

# THIRD WALNUT CREEK MUTUAL

REGULAR SESSION MEETING MINUTES OF THE BOARD  
MONDAY, DECEMBER 12, 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, December 12, 2016.

## **Roll Call**

### **Directors Present:**

Gery Yearout, President XI	Toby Dicker, Director District VIII
Judy Bank, Vice President XV	Kathy Poling, Secretary III (10:36-11:04)*
John McDonnell, Treasurer X	Walt Braun, Director District XIII
Jane Norbeck, Director District IV	Jack Case, Director District V
Jean Faszholz, Director District XII	Christine Monsen, Director District XIV
Carol Keating, Director District IX	

\*Attended via teleconference

### **Directors Absent:**

Victor McPhun, Director District V

**Also Present:** Mutual Operations staff was represented by Paul Donner, Mutual Operations Director; Clayton Clark, Maintenance Manager; 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 Board ..... November 14, 2016  
Executive Session of the Board ..... November 14, 2016

There being no 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: Davis-Stirling Act, smoke alarms, owner maintained landscaping, and the California Residential Building Code.

## **President's Report**

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

- Water usage in Project 40 is 51% less when compared to usage data from 2013 and 11.7% less when compared to 2015. In Project 41, water usage is 47% less when compared to 2013 and 12.6% less than 2015. Together, this equates to approximately 5.5 million gallons less. Project Directors were advised to monitor water usage in their projects.

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- Third Walnut Creek Mutual was served with a Summons and Complaint by Duncan Carter regarding alleged accounting issues. The Mutual's general liability insurance company has hired a law firm to represent and defend the Mutual.
- A presentation and informational packet on "Becoming a Better Board Member" was presented by Mutual Operations Director Donner. The informational packet will be distributed to the directors of Third Walnut Creek Mutual.

### **Secretary's Report**

No report was presented to the membership.

### **Treasurer's Report**

The November 30, 2016 financials are still in the process of closing. The Treasurer's Report regarding the November 30, 2016 financials will be provided during the next meeting on January 9, 2017.

### **Budget and Finance Committee**

No report was presented to the membership.

### **Building and Maintenance Committee**

No report was presented to the membership.

### **Landscape Committee**

The irrigation water is off for the winter season. Although individual shrub installations are fine, directors were asked to look at watering schedules and try their best not to have landscape rehabs completed during the winter seasons.

### **Governing Documents Committee**

Appropriate corrections were made to the online version of Policy 59.2.0.

### **Alterations Review Committee**

The board was informed 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.

### **Audit Committee**

BHLF (Bong Hillberg Lewis Fischesser) has started the audit of financial statements and the preparation of federal and state tax returns. The results of the audit should be available around March 2017.

### **Communication Committee**

No report was presented to the membership.

### **Emergency Preparedness Committee**

No report was presented to the membership.

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**CC&R Revision Task Force**

A motion was made to appoint the following directors and members to the CC&Rs Revision Task Force of Third Walnut Creek Mutual:

Judy Bank, Task Force Chairman.....	Ptarmigan Drive
Gery Yearout, Director .....	Terra California
John McDonnell, Director.....	Terra California
Kathy Poling, Director .....	Stanley Dollar Drive
Christine Monsen, Director .....	Cactus Court
Hillery Bolt Trippe.....	Terra Granada
Geri Pyle .....	Terra Granada
Glen Orren .....	Ptarmigan Drive
Barbara Mintz.....	Terra Granada
Marilyn Mason.....	Ptarmigan Drive
Wes Henderson .....	Rossmoor Parkway
David Romanski.....	Rossmoor Parkway
Barbara Ruvolo .....	Rossmoor Parkway
Bill Claussen .....	Terra California
Brock Arner .....	Terra Granada
Gessica Johnston .....	Terra California
John Benschhoff.....	Terra Granada
Sharon Benschhoff .....	Terra Granada
John Murphy .....	Cactus Court
Milford Waldroup.....	Saklan Indian Drive
Pat Fahey .....	Ptarmigan Drive
Richard Ward.....	Terra California

Moved, Seconded, Carried 10-0

**Encroachment Issues: Owner Maintained Landscaping (Exclusive Use Common Area)**

The board discussed the following issues with owner maintained landscaping (exclusive use common area) encroachments throughout the Mutual:

- Owner maintained landscaping (exclusive use common area) encroaching into the common area installed before 2006
- Owner maintained landscaping (exclusive use common area) 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
- Owner maintained landscaping (exclusive use common area) 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
- Application process for owner maintained landscaping (exclusive use common area) going forward

A motion was made to allow owner maintained landscaping (exclusive use common area) permits going forward, with the existing application process through MOD (Mutual Operations

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Division), so long as they follow current rules and standards.

Moved, Rescinded by Director Faszholz

A motion was made to have the Landscape Committee evaluate current procedures, rules and standards, and to development appropriate restrictions that would allow permits for owner maintained landscaping (exclusive use common area) going forward.

Moved, Seconded, Carried 8-2, Directors Dicker & Yearout voted No.

### **Standard 1020: Condensate and Water Heater Drain Lines**

The board reviewed and discussed Standard No. 1020 regarding Condensate and Water Heater Drain lines. All manors in TWCM have air conditioning (AC) and water heater units. Both units have drain lines that carry either condensate or leakage away from the unit for safe disposal. In many cases the AC or water heater unit is located inside the manor and the drain lines are run through walls and/or floors to the outside. Should the drain lines become blocked, they can back up and cause water damage to the manor or to an adjacent manor. It is important to assure the lines are free of blockage. However, many of the exterior ends of the drain lines are now buried under dirt or debris and their location is unknown. It is the responsibility of the owner to resolve any blockages and resultant damage to the manor. Standard No. 1020 was presented as follows:

*AC and water heater drain lines should be checked periodically to assure they are free of blockage. In order to minimize the chance of a blockage at the exterior of the manor, it is recommended that the Project undertake the following action:*

- 1. For each manor, determine the location of the condensate line exit point - the line may be blocked and/or buried under a few inches of soil.*
- 2. If the exit point is buried, dig an approximately 6" wide by 9" deep hole at the exit and fill the bottom with loose stone, creating a "drywell" - this will allow condensate to dissipate.*
- 3. Install a unique colored cap over the exit point/drywell - this will prevent soil and bark from blocking the line and make it easy to locate the line in the future.*
- 4. With the permission of owner, blow out the condensate line to assure condensate can flow freely.*

*The Project will be responsible for the maintenance of the drywell after the installation is completed; owner will remain responsible for drain lines within the manor.*

A motion was made to approve Standard No. 1020 as presented.

Moved, Seconded, Carried 10-0

### **Garage Door Standard Variance: Project 44**

There are nineteen (19) buildings and eighty-eight (88) units in Project 44 (Rossmoor Parkway Entry 1) and there are eighty-four (84) garage doors. Currently, sixty-seven (67) of the garage doors are new roll up doors and residents have and continue to pay for the replacement of their garage doors. Eleven (11) residents would like to install a new garage

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door. However, they are prevented from doing so by *TWCM (Third Walnut Creek Mutual) Standard for Garage Doors*, which requires all residents of a building to apply for a permit at the same time with all alterations submitted as a package. Currently, there are only seventeen (17) doors of the eighty-four (84), which are not new and eleven (11) of those residents would like new doors. If allowed, this would mean that after installation of the eleven (11) new doors there would only be six (6) doors out of eighty-four (84) that are of the old style.

A motion was made to allow eleven (11) residents in TWCM Project 44 to convert to the new doors without the need to have all residents agree/apply, with garage doors purchased at the owner's expense, and to be consistent as to model and installation as prescribed under *TWCM Standard for Garage Doors*.

Moved, Seconded, Carried 9-1, Director Case voted no

**Reserve Transfer: Flood & Building Repairs in Project 53**

Project 53 requires a transfer of funds to the operating account from the reserve account, as a temporary transfer subject to repayment by the insurance claims, for flood & building damage repairs.

A motion was made to approve a \$46,000 transfer of funds to the operating fund account from the reserve fund account to cover expenses for flood and building repairs, to be repaid by the insurance claims.

Moved, Seconded, Carried 10-0

**Reserve Transfer for Insurance Premium: Project 51, 53, & 64**

Project 51, 53, and 64 require a transfer of funds to the operating account from the reserve account, as a temporary transfer subject to repayment within 12-months for their 2017 insurance premiums.

A motion was made to approve the following temporary transfer of funds to the operating fund account from the reserve fund account to cover 2017 insurance premium expenses, to be repaid within 12-months:

Project 51 .....	\$30,000
Project 53 .....	\$34,000
Project 64 .....	\$5,000

Moved, Seconded, Carried 10-0

**Members' Forum: Proposed Policies**

Residents were afforded the opportunity to express their concerns or make comments regarding Policy 61: Owner-Initiated Alterations Solar Energy Systems.

**Policy 61: Owner-Initiated Alterations Solar Energy Systems**

The board reviewed and discussed proposed Policy 61 regarding Owner-Initiated Alterations

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Solar Energy Systems.

A motion was made to approve Policy 61 as presented.

Moved, Seconded, Carried 9-2, Director Monsen & Faszholz voted no

### **Special Assessment Results: Project 35**

A secret ballot in the matter of a Special Assessment in the amount of \$4,000 per manor was distributed on October 14, 2016 for a vote of the membership in Project 35. Ballots were opened during an Open Session Meeting on Monday, November 21, 2016 at 1:00 p.m., in Multipurpose Room No. 3 (MPR3, Gateway), at 1001 Golden Rain Road, Walnut Creek CA, 94595. By majority vote, the Special Assessment passed. This amount will be payable in two annual installments of \$2,000 each. The first installment is due on January 1, 2017 and the second and final installment is due on January 1, 2018.

The following is a report prepared by the Inspector of Elections:

Total Manors/Units:	36
Total Ballots Received:	31
Total Invalid Ballots:	2
Total Valid Ballots:	29

Yes Votes:	17
No Votes:	12

### **Comcast: Phone & DVR Services**

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.

A motion was made to prepare and submit a membership survey on March 1, 2017, with results of the survey discussed and presented during the board meeting on Monday, April 10, 2017.

Moved, Seconded, Carried 10-0

### **Next Board Meeting**

The next meeting will be held on Monday, January 9, 2017 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 11:26 a.m.

### **Secretary's Certificate**

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

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Board of Director's meeting.

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**Assistant Secretary**

Third Walnut Creek Mutual

An Executive Session was held following the open session at 11:34 a.m. Topics included the following:

- Alterations Permit Enforcement: Account No. 17779
- Unauthorized Alteration: Account No. 14787
- Homeowner Waiver Request: Account No. 18420
- Homeowner Hearing: Account No. 12049
- Legal Status Report: Account No. 14890
- Legal Status Report: Account No. 12730
- Legal Status Report: Account No. 16677
- Legal Status Report: Account No. 17954
- Noise Issue Status Report: Account No. 13194

With no further business to discuss, the board adjourned the Executive Session at 12:15 p.m.