

THIRD WALNUT CREEK MUTUAL

REGULAR SESSION MEETING MINUTES OF THE BOARD
MONDAY, NOVEMBER 14, 2016 AT 9:00 A.M.
GATEWAY BOARD ROOM
1001 GOLDEN RAIN RD., WALNUT CREEK, CA 94595

Call to Order

President Yearout called the Regular Meeting of the Board of Directors of Third Walnut Creek Mutual to order at 9:00 a.m. on Monday, November 14, 2016.

Roll Call

Directors Present:

Gery Yearout, President XI
Judy Bank, Vice President XV
John McDonnell, Treasurer X
Jean Faszholz, Director District XII
Victor McPhun, Director District V

Toby Dicker, Director District VIII
Jack Case, Director District V
Jane Norbeck, Director District IV
Christine Monsen, Director District XIV
Carol Keating, Director District IX

Directors Absent:

Kathy Poling, Secretary III

Walt Braun, Director District XIII

Also Present:

A large number of Mutual members were also present. Mutual Operations staff was represented by Paul Donner, Mutual Operations Director; Rebecca Pollon, Landscape Manager; Will Kim, Board Services Coordinators.

Approval of Meeting Minutes

President Yearout asked for any corrections and/or additions to the following sets of minutes:

Regular Meeting of the BoardOctober 10, 2016
Executive Session of the BoardOctober 10, 2016
Budget Meeting of the BoardOctober 26, 2016

There being no further corrections, the minutes were approved.

Moved, seconded, carried 10-0

Members' Forum

Residents were afforded the opportunity to express their general concerns and make comments. The following topics were expressed by Residents: concerns regarding a Rossmoor News article and lack of permits for a purchased Unit.

President's Report

The following topics were presented by President Yearout during the Presidents' Forum:

- A handout concerning Mutual Compliance with laws governing solar energy systems was

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provided and presented to the membership. Civil Code §4600(a) indicates that owner approval requirement to install Solar Panels is not discretionary; since the Mutual's Policies or CC&Rs do not currently specify a different percentage, the Mutual is obligated to obtain the approval of 67% (2/3) of the project owners, before an owner can be granted permanent exclusive use of common area.

- If the Rossmoor News feels an article in the Residents' Forum requires clarification, the Mutual Operations Division (MOD) is contacted to elaborate on the statement.

Secretary's Report

No report was presented to the membership.

Treasurer's Report

The Treasurer's Report was presented by Treasurer McDonnell as follows:

- The Third Walnut Creek Mutual maintains a checking account at City National Bank.
- The beginning balance as of 9/30/2016 was \$31,490.88
- The ending balance as of 10/31/2016 was \$18,761.86
- The Aging Report reflects amounts owed the projects for overdue coupon payments and late fees.
- The amount owed to all projects as of 10/31/2016 amounted to \$5,410.
- The Owner Billable Report reflects amounts owed all the projects for overdue payments that are billable to owners for work done to their manor for work not covered by the coupon.
- The amount owed to all projects as of 10/31/2016 was \$103,096.

Budget and Finance Committee

No report was presented to the membership.

Building and Maintenance Committee

No report was presented to the membership.

Landscape Committee

No report was presented to the membership.

Governing Documents Committee

The Governing Documents Committee will focus on creating a unified set of CC&R's for all members of Third Walnut Creek Mutual (TWCM) and will not undertake the task of reorganizing or revising the Mutual's existing financial structures.

Alterations Review Committee

Director Case informed the Board of a request to install a Wayne Dalton Garage Door, not an Amarr Garage Door as indicated in Item No. 6 of TWCM's Roll-up Garage Door Standard. The granting of the variance to Item No. 6 was considered by the Alterations Committee using the homeowner's letter and contractor/manufacturer's data. The variance was granted and created a new standard for entry No. 8 of Stanley Dollar Drive only.

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Audit Committee

A motion was made to approve the engagement of BHLF (Bong Hillberg Lewis Fischesser) for the audit of financial statements and the preparation of federal and state tax returns with fees for these services estimated at \$23,480.

Moved, Seconded, Carried 10-0

Communication Committee

No report was presented to the membership.

Emergency Preparedness Committee

No report was presented to the membership.

CC&R Revision Task Force

Three (3) Directors were selected to interview potential task force volunteers and are in the process of vetting each potential candidate. If the candidates were well known by the Directors, they were not interviewed.

A motion was made to have the CC&R Revision Task Force undertake the single duty of creating a unified set of CC&R's for all members of Third Walnut Creek Mutual (TWCM).

Moved, Seconded, Carried 10-0

Previously Proposed Policies

The following Policies were previously distributed and approved by the Board on May 22, 2015. However, notice of approval was not submitted to the membership in accordance with Civ. Code §4360(c):

- Policy 58 (Owner-Initiated Alterations: Walkways), to eliminate hazardous conditions "stepping stones" was removed and the language was clarified
- Policy 57 (Owner-Initiated Alterations: Spas), the policy was removed to eliminate issues with neighboring units that may be impacted by the sight, sound, or odor of the spa operation, and continuing concerns with drought and water costs

A motion was made to approve Policy 58 & 57 as presented and to proceed with membership notice of adoption and removal in accordance with Civ. Code §4360(c).

Moved, Seconded, Carried 10-0

Encroachment Issues

Project Directors are tasked with the duty to identify and enforce action against owners who have built out rooms into common areas after 2006, that did not obtain Board approval, did not obtain a TWCM Alteration Permit, and did not obtain a Building Permit from the City of Walnut Creek or a 67% (2/3) membership vote, also known as "land-grabs."

The Board discussed the issue of existing private garden encroachments into common areas

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throughout the Mutual with the following criteria:

- Private gardens encroaching into the common area installed before 2006
- Private gardens encroaching into the common area installed after 2006, without 67% (2/3) approval of project owners granting permanent exclusive use of common area, but did obtain prior approval from the Board.
- Private gardens encroaching into the common area installed after 2006, without 67% (2/3) approval of project owners granting permanent exclusive use of common area and did not obtain prior approval from the Board.

Moved, Tabled, pending additional review and discussion by the Board.

Reserve Account Management

In order to facilitate the movement of Reserve Money to Money Market and Certificate of Deposit Accounts, a motion was made to grant the Assistant Treasurer permission to move money from the Projects Reserve General Checking account to either the Reserve Money Market Account or the Reserve Certificate of Deposit Account with the following guidelines:

- Amounts in a project Reserve Checking Account under \$50,000 may remain in the checking account.
- Amounts in a project Reserve Checking Account between \$50,000 and \$100,000 may be moved to the Projects Reserve Money Market Account.
- Amounts in a Project Reserve Checking Account above \$100,000 may be moved to a Certificate of Deposit Account.

Moved, Seconded, Carried 10-0

Turnover Inspections: Decks & Walkways

A motion was made to approve the visual inspection of decks and walkways during the resales inspection process, parameters and extent of the visual inspection will be formulated with the assistance of the Resales Inspector and Director Case.

Moved, Seconded, Carried 8-1-1, Director Case voted no and Director McDonnell abstained

Members' Forum: Proposed Policies

Residents were afforded the opportunity to express their concerns, make comments regarding Policy 59: Owner-Initiated Alterations, Policy 61: Solar Energy Systems and Policy 93: Rules for use of Storage Containers.

Policy 59: Owner-Initiated Alterations

The Board reviewed and discussed proposed Policy 59 regarding Owner-Initiated Alterations. A motion was made to approve Policy 59 with the removal of "lavatory" and the addition of "room containing a toilet and a bathtub or shower."

Moved, Seconded, Carried 10-0

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Policy 61: Solar Energy Systems

The Board reviewed and discussed proposed Policy 61 regarding Solar Energy Systems. A motion was made to table the approval of Policy 61.

Moved, Seconded, Carried 6-4, Directors Yearout, Bank, Norbeck, & Case voted no

Policy 93: Rules for Use of Storage Containers

The Board reviewed and discussed proposed Policy 93 regarding Rules for Use of Storage Containers. A motion was made to approve Policy 93 with the following additions:

- a. iv. *The Phone Numbers of the Resident seeking approval*
- c. *"...if vendor or emergency vehicle access would be compromised..."*

Moved, Seconded, Carried 10-0

Comcast: Phone & DVR Services

Tabled, the Board has been tasked with the decision to accepting or denying the Comcast phone service package at \$20 a month per manor and two (2) DVRs for \$9 a month per manor. The plan is available to the Mutual through December 31, 2017. The Board will not make a decision until after March 2017, when additional information regarding the available plans and associated billing is provided, reviewed, and clarified by the Board and the membership.

Next Board Meeting

The next meeting will be held on Monday, December 12, 2016 at 9:00 p.m., in the Gateway Board Room.

Adjournment

There being no further business, the regular meeting of the Board was adjourned at approximately 11:15 a.m.

Secretary's Certificate

I hereby certify that the foregoing is a true and correct copy of the approved minutes of the Board of Director's meeting.



Assistant Secretary

Third Walnut Creek Mutual

An Executive Session was held following the open session at 11:28 a.m. Topics included the following:

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- Breach of Confidentiality
- Alterations Permit Enforcement
- Homeowner Hearing: File No. 03-037
- Homeowner Hearing: File No. 03-026
- Policy Enforcement Procedure: File No. 03-039
- Settlement Agreement: File No. 03-050
- Legal Status Report: File No. 03-051
- Legal Status Report: File No. 03-039

With no further business to discuss, the Board adjourned the Executive Session at 1:06 p.m.