

BOARD OF DIRECTORS REGULAR MEETING

Thursday, January 16, 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
Anna Rocha – Board Services Coordinator

4. **Approval of Minutes**

- a. Executive Session Board Meeting Minutes – October 22, 2024
The board decided to table this item to confirm more details about meeting date.
- b. Regular Session Board Meeting Minutes – November 21, 2024
Bruce motioned; Scott seconded – there was no discussion; motion passes unanimously. (5-0)
- c. Executive Session Board Meeting Minutes – December 12, 2024.
Bruce motioned; Scott seconded. Motion passes unanimously. (5-0)
- d. Executive Session Board Meeting Minutes – December 23, 2024
Bruce motioned; Colucci seconded. Motion passes unanimously. (5-0)

5. **President's Report** – Bruce

Bruce greeted the membership by stating Happy New Year. Bruce thanked and commended the Hospitality Committee, Susan Haighbishop, Lynn Carruthers, and Shelly who sponsored the first social event. There were sixty-five (65) residents in attendance at this event and it just the start of good things to come for the year.

6. **General Manager Report – Jeff Matheson**

Jeff Matheson thanked the Board of Directors and the community for the opportunity to address the membership about the 2025 Coupon and some concerns and questions that owners may have about rising costs in the valley. Matheson conveyed to the residents that moving into the year 2025, that Rossmoor continues to be a premier adult active community. The Firewise Townhall took place on January 14, 2025, in the Tahoe Room of the Event. With over 800 people attending, it helped Rossmoor gain enough volunteer hours to be recognized as a Firewise community. Matheson stated that Second Walnut Creek Mutual is a wonderful community and that both Golden Rain Foundation and Second Walnut Creek Mutual have faced unprecedented times over the last decade. There was an insurance crisis that started in 2018, pandemic, inflation over the past several years impacting projects, staffing costs, costs of goods and services, and utilities. Matheson reported that in 2018 the cost of the Master Policy was \$409,777 and in 2025, it is now \$5.6 million dollars and is the number driver in costs for all the mutuals. Matheson then reported that Jeroen Wright and Todd Arterburn would be going over the breakdown of costs for operating expenses and the breakdown of their coupon for 2025. Todd Arterburn went over the methodology that goes into the budgeting numbers and explained how owners' money is being spent and budgeted within Second Walnut Creek Mutual. Todd Arterburn and Jeroen went over the presentation deck with the community that shows the breakdown of the 2025 coupon. The board would like a copy of the slideshow after the meeting.

7. **Mutual Operation's Report - Jeroen Wright**

Wright reported on the status of the Corporate Transparency Act and its purpose. The Corporate Transparency Act was started to curtail terrorists funneling money from businesses. Mutuals and small associations were lumped into this as well. Currently, the Fifth Circuit Court of Appeals has decided to stall the Corporate Transparency Act and so businesses are not required to send in their Beneficiary Forms and their identification at this time. Mutual Operations have requested and received all the Mutual's forms and ID's just in case the court decides that they want to request it from all Mutuals. The Mutual Operations Department will let all the communities know if this is back on. Wright reported that the Firewise Townhall took place on Tuesday, January 14, 2025, from 2 p.m. – 4 p.m. in the Tahoe Room at the Event Center. There was a total of 816 participants that viewed the town hall. If Owners could not attend the town hall, it will be aired on Rossmoor T.V. and YouTube. Rossmoor needs 1300 hours of volunteer time in order to be considered a fire-wise community. Rossmoor gained more than the 1300 hours of volunteer time required with everyone who attended the town hall and can be recognized as a Firewise community. Additional credit will be counted towards volunteer hours when using YouTube.

8. **Chief Financial Officer's Report – Todd Arterburn**

Arterburn reported that the NetSuite implementation is still in progress. MOD is still using both Jenark and NetSuite systems currently. There was a hiccup in the new NetSuite program regarding homeowners' regular assessments. Homeowners are reporting that their monthly assessments are not being pulled out of their bank accounts. Arterburn reported that unfortunately, MOD could not run tests on pulling owner's assessments from their banking

accounts so the hiccups that occurred were unforeseen. There may be unforeseen bumps in the road with the new NetSuite implementation, but moving forward NetSuite is going to put all the Mutuals in a much better spot when it comes to financial reporting and budgeting. The Budgeting tool will go live on June 1, 2025.

9. Treasurer’s Report – Scott

November 30, 2024, Financials:

Overall: The Mutual is under budget to actual variance of approximately (~) \$25k for November and is under budget year to date by ~\$353k.

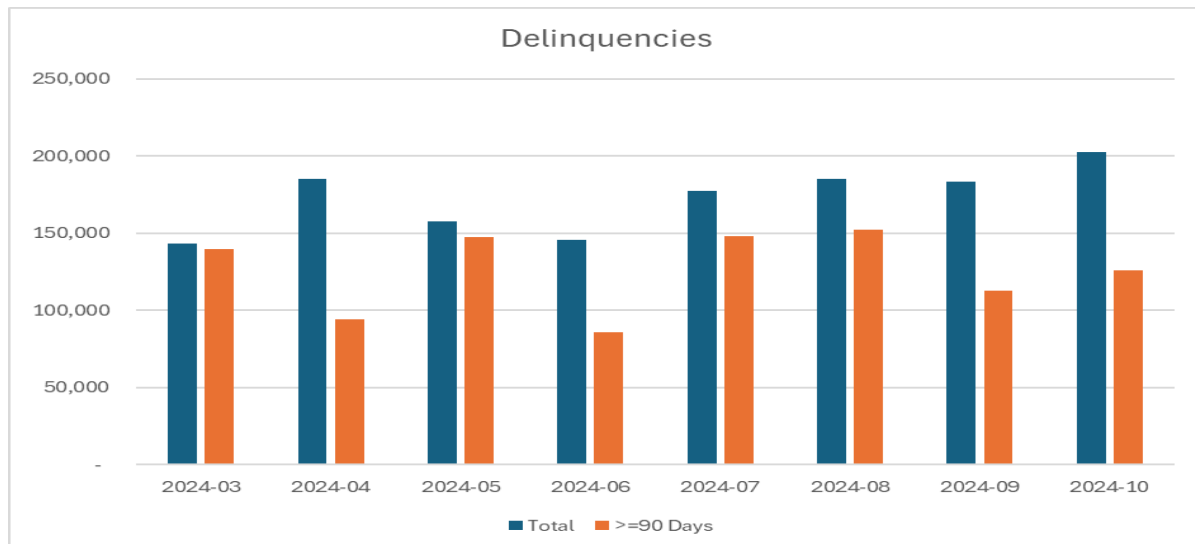
Cash & Investments: As of November, the Mutual had ~\$7.6MM in Operating and ~\$5.5MM (\$3.4MM in cash and \$2.1MM in investments) in reserves.

Subsequent Events: There were two cash payments made in December 2025 that are of significant impact to the financial statements. They include:

- \$3.1MM was paid to the Contra Costa Tax Collector for the first installment of the 2024-2025 taxes for SWCM. The 2nd installment of \$3.1MM will be due in April 2025.
- \$812k was paid for insurance retention which is made to our broker (Gallagher) in advance of the annual billing for insurance, which is due this month. (Insurance is paid yearly in full at the renewal date and is then amortized into the financial statements throughout the policy period.)

Heads-Up: Given the large amounts of payments due in the 1st trimester of 2025 (insurance and taxes) it may be necessary for SWCM to borrow from its reserve funds to make the required payments

Delinquencies: TBD. A request has been made to MOD for details on the delinquency details, so that the Finance Committee, Collectors and Mutual Lawyers can work on collecting the monies due the Mutual.



MOD Management Fees: MOD monthly fees continue to be over budget by ~\$3k a month or ~\$36k projected for the year. This has been offset by the MOD Landscape Contracted Services, as described below.

Building Maintenance & Public Works:

- **Carpentry:** While slightly high for the month, it is ~\$63k over budget for the 2024 thus far.
- **Manor Lube:** Is on track for the month. However, it is over budget \$100k for the 2024 thus far.
- **Sheet Metal/Gutter Cleaning and Repair:** Is over budget \$18k for November and \$23k for the 2024 thus far.

Landscape:

- **MOD Contracted Services:** MOD monthly fees continue to be under budget by ~\$3k a month or ~\$36k projected for the year, offsetting the MOD Management Fees described above.
- **Rehabilitation:** We are under budget for October by \$14k or \$125k for the year thus far.

Insurance: While all of Rossmoor continues to struggle with both the cost and lack of insurance coverage. We are under budget year to date by \$227k, driven mostly by lower-than-expected property damage claims of \$79k (Great work Members!) and unbudgeted, but expected insurance commission refunds of \$106k.

10. Building Maintenance Manager's Report – Howard

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

Appliance/Water Heater Replacements-Appliance replacements for October Total \$12,105. Water heater replacements for October Total \$27,532

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 1116 Leisure Lane and have completed 312 installations as of December 13th.

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, is scheduled to begin the rebuilding of manor #5 this week. The first phase will be to rebuild the framing of the roof that was damaged by the fire. The projected time frame to complete the project is 4 months.

1333 and 1349 Running Springs Foundation Repairs- The contractor, Acustruct has completed 95% of the work on stabilizing the foundation at 1349. The next phase is to begin the repairs on the interior walls, doors and windows of the manors affected by the

foundation stabilization.

The foundation stabilization work on the neighboring building at 1333 Running Springs is underway and is approximately 75% complete.

Re-piping 3441 Tice Creek -The contractor, Flowing Water and Drain, is in the process of scheduling with the residents and will be starting the re-piping project in the next few weeks.

PROPOSALS FOR APPROVAL

Custodial contract for cleaning of the laundry rooms and restrooms

Renew Omni Janitorial Services existing contract for 1 more year.
Omni will honor the existing 2024 contract terms and pricing of \$3,000 per month. This will be paid from operating.

1333 Running Springs Ct. Foundation Stabilization Project

Proposal to pre-approve \$100,000 to be spent on repairing the interior and exterior of 1333 Running Springs Court due to the building being disrupted by the stabilization of the foundation.

The scope of work would be done by a General Contractor and would include repairs needed in the Living Room, Dining Room, Bathrooms, Kitchen entry way, closets, balconies, carports and the building's exterior.

This phase of the foundation stabilization project has been budgeted for 2025 and will be paid for by reserves.

a. Omni Janitorial Cleaning of the Laundry Rooms /Restrooms -

Bruce made a motion to approve Omni Janitorial; Colucci seconded.

Motion passes unanimously. (5-0)

b. 1333 Running Springs Ct. Foundation Stabilization Project –

Bruce made a motion to request three (3) bids for 1333 Runnings Springs Ct.

Foundation project; Colucci seconded.

Motion passes unanimously. (5-0)

Landscape Manager’s Report

a. Landscape Maintenance Report

Tawaststjerna reported that Terra Landscape is focusing on pruning throughout the Mutual. If there are any pruning requests, Tawaststjerna recommends residents reach out to the Work Order desk to submit these and the crew will put this on their schedule. Tawaststjerna reported that tree maintenance and pruning will be happening on Stanley Dollar, Singingwood, and Canyonwood. He reported that he will be gathering estimates for each of these entries. The MOD crew is also finishing up the final plant replacements. They are working on Tice Creek and there are a couple places left over from last year where plant replacements need to be put into the ground. Tice Creek Entry D the lawn conversion was finished and reviewed with the contractor and all that is left is to install benches in the landscape.

12. Committee Reports

b. Water Conservation Committee

Therese Welter, Ann Stanwood, Susan Steele

The December 2024 water bills have been reviewed and recorded to complete the year end 2024 usage year. The Water Conservation Committee (WCC) has been recording each month’s usage and billing and comparing it to the previous period for the last three years. The comparison in water usage for the 3 meters compared to the other 8 meters is as follows:

2022	2023	2024	
3 water cooled meters gallons serving 468 co-op units (only partially installed)			
56,047,642	46,666,232	43,991,360	-22% reduction since 2022
8 non-water-cooled meters in gallons serving 899 co-op units			
49,716,623	49,563,965	51,341,105	+3% increase since 2022
Total 11-meter serving 1,367 (20 not accounted for in TC A)			
105,764,265	96,230,197	93,332,465	-10% decrease since 2022

Water usage decreased by the 3 meters where the air conditioners are being replaced but increased in 6 of the 8 other water meters. In 2023, restrictions on water were still in place and in 2024 we had less rain and a very hot October which required more landscape watering to save our plants.

Starting this month, January 2025, the WCC will publish, on the SWCM website M2rossmoor.com, under **COMMITTEES**, then **WATER CONSERVATION**, your **areas meter usage**, along with a list of all streets and entries and the acct number of the meter where your area is billed, for your reference. This will allow you to track water usage in your meter and visually identify water pipe breaks or excessive landscape watering due to broken sprinklers and report them to MOD. This is a big Mutual and it takes everyone’s help to keep water costs down.

Regarding water bill reduction, the WCC has negotiated with EBMUD a customized rebate on our water bills, for installing water saving air conditioning. In 2023 our rebate was \$18,500 and for the last period that covers 2024, the total number of air conditioner installed and confirmed by EBMUD is in the process

* Confirmation for 2024 installations will be available by end of January 2025

c. Trash Committee –

Report from the Trash Committee, 1/16/25
Kathleen Epperson & Carol Hummel

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Between January and November 2024, only 15 of our 85 trash enclosures had any extra charges! So far, these extra charges only total \$511. We have not yet processed the charges for December.

11 trash enclosures have gone 1 year without extra charges. 26 enclosures have gone 2 years. 19 have gone 3 years. And 16 have had no extra charges during the past 4 years! This is a huge improvement!

Many Second Mutual residents are making sure:

- All container lids close
- All plastic bags are in LANDFILL
- Boxes are broken down or taken to MOD Recycle Yard
- Everything in RECYCLE is loose (except for bags of shredded paper)
- Only five things are in RECYCLE: Hard plastic, metal, glass, paper (only if easy to write on), or flattened cardboard.

d. Finance & Insurance Committee

Vona Scott confirmed that the committee met on January 8, 2025, and the minutes for the meetings are available on the SWCM website. They are looking forward to meeting with Todd Arterburn and Amanda Davis, Mutual Operations Department staff sometime after the new NetSuite conversion is up to date.

e. Welcome Committee –

Susan Haighbishop reported that they had a good social event, and despite the room change at the Event Center, it was a great turn out. Over 90 people were in attendance and a few new residents as well. It was a great opportunity for residents to meet their neighbors and network. Haighbishop requested a new Resident Roster so that they can contact people. Haighbishop reported that they are looking forward to the March meeting but are requesting additional help to make the next event even more of a success. She also recommends that residents start utilizing the website as there is plenty of resources to assist owners with items some as Governing Docs, minutes, and 4041 Forms to update your contact information.

f. Epics Committee –

The EPICS committee which has been folded into the new Infrastructure committee. Marv Ryken will be heading the Infrastructure Committee.

g. Neighbors for Safer Streets

Lynn Carruthers

Carruthers reported on the GRF Board and whether or not they will be allocating any additional funds or support to make Rossmoor even safer. Carruthers is reporting that Second Walnut Creek Mutual should set an example for other Mutuals and show them what a difference it makes when residents work together to benefit the mutual. Being apart of Neighbors for Safer Streets is as easy as providing your email address so that owners can do something from the comfort of their own home. Carruthers reported on some of the duties that committee members can do such a reporting speeding cars during while out walking the community.

h. Technology Committee – No report

i. Alterations Committee – No Report

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- j. Contracts, Grants and Rebates Committee – No report.**
- k. Infrastructure – No Report.**

13. New Business

l. Cost of Financial Report

This item was tabled.

m. Committee Reports Deadline

This item was tabled.

n. Plastic Storage Bins in Parking Area

This item was tabled.

o. Social Events in Lieu of the Old BOD Regular Meeting – Review/Motion

This item was tabled.

p. Transfer on Death Deed – Review/Discuss

January 2024 a law passed owners can file for a Transfer on Death Deed. This allows an Owner to designate a beneficiary who will inherit residential interest in the membership upon the members' death. This is another possibility when wanting to leave property to someone without having to go through probate. The Mutual has their attorney draw up the rules for this. This is not considered a bylaw change, but a rule change. A rule change is done by providing general notice to the board with a 28-day review and comment period.

Bruce motioned; Colucci seconded.

Motion passes unanimously (5-0)

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

r. Motion for Mark Fehlig to be the New EV Coordinator

Bruce Motioned; Ryken Seconded.

Motion Passes Unanimously. (5-0)

s. Current EV Charging Rates per SWCM Policy – Review/Discuss

Bruce reported that there is a plan to buy small and inexpensive device for the Mutual that shows how much energy is being used in that particular outlet and charge those that apply for Golf Cart Charging and would be a part of the setup fee. This item has been tabled for now.

t. SWCM to Buy Electric Current Monitors for all Members using EV Charging in their Carports – Review/Motion

Item tabled for now.

u. Ethics Agreement.

Item tabled for now.

v. Rat Abatement Costs – Review/Motion

Bruce motioned; Colucci seconded.

Motion passes unanimously. (5-0)

w. Property Insurance Shared Deductible Agreement

Colucco Motioned; Bruce seconded.

Motion passes unanimously. (5-0)

x. Fire Breaks in Non G11 Buildings.

Item tabled for now.

14. Members' Forum –

A resident reported an issue with 13 eucalyptus trees and wanted to know if there is a plan to get rid of these trees. A resident reported that for several months, the water flow in their home has been very weak and less than it normally is. A resident reported communication issues with

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not knowing why, the coupon was not coming out at it's regular time. A resident reported that there is a rat issue throughout Rossmoor. The resident also reported that ECHO is coming to Rossmoor on January 22, 2025, to educate board members and committee members. The location has changed to Grace Presbyterian Church. A resident reported that she would like to learn more about alterations and landscaping and how to interact and communicate with them. Treasurer Vona reported that the Rossmoor fund has stepped up to reimburse owners that needs transportation services during the weekend since GRF has suspended the weekend bus service. GRF is now reimbursing residents that need transportation. The information is on the Rossmoor website about how you can be reimbursed.

15. Announcements – There being no further business, the board of Directors Regular Meeting was adjourned at 12:22 p.m.

Board Services Coordinator

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

Anna Rocha