

MINUTES
THIRD WALNUT CREEK MUTUAL
REGULAR MEETING OF THE BOARD OF DIRECTORS
MONDAY, JULY 11, 2016 AT 9:00 A.M.
GATEWAY BOARD ROOM
1001 GOLDEN RAIN RD., 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, July 11, 2016.

Ms Poling called the roll, as follows:

PRESENT:

Gery Yearout, President (XI)	Toby Dicker, Director District VIII
Judy Bank, Vice President (XV)	Jack Case, Director District V
John McDonnell, Treasurer (X)	Carol Keating, Director District IX
Jane Norbeck, Director District IV	Walt Braun, Director District XIII
Victor McPhun, Director District V	Christine Monsen, Director District XIV

EXCUSED:

Jean Faszholz, Director District XII

A large number of Mutual members were also present.

Mutual Operations staff was represented by Paul Donner, Director of Mutual Operations; and Rick Chakoff, GRF Chief Financial Officer. Also present were special guests Stephanie Hayes and Melissa Ward, attorneys from Hughes, Gill Cochrane, LLC

APPROVAL OF MINUTES: Gery Yearout asked for any corrections and/or additions to the following sets of minutes:

Regular Meeting of the Board.....May 9, 2016
Executive Session of the Board..... May 9, 2016

Christine Monsen requested that the minutes be corrected to reflect her presence at the meeting (she was listed as "Excused"). There being no further corrections, the minutes were approved as corrected.

MEMBERS' FORUM:

The following members made presentations:

Sue De Carlo, 901 TC #6: commented on owner-maintained gardens.

Duncan Carter, 4521 TG #2A: commented on CIDS

Jodi Cerretti, 3430 RMP #5: commented on CCR update, private gardens, and impending policy revisions

Kathy Himmelman, 2609 PT #2: commented on legal issues

Carolyn Priest, 1621 PT #3A: commented on vendor management

Roxanne Stallings, 3478 RMP #3: commented on bylaws and CCR revision

OFFICER AND COMMITTEE REPORTS:

PRESIDENTS' REPORT: Ms. Yearout reported that the two items discussed at the Mutual Presidents Meeting were the newly implemented golf cart registration requirement and membership issues as they relate to use of facilities.

SECRETARY'S REPORT: None

TREASURER'S REPORT: Mr. McDonnell

John McDonnell presented the coupon and owner-billable aging reports, a comparison of legal expense totals for 2014 and 2015 by project, and cash balances by project.

Paul Donner made a short presentation on how invoices are approved for payment, primarily as related to a recent discovery of a duplicate payment to a vendor.

BUILDING MAINTENANCE: Mr. Braun

The Building Maintenance Committee met on June 24, 2016. The Solar Sub-Committee has concluded its work and the committee accepted the recommendation of Kathy Poling to disband the subcommittee. The Standards Subcommittee reported on the progress of three Standards as follows: 1019 Selection Process for Exterior Paint Colors has been completed, received Board approval and will be posted to web site; two other standards are in the draft stages. Clayton Clark's update on rehabilitation projects was included in the Board packet. Two new members have been added to the committee: Carol Keating and Christine Monsen

LANDSCAPING: In Ms. Faszholz's absence the monthly landscape calendar was distributed.

GOVERNING DOCUMENTS: No report

ALTERATIONS: No report

AUDIT: No report

COMMUNICATIONS: Ms. Poling

Through combined efforts of Kathy Poling and Jane Norbeck, a one page “Frequently Asked Questions About Personal Liability, and Sources of Damage for Which You Are Responsible” has been prepared for use by Directors. It attempts to explain some of the mysteries of owner liability that may result in expense to the owner for response services by MOD, resulting in “owner billables.” An electronic copy will be sent to all Directors.

EMERGENCY PREPAREDNESS: Ms. Norbeck

One of the committee members who has been successful in recruiting emergency preparedness entry coordinators is offering to work with Directors to fill vacant positions in their district. More information will be distributed via email to interested directors.

OLD BUSINESS

A) CC&R Update: Ms. Yearout presented special guests Stephanie Hayes and Melissa Ward, attorneys with Hughes, Gill, Cochrane, LLC, the law firm that has been retained to advise the Board in its efforts to update the governing documents. Ms. Hayes explained that the process of revising the CC&R’s will be a phased approach, with the first step to be Board member input through a 12-page questionnaire that each Board member should answer. She proposes to involve membership early on in the process, since obtaining 75% approval of members is a difficult threshold to obtain. She advised that if membership approval cannot be obtained, that there is a mechanism to override the vote by a court proceeding.

B) Encroachment Issues: Ms Yearout reported that the research and review of the Mutual-wide encroachment issue is now receiving legal review.

C) Policy Updates: Ms. Yearout reported that three policies will be mailed to members for the required 30-day membership review period. Further policy revisions will be included in the Governing Documents revisions as discussed above, rather than implemented piecemeal.

NEW BUSINESS

A) Motions to lien: None

B) Motion to Open Money Market Accounts: Judy Bank moved and Gery Yearout seconded the motion proposed by Treasurer John McDonnell to open a Money Market Account at City National Bank where Projects can receive a better interest rate but still retain the liquidity that CD’s do not allow. The motion was passed by unanimous vote.

C) Explanation of Accounting Processes: The explanation was presented under the treasurer’s report, above.

D) Committee Matrix: Walt Braun moved and Jack Case seconded to adopt the Third Mutual Committee Matrix as presented. The motion was passed by unanimous vote.

E) Architectural Standard Variance Request: Walt Braun requested Board consideration of a variance to the Architectural Standard for front doors for an alteration in Project 38, as more fully set forth in their written request submitted to the Board. Carol Keating moved and Christine Monsen seconded the proposed motion. After considerable discussion and review of the relevant materials, the motion was passed by majority vote.

ADJOURNMENT

There being no further business, the regular meeting of the Board was adjourned at approximately 10:45 a.m.

Kathy Poling, Secretary
Third Walnut Creek Mutual

An Executive Session was held immediately following the open session. Topics included the following:

- Update on member compliance issue
- Update on mediation: a settlement was reached with the homeowner
- A meet and confer was established upon request of owner
- Mutual legal counsel sought expert opinion on a landscaping matter and forwarded said opinion to a homeowner's attorney in response to a complaint.
- Board is awaiting response from a homeowner's attorney regarding corporate structure of Third Mutual.
- Report presented on two imminent foreclosures.

With no further business to discuss, the Board adjourned the Executive Session at 11:45 a.m.