Operations; Rick Chakoff, GRF Chief Financial Officer; Clayton Clark, TWCM Building Maintenance Manager; and Sharon Fees, Board Services Coordinator.

There were twenty-three additional Mutual members present.

APPROVAL OF MINUTES: Gery Yearout asked for any additions or corrections to the following set of meeting minutes:

Regular Meeting of the Board.....August 10, 2015
Executive Session of the Board.....August 10, 2015

With no corrections, the minutes to the stated meetings, listed above, stand approved.

MEMBERS' FORUM:

Duncan Carter, 4521 Terra Granada Dr. #2A: Mr. Carter commented that the current CCRs for each of the Projects are gross in size implying that a rewrite of these documents would not be unwarranted.

PRESIDENT'S REPORT: Ms. Bank for Ms. Yearout

Highlights of the Presidents' Forum include:

Delle Valle Renovations: These will be postponed until the new CEO, Tim O'Keefe, begins.

He is scheduled to start on November 16.

Solar: A vendor for the GRF solar project has been selected.

Warren Salmons: Current CEO, Warren Salmons, will serve his last day at Rossmoor on November 25.

Mutual President Participation: There has been a difference of opinion between the GRF Board and the Mutual Presidents. The Presidents contend that their input was not solicited in the process of selecting a new CEO. The GRF Board contends that while they were open to comments from the Presidents, none were received.

Membership Fee: A discussion ensued about the fact that a homeowner in Rossmoor only has to pay a membership fee for the first manor that is purchased and that no fee is required for subsequent purchases.

GRF Reserves: Starting in 2016, GRF will begin allocating funds to a Reserve Account that will then be used for capital expenditures.

SECRETARY'S REPORT: Ms. Poling

No report was given.

TREASURER'S REPORT: Mr. Fleck for Mr. McDonnell

Mike Fleck announced that the Committee reviewed all 24 of the proposed Project budgets for 2016. He noted that 20 of the 24 met all of the operating and reserve minimum threshold requirements as set forth by policy. Two Project budgets were just a few hundred dollars short of the threshold minimums and the last two Project budgets, while still not within close reach of these newly-established threshold minimums, have an active plan in place that will help them reach the minimums within one or two budget cycles.

Based on this information, Fleck moved that all 24 2016 Project Budgets be approved as presented. Jean Faszholz seconded the motion and it passed unanimously.

COMMITTEE REPORTS:

BUDGET AND FINANCE: Mr. Fleck for Mr. McDonnell

No further report was given.

BUILDING MAINTENANCE: Mr. Braun

Walt Braun distributed the meeting minutes to the latest two Building Maintenance committee Meetings. Directors may send questions to Braun concerning these notes.

Kathy Poling reported that the Solar Sub-Committee meeting planned for tomorrow has been canceled due to scheduling conflicts with various Committee members.

LANDSCAPE: Mrs. Faszholz

Jean Faszholz reported that she had a meeting with Rich Perona and with Kevin Jackson and Cassidy Lundin of Terra Landscaping. She inquired about trenching for redwood tree irrigation on the hillside in Project 31 in order to help the redwoods through the stress of the drought. The cost of this project was estimated to be \$17,000. Deemed as prohibitively expensive, this project was abandoned. Faszholz noted that while some of the redwoods look stressed, many of them were considered to be hearty and able to weather the dry spell.

Faszholz continued by noting that throughout Rossmoor, water use has been reduced by 41 percent. Many lawn conversions have taken place in the valley. For TWCM Projects where lawn conversions took place, rebates from EBMUD are going back in the landscape budgets for these specific Projects.

Since there is less mowing to be done, landscape crews will be spending more time on clean-up throughout the Projects.

A comment was made as to why landscapers do not blow out carports. Landscapers are instructed not to blow out carports for debris because there were issues in the past about accusations of stealing items or damaging vehicles. Homeowners must blow out or sweep their own carports if they want this done.

Gery Yearout announced that Project Directors are now receiving water bills so that they can track usage for each of the meters in their Projects.

Jean Faszholz said that she investigated drip irrigation after Mutual 8 installed drip irrigation in one test area. Landscape Manager Rich Perona informed Faszholz of the pros and cons of this system and advised that Directors weigh their options before changing irrigation systems.

Rossmoor's current standard plant list consists of plants that are drought tolerant and deer resistant. Paul Donner noted that native plants are favorites of deer and usually get eaten.

GOVERNING DOCUMENTS: Ms. Yearout for Ms. Bank

Gery Yearout reported that the Committee agrees that the CCRs need to be rewritten. It is the goal to have all of the Projects use the same text to create consistency throughout the Projects. Yearout cautioned that this is a slow process and that it will take significant time to complete.

ALTERATION PERMIT REVIEW COMMITTEE: Mr. Braun for Mr. Case

Walt Braun announced that Jack Case is away for the month and that he is taking over for Jack during his absence

AUDIT COMMITTEE: Mr. Braun

No report was given.

COMMUNICATIONS COMMITTEE: Ms. Poling

Kathy Poling reported that she is surveying Directors as to which ones are utilizing email with

their constituents.

For those directors who collect and maintain email lists, the emails can be shared with the Member Records Department in order for them to be placed into the Rossmoor database.

EMERGENCY PREPAREDNESS: Ms. Norbeck

Jane Norbeck presented her report. The TWCM Emergency Preparedness Committee will be co-sponsoring a fall seminar. It is tentatively scheduled for November 12 and will cover the topic of fall prevention. Gery Yearout is slated as one of the guest presenters.

The Committee continues to update the Entry Coordinator data base.

OLD BUSINESS

Updates

Electrical Charging Stations: Walt Braun reported that updates to this policy will be presented and worked over by the Building Maintenance Committee and then it will go on to the Governing Documents Committee.

CCR Revisions: This was discussed under Governing Documents.

Encroachments: Gery Yearout requested that each Director make a list of what encroachments exist within each of the Projects for which they are responsible. These will then be reviewed and evaluated.

Policy Enforcement: Gery Yearout encouraged Directors to be uniform in the manner by which they enforce policies.

NEW BUSINESS

Motion to open CD: Walt Braun moved that the Board approve the opening of CDs in amounts not to exceed \$100,000 for Project 38 at Farmers and Merchants Bank. Jean Faszhholz seconded the motion and it passed unanimously.

Touch-Up Paint Policy: Walt Braun moved that the proposed updated touch-up paint policy be approved as presented and then be moved forward to the Governing Documents Committee. Jean Faszhholz seconded the motion and was approved unanimously.

Smoke Detectors: Walt Braun moved and Mike Fleck seconded to approve the 10-year smoke detector protocol as presented. This would require that all Projects install 10-year smoke detectors by December 31, 2017 and eliminate the battery changing program. Braun asserts that this will save money for the Projects and create a safer environment. The motion passed by majority vote with dissenting votes submitted by Toby Dicker and Kathy Poling.

Walt Braun moved that the Board direct MOD to implement the program to replace all smoke detectors with compliant units; maintain appropriate records and discontinue the practice of annual CO battery replacements. This project would be paid for out of reserves. Mike Fleck seconded the motion and it passed unanimously.

Solar: Kathy Poling moved that the Board approve the Solar Power Sub-committee to be authorized to retain an attorney for the benefit of all Projects for advising and assisting the Sub-committee at a cost subject to TWCM budget approval and with an initial amount approved of \$5,000. The motion passed unanimously.

Staff Addition: Walt Braun moved and Mike Fleck seconded to authorize the expenditure of hiring an additional staff person as cost analyst to assist Project Directors with monitoring expenditures and planning budgets.

Kathy Poling moved and Judy Bank seconded to table this matter until further research can be done. The motion passed unanimously.

2016 Meeting Calendar: Jean Faszholz moved and Mike Fleck seconded to approve the 2016 Mutual Meeting Calendar as presented. The motion passed unanimously.

ADJOURNMENT

Having no further business the regular meeting recessed at 10:47 a.m. to an Executive Session.



Sharon Fees, Assistant Secretary
Third Walnut Creek Mutual