

MINUTES

FIRST WALNUT CREEK MUTUAL REGULAR MEETING OF THE BOARD OF DIRECTORS FRIDAY, SEPTEMBER 28, 2007 AT 10:00 A.M. DELTA ROOM, DEL VALLE CLUBHOUSE

President Gerald Priebat called to order the regular meeting of the Board of Directors of First Walnut Creek Mutual on Friday, September 28, 2007 at 10:00 a.m. in the Delta Room, Del Valle Clubhouse, Walnut Creek, California.

PRESENT: Gerald Priebat, President, District 2
Nancy Turnier, First Vice President, District 3
Randall Morgan, Second Vice President, District 4
Melvin Wall, Treasurer, District 1
Melvin C. Fredlund, Secretary, District 5

Roll Call

Mutual Operations was represented by Paul Donner, Director of Mutual Operations and Interim CEO; Doug Hughs, Building Maintenance Manager; Rich Perona, Landscape Manager; and Dyann Paradise, Administrative Secretary.

Mr. Priebat welcomed the 29 residents in attendance.

APPROVAL OF MINUTES

Mr. Fredlund moved, Ms. Turnier seconded, and the motion carried unanimously to approve as written and reviewed the minutes from the August 24, 2007 regular board meeting.

Approval of Minutes

PRESIDENT'S REPORT – Gerald Priebat

Mr. Priebat reported that there have been nine resales in the month of September to date at a median price of \$230,000. During September there were three new purchase loans and two lines of credit loans. Since the inception of the share loan program, there has been a total of \$9,449,000 placed in share loans. Mr. Priebat reiterated that there is no financial burden to the Mutual for share loans, as the loans are strictly an agreement between the lender and the borrower. To date, there have been no foreclosures on the share loans placed.

President's Report

MUTUAL OPERATIONS REPORT – Doug Hughs, Maintenance Manager

Mr. Hughs reported that the drawings for the reconstruction of the fire damaged building at 1959 Golden Rain Road have been submitted to the city of Walnut Creek and Contra Costa Country Fire District for approval. Bid letters have also been sent to four contractors and bids are due by mid-October.

MOD Report

All 19 roofs have been completed in this year's roofing program and all six bridges scheduled for this year have been completed except for two sets of steel handrails.

Carpenters are currently working on Oakmont Way – Entry 8 and Golden Rain Road – Entry 18. Painting is underway at Oakmont Way – Entry 8, Golden Rain Road – Entry 18, and Golden Rain Road – Entry 2.

The asphalt replacement has been completed and the seal coat will be done next month at Rockledge Lane – Entries 1, 2, 4, and 5. Mr. Hughs noted that one of the paving trucks hit a concrete column at Rockledge – Entry 5, but the paving contractor will pay for all needed repairs.

Mr. Priebat reported that social workers from the Rossmoor Counseling Department as well as various First Mutual board members have been meeting periodically with the fire victims to keep them current on the progress of the rebuilding process at 1959 Golden Rain Road.

(A copy of Mr. Hughs' report dated September 28, 2007 is attached.)

LANDSCAPE REPORT – Rich Perona

Mr. Perona reported that all the lawns were fertilized and sprayed with herbicide in August. The next fertilization is scheduled for mid- to late-October. Irrigation will be adjusted according to the cooler weather conditions. In October, various turf areas will be dethatched and reseeded.

Landscape
Report

Entry maintenance crews are busy pruning shrubs, spot spraying for weeds and generally clearing debris. Tree crews are working on pine trees on the back slope of Golden Rain – Entry 18 down to Entry 14 by removing major dead wood and low limbs.

The landscape rehabilitation project at Golden Rain – Entry 1 has been completed. The next rehabilitation project will be at Oakmont – Entry 2. District enhancements will start in October.

Fire abatement work along the back of Golden Rain – Entries 8, 10, 13, 15, 16, 26, 27, 28, and 29 is complete. The next area scheduled is behind Golden Rain – Entry 14.

(A copy of Mr. Perona's landscape report dated September 28, 2007 is attached.)

LANDSCAPE COMMITTEE

There are currently five committee members for the five districts in the Mutual. The Board had earlier discussed the pros and cons of appointing a chair to the committee, which is a vacant position at present. It was agreed that a decision would be made by the new administration following the annual meeting in October.

Landscape
Committee
Report

TREASURER'S REPORT – Melvin Wall, Treasurer

Mr. Wall reported that year to date the Mutual is \$29,000 ahead of budget. Expenses for insurance and professional services are over budget to date, as expected due in part to the aftermath of the fire on Golden Rain Road earlier this year. Fund balances are strong, with \$657,467 in the operating fund and \$4,616,948 in reserves.

Treasurer's
Report

(A copy of the monthly financial report is attached.)

NEW RESIDENT ORIENTATION

Mr. Wall reported that the recent New Resident Orientation, which was an evening event, was well-attended. The next orientation will be held in the morning on November 20, 2007.

New Resident
Orientation

POLICY COMMITTEE

Ms. Turnier stated the committee is awaiting input and guidelines from Fire Marshal Rick Carpenter prior to submitting a proposed barbecue policy to the membership. The committee is also researching the flooring policy with regard to replacement due to damages from other causes and establishment of a flooring depreciation formula.

Policy Committee
Report

UNFINISHED BUSINESS

Mr. Donner reported that proposal requests were sent to several auditing firms with only two responses. It is expected that those two firms will be submitting proposals soon.

Unfinished
Business

BUDGET AND FINANCE COMMITTEE REPORT – John Nutley, Chair

Mr. Nutley reported that at the recent meeting, the 2008 budget was discussed at length. Attendees were invited to ask questions and offer comments. The Committee voted unanimously to accept the 2008 as presented and discussed. The next Budget and Finance Committee meeting will be held on November 14, 2007 at 11:00 a.m. in the Board Room in Gateway.

Budget and
Finance
Committee
Report

NEW BUSINESS

Mr. Donner presented the proposed budget for 2008, line item by line item.

New Business

There was discussion regarding the line item in the operating fund for landscape rehabilitation.

Ms. Turnier moved to propose \$130,000 be earmarked in the 2008 budget for landscape rehabilitation in the operating portion of the budget rather than the suggested \$150,000. Mr. Priebat seconded.

Motion To
Change Budget
Projection for
2008 Operating
Rehabilitation
(Not Carried)

Following discussion, the vote was as follows: 2 ayes (Turnier, Priebat) and 3 naves (Wall, Fredlund, Morgan). The motion did not carry.

Mr. Wall moved to approve the Mutual's portion of the 2008 budget as presented by MOD and recommended by the Budget and Finance Committee in the amount of \$4,550,469 in the operations budget and \$3,003,598 in the reserves budget, for a total Mutual assessment of \$7,554,067. Mr. Fredlund seconded, and the motion carried unanimously.

Approval of 2008
Mutual Budget

RESIDENTS' FORUM

Resident Hugh Grey, Golden Rain – Entry 25, cautioned that keeping adequate reserves is essential to the well-being of the Mutual. Mr. Donner commented that the Mutual is keeping within the recommendations of the reserve study.

Residents' Forum

Resident Leonora Pannell, Golden Rain – Entry 6, reported that the laundry room in her entry is in deplorable condition with a dangerous pathway needing landscape clean up on one end and steep steps on the other. Mr. Priebat stated that the laundry room is located within his district and he will check into the matter.

ANNOUNCEMENTS

The next regular meeting of the Board is scheduled for Friday, October 26, 2007 at 10:00 a.m. in the Delta Room at Del Valle Clubhouse.

Announcements

The Annual Membership Meeting will be on Tuesday, October 2, 2007 at 10:00 a.m. in the Las Trampas Room at Hillside Clubhouse. There will be a celebration marking the fortieth anniversary of First Walnut Creek Mutual.

A copy of the resale report is attached.

ADJOURNMENT

Having no further business, the meeting adjourned at 11:22 a.m.

Adjournment

Mel Fredlund, Recording Secretary
First Walnut Creek Mutual

