

BOARD OF DIRECTORS REGULAR MEETING

Thursday, February 20, 2025, at 10:00 a.m.

Meeting was Conducted In Person and Virtually

Peacock Hall – Gateway Clubhouse
1001 Golden Rain Road, Walnut Creek, CA 94595

MINUTES

1. **Call to Order**
President Bruce called the meeting to order at 10:03 a.m.
2. **Roll Call of Directors**
Lon Bruce – President
Michele Colucci – Vice President
Vona Scott – Treasurer
Jeanne Steidel – Secretary
Marv Ryken – Director
3. **Mutual Operations Staff**
Jeroen Wright – Mutual Operations Director
Todd Arterburn – Chief Financial Officer
Eric Howard – Building Maintenance Manger
John Tawaststjerna – Landscape Manager - excused
Anna Rocha – Board Services Coordinator
4. **Approval of Minutes**
 - a. Executive Session Board Meeting Minutes – October 22, 2024
Colucci motioned; Lon seconded. Motion passes unanimously. (5-0)
 - b. Regular Session Board Meeting Minutes – January 16, 2025
Colucci motioned; Lon seconded. Motion passes unanimously. (5-0)
 - c. Executive Session Board Meeting Minutes – February 13, 2025.
Colucci motioned; Lon seconded. Motion passes unanimously. (5-0)
5. **President’s Report** – Bruce
Bruce report included information regarding state law for defensible space for fire safety meaning plants and other items should be cleared at least 5 ft away from the building. Bruce stated owners may be asked to honor this 5ft zone in due time. Bruce asked that owners update their annual 4041 forms and to ensure that their emergency contact information is up to date. There was discussion regarding SB 326 and whether co-ops are required to comply with these balcony requirements. Bruce stated that balconies are being used at storage space and will be requested to clean up these areas due to the fire inspections. When dealing with ants or rodents, owners should call MOD first and allow them to inspect and asses these requests. Bruce also thanked all the committee members and volunteers for helping SWCM run smoothly.

6. Mutual Operation's Report - Jeroen Wright

Wright reported that state law does not specifically state or address that stock cooperatives have to comply with SB 326, and the GRF attorneys are in agreement with this, however GRF is recommending that the co-ops prepare and start to budget for these inspections in 2026 in case the law does change. GRF is meeting with the Task Force to discuss the Management Agreement. GRF is trying out a new structure when creating the agreement which includes reviewing all MOD roles and their scope of work. The landscape portion of the Management Agreement is complete. They are currently working on the Building Maintenance portion and the Administration. This will be a living document as items may come up that were not included into the agreement and so it will need to be amended. There will be a very basic fire extinguisher training scheduled to take place on March 4, 2025, at 1:30 p.m. in the Vista Room. This training will provide all those tackling on the inspections with proper training.

7. Chief Financial Officer's Report – Todd Arterburn

Arterburn reported that the NetSuite implementation is still in progress. MOD is running into a few issues such as information transitioning. Because of these issues, the monthly financials are delayed. Arterburn stated that he is hoping for a mid-March delivery date for the financials. They will provide interim financials so that SWCM is in compliance with the law. The training of the NetSuite software is still coming along slowly. ACH pulls should have occurred by now for all the mutuals and if this hasn't happened, please reach out to Todd Arterburn so he can address these items. All late and interest fees will be waived.

8. Treasurer's Report – Scott

December 30, 2024, Financials:

Overall: The Mutual is under budget to actual variance of approximately (~) \$23k for December and is under budget year to date by ~\$220k.

Cash & Investments: As of December, the Mutual had ~\$4.3 MM in Operating and ~\$5 MM in reserves.

Subsequent Events: There was one (1) significant event which was the mutual paid 3.8 MM in insurance in January. The entire insurance premium is paid at the beginning of the renewal period.

- **Heads-Up:** 3.8 MM in property taxes will be due in April and the Mutual may need to borrow from the Reserves for that.

Delinquencies: Coupon delinquencies continue to be high. Coupon delinquencies are at \$205,000 at the end of December 2024. 63% of those are 90 plus days in arrears.

Scott thanked the committees for doing their part with helping the mutual save money. Colucci spoke on homeowner insurance and that owner's should invest in their own insurance as the property insurance only applies to the exterior of the building, not the components within your unit. She also spoke about the list of items that the Fire Marshall created of units in the mutual that have bulk items laying around the community that will

need to be cleaned up.

9. Building Maintenance Manager's Report – Howard

2024 PREVENTITIVE MAINTENANCE AND RESERVE PROJECTS

Building Rehab Work-Our mutual 2 carpentry crew has paused the major building rehab and is focusing on various minor rehab projects and gutter cleaning throughout mutual 2.

Appliance/Water Heater Replacements-

- Appliance replacements for December 2024 Total \$5,663
- Water heater replacements for December 2024 Total \$19,317

Water-Cooled Air-Conditioning Conversion- Freemans Heating and Air continues to convert 483 water-cooled A/Cs to air cooled units. They are currently working on 1101 Stanley Dollar and have completed 322 installations as of February 7th.

Roof and Gutter Cleaning- Roof and gutter cleaning are currently on going throughout SWCM. If you see any overflowing gutters or storm drains during the winter months, please call the work order desk at 988-7650.

1217 #5 Running Springs Fire Update- The contractor, Restoration Management, has started rebuilding manor #5. They have completed the rough plumbing, electrical and HVAC. After they pass the City inspection they will start the insulation and the drywall work.

1349 Running Springs Foundation Repairs- The foundation repairs have been completed at 1349 Running Springs and the 2nd phase to repair the interior walls, doors and windows has begun.

1333 Running Springs Foundation Repairs-The foundation stabilization work at 1333 Running Springs has been completed. The 2nd phase to repair the interior walls, doors and windows has been evaluated and is out to bid.

Re-piping 3441 Tice Creek -The contractor, Flowing Water and Drain currently is in the process of re-piping the building. Once the re-piping has been

completed, Gauthier's Construction will repair and paint any access holes created inside manors during the re-piping process.

PROPOSALS FOR APPROVAL

1333 Running Springs Ct. Foundation Stabilization Project

Gauthiers has provided a proposal to repair the interiors of seven manors that were damaged from the foundation work that was recently completed.

The work consists of patching, texturing, priming and painting drywall cracks on the walls and ceilings. Adjusting front and interior doors to properly close and regrouting some tiles.

The total cost of their proposal is \$28,978

This work has been budgeted for 2025 and will be paid from the reserves account.

*Bruce motioned to approve Gauthier's Construction for \$28,978; Ryken seconded.
Motion passed unanimously. (5-0)*

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10. Landscape Manager's Report

a. Landscape Maintenance Report

Landscape Maintenance

- Pre-emergent weed control
- Hard pruning of shrubs
- Thrip treatment for affected plants
- Fertilization of shrubs will begin in early March

Tree Maintenance

- Stanley Dollar
 - o Pruning completed
- Singingwood Entries
 - o Pruning is in Progress
- Canyonwood Entries
 - o Pruning scheduled for late February

11. Committee Reports

a. Water Conservation Committee – Therese Welter

We have started 2025 with good news on the water usage front. . The month of January which was dry, until a week ago has shown significant reductions in water usage compared to previous January's. The January billing month starts on December 17 and goes until January 17. Fortunately, at this time of the year the sprinklers are turned off except for new plantings. This is the time of the year that we really can see the residential usage, because of very little water landscaping going on. Maybe a lot of you went away for the holidays and so there have been fewer running toilets or maybe you turned off the taps but whatever it is, it is very good for water usage.

When I compare overall usage with last year this time, we are down 12%. When I compare it to 2022, we are down 23%. So, whatever you are doing, keep doing it. Starting this month on our M2Rossmoor.com web site, you can find specific details about YOUR WATER METER. Find it under Committees, then Water Conservation. You probably have no idea which meter is yours, but if you look up your entry on the chart, you can figure it out. Write it down for future reference. This way you can track how you are doing compared to the other neighbors. I am thinking of a water usage contest to see which meter can have the greatest reduction. It will be announced at the next social event on March 6th. . More info on this exciting contest will be available soon in the Rossmoor News and the Second Mutual Website M2rossmoor.com under committees, then water conservation.

One more bit of good news, EBMUD and the Water Committee certified the number of Water- Cooled air conditioner replacements in 2024 and determined that there were 155. So that means that a rebate check for \$19,375 will arrive and be applied to our meter billing for the SWCM

Keep up the good work and report to Mod all water breaks or strange water issues. Let us save gallons and \$\$\$.

b. Trash Committee –

No report.

c. Landscape Committee –

1.) Report from Jesus:

The existing project list will be done in order of requests.

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The budget for 2025 is \$125,000.00. All rehab will be done by the MOD crew. If a large job needs to go out to bid it will need to be submitted to John by September to go into the budget for 2026.

Plant replacements are being done on Canyonwood, Ptarmigan & Tice Creek. Jesus will place the plants on Canyonwood, Entry 11 himself before they are planted.

Phase 3 mulching on Tice Creek will be done in April.

At Entry 16 Tice Creek there is a Juniper hedge that M2 shares with M3 which needs to be removed & the area replanted. M3 landscape committee has given approval for the work to be done in June. M3 & M2 will share the cost.

2.) Tree removal from John:

John has established a good relationship with the Walnut Creek permit department so he is able to appeal denial of permits multiple times. The City of Walnut Creek does not consider fire safety a reason to remove a tree. Trees that can be removed include Monterey Pines & Eucalyptus, especially Blue Gum Eucalyptus.

There are grants for Juniper removal from Diablo Fire Safe. Applications are excepted but payment must wait for funding. The work should be done & paid for before reimbursement. Hollywood Junipers need to be removed, they are now classified as shrubs so MOD crew can remove them instead of a tree company.

Trees planted one to five feet from buildings are to be removed in phases. MOD will replace with new trees planted ten to fifteen feet from the buildings.

3.) Each landscape committee member needs to identify (2) small areas for potential rehab & send the info to Jesus.

Report any edging strips that need to be replaced or removed. Identify D.G. walkways that should be redone in summer.

4.) Janice has taken pictures of the Cat Chang project during the entire process. Tieka will work with Vona on updating the landscape page in the M2 website.

5.) FireWise report from Bob:

The last FireWise Town Hall was very well attended. It is now on the Rossmoor website. Rossmoor will get points for any resident that watches.

Another Town Hall will be held in the fall.

The state has mandated that by 2029 no non-functioning lawns will be watered.

d. Infrastructure Committee – Ryken

Dan Davis reported that there is a concern that drains are being clogged by leaves and will result in flooding. Steve and Linda have been inspecting all the drains in the mutual and report that this year the drains look a “hell of a lot better” than last year. Eric Howard has been working on an RFP for replacement of the interior Zinsco electrical panels that needs to be done to be in compliance with insurance requirements. External building inspections are scheduled to begin soon. They are beginning to spot check entries to ensure that there is sufficient lighting at night. There will also be spot checks to make sure that the laundry rooms are being cleaned routinely.

e. Finance & Insurance Committee

Scott met with Todd Arterburn last week and both have list of to-do items that they will both update each other with.

f. Welcome Committee –

Susan Haighbishop reported that the next social gathering is scheduled for March 6, 2025 at Creekside Clubhouse in the Club Room. The agenda will be the same as before as there some items that were not touched on at the last meeting. An e-mail will be sent out so that residents can reserve their spot. She reported that communication is so important for Second Walnut Creek residents. New residents are lost when they first move in as there is not enough information broadcasted. There should be more articles in the Rossmoor newspaper.

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g. Technology & Communication

No report.

h. Architectural Review Committee – No report

Mark Fehlig reporting on the EV Charges and that there are 25 people that are now charging their cars and are pleased with the charging. The EV Committee works with sustainable Rossmoor and will continue to help and communicate with the owners with any questions that they may have when it comes to EV Charging. Mark is using a roster to help coordinate with owners and their carport numbers. MOD charges EV charges quarterly and is on top of who is paying. \$10,000 a year is collected from these charges. The EV charging is standing in great shape, and it has been working. Applications for EV Charging is available online for those that are interested.

i. Contracts, Grants and Rebates Committee – No Report

No report.

k. Neighbors for Safer Streets Committee – No Report.

Lynn Caruthers reported that money for pedestrian flags were sought out and how many were going to be needed. 355 flags were purchased. Canisters were replaced and installed. The project should be completed in a couple of weeks. Owners should use them to demonstrate how to use them. Using them demonstrates how safe they are.

12. Old Business

a. Transfer on Death Deed, after 28-day Member Review Period

i. Member Questions / Comments

ii. Board Review, Motion & Discussion

Bruce motioned to approve the Transfer on Death Deed Rule Change; Scott seconded. Motion passes unanimously. (5-0)

b. 4041 Form Discussion and its importance

13. New Business

a. Cost of 2024 Financial Report preparation and mailing

This item was tabled.

b. Committee Reports Deadline

This item was tabled.

c. Plastic Storage Bins in Parking Area

This item was tabled.

d. Approval of \$300 (each) for 5 Meetings by the Welcome Committee for Mutual

Colucci motioned; Scott seconded.

Motion passes unanimously. (5-0)

e. Marking of Member EV signed up with SWCM to charge policy update – Review/Discuss

Discussed during the Committee Reports under Architectural Review Committee.

f. Ethics Agreement.

Bruce motioned that the Directors of SWCM will abide by the Code of Ethics and Conduct and that this will become the standard going forward; Scott seconded.

Motion passes unanimously. (5-0)

14. Members' Forum –

A resident stated that he would like to recognize all the residents in their own entries for their continuing help on cleaning debris and leaves in the drainages. A resident reported on agenda items and what the criteria is for getting topics on the agenda. A resident reported that they are in the middle of the re-pipe project that the board approved and presented some photos of oxidized

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piping with the galvanized pipes. The residents would like the board to be aware. Another resident reported that the fluorescent tube lights burned out and went to the store and reported that that these lights are now illegal to have in California.

Announcements – There being no further business, the board of Directors Regular Meeting was adjourned at 11:40 a.m.

Board Services Coordinator

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

Anna Rocha