

# THIRD WALNUT CREEK MUTUAL

REGULAR SESSION MEETING MINUTES OF THE BOARD  
MONDAY, DECEMBER 10, 2018 AT 9:00AM  
BOARD ROOM, GATEWAY COMPLEX  
1001 GOLDEN RAIN RD., WALNUT CREEK, CA 94595

## Call to Order

President Bank called the Regular Meeting of the Board of Directors of Third Walnut Creek Mutual (TWCM) to order at 9:02 a.m.

## Roll Call

### **Directors Present:**

Judy Bank, President XV (2019)  
Gery Yearout, Vice President District XI (2018)      Matt Kaplan, Director District V (2019)  
Hillery Trippe, Treasurer District VII (2018)      Ron Mucovich, Director District IV (2020)  
Arylss Rothman, Secretary District IX (2019)      Kay Barthold, Director District XIII (2020)  
\*Toby Dicker, Director District VIII (2020)      James McFarland, Director District III (2021)  
\*Christine Monsen, Director District XIV (2019)      Chuck Decker, Director District X (2021)

\*Director Toby Dicker arrived @ 9:32am  
\*Director Christine Monsen was present by phone

### **Directors Absent:**

Claire Wolfe, Director District XII (2020)

**Also Present:** Mutual Operations staff was represented by Paul Donner, Director of Mutual Operations; Rick Chakoff, Chief Financial Officer; Clayton Clark, Building Maintenance Manager; Kelly Mattison, Board Services Coordinator. Melissa Ward Esq. with Hughes Gill Cochrane & Tinetti was also present.

## Members' Forum

Residents were afforded the opportunity to express their general concerns and make comments. The topics discussed in members' forum were: landscape contractor and recital I.

## Approval of Meeting Minutes

President Bank asked for any corrections and/or additions to the following minutes:

Regular Meeting of the Board ..... November 6, 2018  
Executive Session Meeting of the Board ..... November 6, 2018  
Project 40 Ballot Count Meeting..... November 13, 2018  
Project 39 Ballot Count Meeting..... November 26, 2018

The aforementioned meeting minutes were approved with one correction to the District number for Kay Barthold in the regular and executive session meetings.

**Moved, Seconded, Carried 10-0**

## President's Report

## THIRD WALNUT CREEK MUTUAL

President Bank reported on the topics discussed in the most recent President's Forum which included: discussions on defensible space and that the Fire Marshall does inspections annually but Presidents are concerned that meeting minimal requirements is not enough; problems with accuracy on solar site surveys provided by solar vendors, Presidents are advised to verify the accuracy of these surveys and confirm the necessary insurance is in place; co-occupant certification requests going out to residents who have co-occupants on record; and Nixle renewals successful by Securitas, over 6100 residents now registered to receive Nixle alerts.

### **Secretary's Report**

No report was presented.

### **Treasurer's Report**

Treasurer Trippe gave the following treasurer's report:

As of 10/31/2018, Third Walnut creek Mutual had an adjusted bank balance of \$15,004. Major expenses paid for the month included \$10,608 paid to Hughes Gill Cochrane and Tinetti for legal services. This amount included legal bills for both August and September. In addition, \$9,072.00 was paid for TWCM mutual trash services. Both these amounts were allocated to TWCM projects. Legal expense is allocated by a standard formula based on the number of units, with the exception of legal expenses that relate to a single project or group of projects. These expenses are identified on the legal bills and allocated to that project.

The report provided by MOD for owner billables, which are owed by owners shows a total of \$86,018 for all TWCM projects. Of this amount, a total of \$35,491 has been outstanding for more than 90 days. These amounts are paid out of the project funds and then recovery is sought from the owner. Each Director receives a report monthly of the amounts owed by owners in their projects. Payment of the amounts owed by owners to the project is a joint effort of the Project Director and MOD.

### **Budget and Finance Committee Report**

No report was presented. Please refer to the Treasurer's report.

### **Building and Maintenance Committee**

No report was presented. All Directors received a copy of Clayton Clark's monthly report indicating the ongoing construction projects in all TWCM Projects.

### **Landscape Committee**

Director Yearout referred to Steve Ormond's monthly report:

**LAWN MAINTENANCE:** As needed.

**ENTRY MAINTENANCE:** Entry maintenance crews are working on leaf cleanup, V-ditch clean out. Pre-emergent weed control.

**TREE MAINTENANCE:** The tree crew will be working on building clearance, tree

## THIRD WALNUT CREEK MUTUAL

removal, and yearly trimming for health and safety, in projects that have special requests.

**LANDSCAPE REHABS:** Our landscape crew is working in Mutual 70.

**IRRIGATION:** All irrigation controllers throughout the valley are watering on a winter program, averaging watering around every 7 to 10 days.

Watering may occur as necessary to test/adjust systems or water new plantings.

Landscape Maintenance Contract bids will be reviewed in Executive Session.

### **Governing Documents Committee**

Director Bank reported that the committee meeting was cancelled due to “no shows”. Senate Bill changes for 2019 will be reviewed by the committee for recommendation to the Board on how it will affect TWCM.

### **Alterations Permit Application Review Committee**

No report was presented.

### **Communication Committee**

No report was presented.

### **Emergency Preparedness Committee**

Director Rothman reported that the committee did not meet this month. The committee will meet in January and the main goal for that meeting will be to create a current list of entry coordinators and focus on transportation in an emergency.

### **Old Business**

- a. **Latest Update on Governing Documents:** President Bank announced 2 projects have re-balloted and that 2 are in progress. There is an ongoing effort with GRF to terminate the establishing agreements.

### **New Business**

- a. **Discuss Feasibility of Paying Insurance Premiums by Installments:** Rick Chakoff gave an overview of the insurance increase premiums and the factors that caused them, which included national natural disasters and the loss history for Rossmoor. On average MOD anticipated a 27% increase and budgeted accordingly, but the increase was actually closer to 46%. Rick Chakoff answered board questions regarding whether or not a Project can finance the premium with a third party. Rick stated that a Project could finance with a third party, but they would pay interest. Rick further discussed other options the Projects could look into which included installments, special assessments, and self-insurance. The pros and cons of each option were discussed.

## THIRD WALNUT CREEK MUTUAL

- b. Temporary Borrowing of Reserves for Insurance Premium:** Treasurer Trippe gave an overview of the Projects that need to borrow from their reserves to cover the annual insurance premium as well as amounts still owed from borrowing that took place earlier this year and in 2017. The Projects plan to pay back each reserve account within one year by using working capital approved in the 2019 budgets.

A motion was made to approve borrowing from reserves for the following Projects and amounts:

Project 23 - \$20,000  
Project 33 - \$20,000  
Project 36 - \$20,000  
Project 39 - \$80,000  
Project 40 - \$50,000  
Project 41 - \$10,000  
Project 42 - \$10,000  
Project 44 - \$50,000  
Project 50 - \$20,000  
Project 51A - \$45,000  
Project 51B - \$45,000  
Project 54 - \$30,000  
Project 64 - \$10,000

**Moved, Seconded, Carried 11-0**

- c. Approval of Termite Inspections Between Rehabs:** A motion was made to approve the requirement of termite inspections between rehabs, at around five years. The estimated cost is \$100 per unit and would come out of the reserve funds. The goal is to catch any infestations before they become a huge, costly problem. This approval will require funds to be budgeted starting in 2020. The total cost would be an additional \$10 per year per unit, since this would be conducted every ten years, five years after ten-year rehabs.

**Moved, Seconded, Carried 11-0**

- d. Project 40 Re-Vote Ballot Count Results:** The Board announced the following ballot count results for Project 40 on whether or not to adopt the proposed master CC&Rs:

**Total Ballots Received: 76**  
**Total Invalid Ballots: 0**  
**Total Valid Ballots: 76**

**Total Votes For: 62**  
**Total Votes Against: 14**  
**Number of Manors: 114**

**The re-vote for adopting the Proposed Master CC&Rs has: FAILED (to receive**

## THIRD WALNUT CREEK MUTUAL

### **Supermajority)**

The election and election results were certified by John McDonnell who served as the Inspector Elections for P40.

The vote did achieve majority approval, allowing the Project to join the petition group requesting approval by the court.

- e. **Project 39 Disengagement Ballot Count Results:** The Board announced the following ballot count results for Project 39 on whether or not to disengage from Third Walnut Creek Mutual:

**Total Ballots Received: 112**  
**Total Invalid Ballots: 1**  
**Total Valid Ballots: 111**

**Total Votes For: 100**  
**Total Votes Against: 11**  
**Number of Manors: 130**

**The vote for Project 39 to disengage from Third Walnut Creek Mutual has: PASSED**

The election and election results were certified by Nancy Richardson, Mary Bell, and Mary Hufford who served as the Inspectors Elections for P39.

- f. **Appoint Inspector of Elections for P39 Directors and Bylaws:** Melissa Ward advised the Board that this was not needed.

### **Next Board Meeting**

The next Regular Meeting of the Board is scheduled for Monday January 14, 2019 @ 9 a.m. in the Gateway Board Room.

### **Adjournment**

There being no further business, the Regular Meeting of the Board was adjourned at 10:48 a.m. and the Board moved into Executive Session.

### **Executive Session Summary**

An Executive Session was held immediately following the regular meeting where the Board discussed a contract, an appeal on a decision for a fee waiver request, an appeal on a decision for a lease extension request, an owner billable waiver request, an alteration variance request, discussions on legal matters, and to vacate a previous motion and rephrase.

### **Secretary's Certificate**

I hereby certify that the foregoing is a true and correct copy of the minutes of the Board of

THIRD WALNUT CREEK MUTUAL

Director's meeting.

A handwritten signature in blue ink that reads "Kelly Patterson". The signature is written in a cursive style with a long horizontal flourish extending to the right.

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**Assistant Secretary**  
Third Walnut Creek Mutual