

THIRD WALNUT CREEK MUTUAL

REGULAR SESSION MEETING MINUTES OF THE BOARD
MONDAY, APRIL 8, 2019 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 9:00 a.m.

Roll Call

Directors Present:

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

Directors Absent:

Arlyss Rothman, Secretary District IX (2019)

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. John Tastor and Mike Machette were present on behalf of Arthur Gallagher & Co. Insurance Brokers, Inc. 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. No comments were given by the members.

Guest Speakers John Tastor and Mike Machette

John Tastor and Mike Machette were invited to the Board meeting to speak on behalf of Arthur Gallagher & Co. Insurance Brokers for a question and answer session on important insurance concerns the Board has. John introduced Mike and gave background information on both of their careers and their relevant experience.

Topics discussed in the Q&A session with the Board included but were not limited to: BBQ Policies, HO-6 coverage on the interior dwellings, water damage coverage, insuring personal property, loss of use, premium financing, D&O coverage, premium increase for 2019, boiler and machinery insurance, solar panel installation, risk assessment rating of Rossmoor as a whole, and broker compensation.

Approval of Meeting Minutes

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

Regular Meeting.....March 11, 2019

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Executive Session Meeting.....	March 11, 2019
Ballot Count Meeting Minutes for P36.....	March 22, 2019
Ballot Count Meeting Minutes for P27.....	March 25, 2019

The regular meeting minutes from March 11, 2019 were approved with one correction. The executive session minutes from March 11, 2019 were tabled for a discussion in executive session for one correction. The ballot count meeting minutes for P36 from March 22, 2019 were approved with one correction. The ballot count meeting minutes for P27 were approved as written.

Moved, Seconded, Carried 10-0

President's Report

President Bank reported on the most recent President's forum. Topics included: water usage website, update on composting, update on the e-waste pick up program, and co-occupancy verification letters that were sent out by GRF.

Secretary's Report

No report was presented.

Finance Committee Report and Treasurer's Report

Treasurer Trippe gave the following Report:

Included in this month's Board materials is the financial report in its entirety prepared by MOD in its management capacity for the Third Walnut Creek Mutual corporate bank account. The adjusted bank balance shown is \$16,088.90. The report shows total payments for the month of February from the General Account in the amount of \$26,681.58. Page 28 shows the allocation of these amounts by project. Page 29 and 30 provides additional detail on the amounts of specific invoices allocated (charged) to each project. The charges are based upon the specific invoice and which projects incurred the charges on a specific invoice. Depending on the type of invoice, they are reviewed by the Treasurer, President, Vice-President and Mutual Board Coordinator.

MOD did not submit any financial information on owner reimbursement assessments this month, or for January. Amounts owed for delinquent coupon payments by project are shown on pages 25, 26, 27 and 31. The total amount of delinquent coupon payments is \$30,921.50, of which \$16,554 is over 90 days delinquent. Directors should review the list and follow up with MOD accounting with regard to collection efforts on accounts that are significantly delinquent.

- a. **Motion that the Mutual Funds Report has been reviewed by the Treasurer and all Directors:** The motion was made for the February 28, 2019 Mutual Funds Report and excluded Arlyss Rothman who was absent today.
Moved, Seconded Carried 10-0
- b. **Motion that all Directors have reviewed their Project Specific Financials:** The motion was made for all Project Specific Financial Reports ending on February 28, 2019 and excluded Arlyss Rothman of P45, District IX.
Moved, Seconded, Carried 10-0

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Building and Maintenance Committee

Director Monsen gave the following report:

Third Walnut Creek Mutual
Building Maintenance Committee
March 22, 2019

The Committee discussed the following items:

Contract for Replacement Fire Extinguisher - Clayton will develop a spreadsheet for the Committee to discuss in April, with a recommendation to the Board in May.

Rehab Schedules - Clayton will develop a schedule for rehabs, for Committee review and discussion with Directors.

Asphalt Maintenance - Clayton is getting bids and will coordinate the work with the GRF contract in late May/June.

Directors are encouraged to set up an appointment to walk their Districts to evaluate the pavement and develop a plan, to include in the Reserve Study.

BBQ Policy - Joe Tracy will lead the effort to develop a recommendation for Standard 10-18. Clayton asked another development for their policy.

Clayton discussed a number of issues with the Committee:

LED Lighting - Replacing with LED lights has shown significant savings. Directors should consider developing a plan to replace their lighting after a building has been rehabbed.

Tile Roofs - One Project is considering using metal to replace tile roofs, the metal is lighter, and may be less expensive.

Fire Sprinklers - For Directors with fire sprinklers, while they are tested quarterly, this may not detect rusting of the pipes, so Directors should talk to Clayton about having theirs checked.

Smoke Detectors - Some detectors have not registered smoke. Clayton has a device to test them.

Electric Panels - a few have failed recently, and since they are so old, replacement parts are not available. Clayton suggests that Directors include a line item in the Reserve Study since they can be expensive.

Rehab schedule - Some of the scheduled rehabs are likely to go into 2020, since some are behind schedule. Clayton will let Directors know if they are affected.

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Clayton will be working with Directors to develop a rolling ten-year schedule for rehabs, and include other major cost items such as paving and roofs.

Solar installations - Directors need to make sure to check with Clayton about the schedule for roofing, to make sure that the warranties are not violated, and to make sure that adequate inspections are included in the fee structure.

Insulation - there have been requests lately for additional insulation. The Projects are responsible for what was required when the unit was built. If owners wish to upgrade the insulation, they need an alteration permit.

PG&E has a program to replace insulation.

Water-saving measures:

Recirculating pumps - owners can install these, although in some buildings they may not be allowed, if the water lines are co-mingled.

Irrigation vs. domestic water use - hard to separate, so Directors can get an estimate of the irrigation costs by comparing usage during summer and winter months, since the irrigation is not used during the winter months.

It would be good for Directors to budget funds for irrigation replacements. The systems are getting old and will need to be replaced. A good time is to have it checked after a rehab.

Electricity: LED replacements will save in operating costs and are a good idea. There have been concerns about when the outside lights come on/go off. The sensor may be shaded by surrounding trees/shrubs.

ADA Compliance: Since TWCM is not a public space, the ADA may not apply. However, residents can install ramps, with an alterations permit, at their cost (including replacement landscaping).

Stair replacements are constructed to current code, not the code when the unit was built, including handrails.

Landscape Committee

The following landscape report from Steve Ormond was given in the Board Packets:

Lawn Maintenance: Mow 2-3 times a month, depending on whether. Aerate and fertilize with 16-6-8. Re-seeding various areas throughout TWCM will start towards the end of the month.

Entry Maintenance: Once a month for routine maintenance. Fertilize all shrubs and ground cover areas.

Tree Maintenance: Projects 26 & 33

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Landscape Rehabs: Our Landscape crew will be working in projects 50 & 55 for the month of March.

Irrigation: Is currently OFF. Please report any problems in your area to 988-7650

Steve Ormond reported verbally to the Board about a rebate program with the Contra Costa Fire Department and a walk through he conducted in District XV with Kathy Woofter from CCFD. They discussed weed abatement, raising of tree limbs, and removal of Juniper.

Governing Documents Committee

Director Bank reported that the committee worked on a policy 16 revisions, policy 45 revisions, and the code of conduct and ethics draft at their last meeting. The three documents are on the agenda and will be further discussed later in the meeting.

Alterations Permit Application Review Committee

No report was presented.

Communication Committee

No report was presented.

Emergency Preparedness Committee

No report was presented.

Old Business

- a. **Latest Update on Governing Documents:** All projects that wished to re-vote have completed their balloting. An update on the unofficial tallies were given.
- b. **Policy 16 Revisions:** this revision is going back to the Financial Committee for review and a proposed criterion to be established for the \$10,000 deductible should be shared by all projects.
- c. **Policy 45 Revisions:** this revision is going back to the Financial Committee for review.
- d. **Code of Conduct and Ethics – Comments and Feedback:** The draft was discussed, and comments and feedback were provided for further edits.

New Business

- a. **Sample Lease Expiration Acknowledgment Form:** The Sample Lease Expiration Acknowledgement form was reviewed by the Board. The Board made a motion to start using the form as a standard office procedure whenever a lease has expired within the mutual.

Moved, Seconded, Carried 10-0

- b. **Ballot Count Results P36:**

A secret ballot in the matter of a re-vote on whether to adopt the proposed Master

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CC&Rs in Project 36 was mailed on February 7, 2019 for a vote of the membership. Ballots were opened during an Open Ballot Count Meeting on Friday, March 22, 2019 at 2:00 p.m. in the Fairway Room at Creekside. (1010 Stanley Dollar Drive, Walnut Creek, CA 94595)

The quorum requirement set in the current governing documents requires a supermajority (75%) approval of the members of Project 36 for adoption (i.e., at least 63 out of 84 members must vote “FOR”). A majority (more than 50% but less than 75%) approval of the members of Project 36 for adoption will allow the project to petition the superior court for approval of the Master CC&Rs pursuant to Civil Code section 4275 (the section of the Davis-Stirling Act which authorizes the petition process where supermajority approval is required by existing CC&Rs but only majority approval is achieved).

The following is a report of the Ballot Count Results:

Total Ballots Received: 48

Total Invalid Ballots: 0

Total Valid Ballots: 48

Total Votes For: 43

Total Votes Against: 5

Number of Manors: 84

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

The Inspector of Elections was John McDonnell and he has certified the election.

c. Ballot Count Results P27:

A secret ballot in the matter of a re-vote on whether to adopt the proposed Master CC&Rs in Project 27 was mailed on February 11, 2019 for a vote of the membership. Ballots were opened during an Open Ballot Count Meeting on Monday March 25, 2019 at 10:00 a.m. in the Multi-Purpose Room #3 of Gateway. (1001 Golden rain Road, Walnut Creek, CA 94595)

The quorum requirement set in the current governing documents requires a supermajority (75%) approval of the members of Project 27 for adoption (i.e., at least 36 out of 48 members must vote “FOR”). A majority (more than 50% but less than 75%) approval of the members of Project 27 for adoption will allow the project to petition the superior court for approval of the Master CC&Rs pursuant to Civil Code section 4275 (the section of the Davis-Stirling Act which authorizes the petition process where supermajority approval is required by existing CC&Rs but only majority approval is achieved).

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The following is a report of the Ballot Count Results:

Total Ballots Received: 41
Total Invalid Ballots: 1
Total Valid Ballots: 40

Total Votes For: 31
Total Votes Against: 9
Number of Manors: 48

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

The Inspector of Elections was John McDonnell and he has certified the election.

Next Board Meeting

The next Regular Meeting of the Board is scheduled for Monday, May 13, 2019 @ 9 a.m. in the Gateway Board Room.

Adjournment

There being no further business, the Regular Meeting of the Board was adjourned at 11:57 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 member discipline and reported on the status legal items.

Secretary's Certificate

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



Assistant Secretary

Third Walnut Creek Mutual