

SECOND WALNUT CREEK MUTUAL

BOARD OF DIRECTORS REGULAR MEETING

Thursday, June 19, 2025, at 10:00 a.m.

Meeting is Conducted In-Person and Virtually

Peacock Hall / Gateway Plaza
1001 Golden Rain Road, Walnut Creek, CA 94595

MINUTES

Call to Order

President Bruce called the meeting to order at 10:03 a.m.

Roll Call of Directors

Lon Bruce – President
Michele Colucci – Vice President
Vona Scott – Treasurer
Bob Kelso – Secretary
Marv Ryken – Director

Mutual Operations Staff

Jeroen Wright – Director of Mutual Operations
Todd Arterburn – Chief Financial Officer *via Zoom*
Eric Howard – Building Maintenance Manager
John Tawaststjerna – Landscape Manager *via Zoom*
Lisa Kam – Interim Board Services Coordinator

Approval of Minutes

Regular Board Meeting Minutes – April 17, 2025

Scott made a motion to approve minutes of the Regular Board Meeting Minutes of April 17, 2025 with minor changes seconded by Kelso. *Approved by unanimous vote 5-0*

President's Report – Lon Bruce

President Bruce wants to thank all the volunteers. Over the next several months, SWCM and board of directors will be focusing on two important duties: 1) Election cycle, 2) Preparation of the budget for 2026.

Operations Manager's Report – Jeroen Wright

Wright reported continued work on the management agreement, our portion of the Kroll valuation has been completed, Firewise continues to do well and great response for volunteers. Wright to get exact Kroll information to the Board.

Chief Financial Officer – Todd Arterburn

Arterburn gave his appreciation to the Board. Working on getting the financials out today. Accounting staff closed on time. We have some great tools to help us through the Budgeting process. More online NetSuite access sooner than I thought.

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Treasurer's Reports – Vona Scott

Scott reported they received the financials, year to date through April. YTD we are under budget \$541,000 in operating expenses and we are \$700,000 under in reserve studies. Some of this is due to seasonal expenses. The finance committee met with Todd, and we received answers to our remaining questions on the 2023 review statement; the draft is now signed off on. It will be posted to the website, but we will not mail out until 2024 is complete. Operating income/interest income we are over budget \$24,000. Manor inspections, as of April, we are under budget \$24,000 ytd because we don't actually start inspections until June. Insurance we are \$511,000 we got a great rate, and we are going to try to hang on to and, hopefully, help reduce costs next year. Utilities are under budget \$69,000. The Water Committee has helped us save \$33,000, Trash Committee has helped save us save \$17,000 and John T and his committee has helped us save in electrical for lights \$19,000. Reserves we have interest income over budget of \$69,000. Facility Maintenance under budget of \$453,000 again timing. AC replacement is under budget of \$47,000. Public works (concrete, drainage etc) is under budget by \$105,000.

Full report can be found on Mutual 2 website.

Building Maintenance Manager's Report – Eric Howard

2025 PREVENTITIVE MAINTENANCE AND RESERVE PROJECTS

Building Rehab Work-Our Mutual 2 Carpentry Crew and painters are on Singingwood Court Entry 6. They are rehabbing and painting the exteriors of the buildings and carports.

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 1209 Running Springs and have completed 358 installations.

Entry Bridge Replacements- Gauthiers construction has started foundation work on 3 new building entry bridges. This project was approved in November 2023 and encountered some delays by the structural engineer and the City of Walnut Creek. The new bridges being constructed are located at 1125 SW, 2724 TC and 2740 TC.

1333 Running Springs Foundation Repairs-The 2nd phase of the project repairing the interior walls, doors and windows is ongoing and is 25% complete.

Re-Roofing 2856 Tice Creek- State Roofing has begun re- roofing 2856 Tice Creek. The project is expected to be completed this month.

Annual Inspections- Our annual inspections have begun. Technicians will be knocking on doors to do the inspections and will be checking the smoke detectors, carbon monoxide detectors, changing furnace filters, inspecting furnaces, inspecting A/Cs and cleaning refrigerator coils if needed.

3248 TC Soil Movement- A soils engineer is evaluating soil movement on the corner of the building 3248 TC by manor #4. Contractors are requested to bid on the foundation repairs recommended by the engineer.

SB-326 Inspections- FWC Structural Engineers has been hired to complete a preliminary inspection on balconies and raised stairways. They will be inspecting two of each of the five building styles in SWCM that contain balconies and raised stairways

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Replace 40 interior Zinsco Electrical Panels

We have received proposals from four contractors to replace 40 interior Zinsco electrical panels in accordance with the scope of work that was provided to them.

KR Electric \$151,609

Five Star \$120,000

Gauthier's \$119,920

AMAC Con. \$101,480

Colucci wants to ensure that any contractor we hire will have the necessary C-10 electrical license. Also, the bids do not include the cost of a permit, do we know how much that will be? Rykin working with the city on permits, they can do a master building permit, but they prefer to be one building. Rykin put together a list, 42 panels in total but some buildings have multiple panels so would only need 22 permits @ \$350.00 per permit for a total of \$7,700. If we include two more that would be an additional \$5,074, plus the permit, plus the panel for a total of \$114,254. Instead of saying this many panels, which may vary, we should approve panel replacement of a maximum of \$115,000 for 2025. Howard is compiling a list of the number of interior panels we have, he knows of 186. Will get updates from the manor inspections. All bids include interior drywall and painting. I have just become aware there are some Piedmont townhouses where the panel is located in a closet under the stairs, not enough room, will need to look at how we can do this.

Kelso made a motion to allocate \$115,00 to AMAC Construction for conversion of Zinsco Electrical Panels with a 10% contingency Rykin seconded. *Approved by unanimous vote 5-0.*

Landscape Manager's Report – John Tawaststjerna / Jesus Morales

Landscape Maintenance

- Weed abatement
 - o Completed
- Weed removal in shrub beds
- Removal of dead or dying shrubs
- Grub control in lawns

Tree Maintenance

- Tree Permits
 - o Fairlawn Entry 2 (Approved)
 - 1 Redwood
 - o Canyonwood Entry 8 (Approved)
 - Canary Island Pine & Monterey Pine, will try to complete in July.
 - o Leisure Lane Entry 3 (Approved)
 - Sequoia
- Tice Creek Entries 1-5
 - o Scheduled for July

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RPM Rehab Crew

- Tice Creek entries 6-17 (Zone 5)
- Tice Creek entries AA, D, E, 1-5 (Zone 6)
- Mulching completed up to Tice Creek Entry 10 on 6/16/25

Working slowly on quotes for the Juniper removals. Waranar took a look and says it will be at least \$50,000. Diablo fire safe council has put a pause on any grants. I would rather pause this project until we can get a grant as it will save us at least half. Looking to do in 2026.

Two benches will be installed on Tice Creek in July.

Committee Reports

Water and Conservation Committee Report – *Therese Welter*

Water usage ending May 23, 2025, year-to-date (YTD), shows a decrease in 5 meters and an increase in 6 meters compared to YTD May 24, 2024. This results in an overall decrease of 289,928 gallons - 1.4% compared to the previous year. The monthly usage for May 2025 alone is 1% less than in May 2024.

Natural fluctuations, such as a drier or wetter month, typically account for water usage variances of 5-10%. However, increases in the range of 15-30% usually signal underlying issues that need investigation. Currently, only one-meter falls into this category. This meter serves Canyonwood Entry 5, 8, 9, 11, and Ptarmigan Entries 4, 5. I have shared this information with Eric Howard and John T for further investigation regarding potential pipe breaks or sprinkler malfunctions. They will inspect the affected areas and provide a detailed report with their findings to address the issue effectively.

Although our water bills are \$20,857 or 7% higher year-to-date compared to last year, this aligns with the expected annual increase of around 8%. Additionally, water bills are slated to rise by approximately 8.5% starting July 1, 2025. As we move into the peak water usage months, it's crucial to conserve water wherever possible. Please check for leaks regularly, reduce irrigation times, and explore other ways to manage overall water usage efficiently.

The replacement of air conditioners has been slower this year, so we will not observe the dramatic decreases in water usage from the three associated water meters. These reductions would have otherwise helped mitigate overall usage and billing concerns.

As usual, details of each meter's water usage are available on the website. Please refer to this resource for further insights and updates.

Trash Committee – *Kathleen Eperson*

No report

Finance & Insurance Committee – *Victoria*

No report

Landscape Committee – *Tieka*

Met the new area manager, Luis Chavez. Working with Jesus, taking out the Junipers on Entry 16.

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Infrastructure Committee – Marv Ryken & Kevin Moore

Moore, we have now finished the remainder of Tice Creek Entries 1-17, Stanley Dollar Entries 1-4, all Singingwood, Canyonwood and Ptarmigan Entries 3,4, 5. Next goal we are looking at the exterior Zinsco Panels

Welcome Committee – Susan Haigh Bishop

No report.

Architectural Review Committee – Marv Ryken

No report.

Contracts, Grants, and Rebates Committee – Vona Scott

Scott reported on the grant process I was trying to get for the galvanized pipe project has been put on hold. Will try again next year.

Neighbors for Safer Streets Committee – Lynn Carruthers

No report.

Old Business

BBQ policy discussion

California Fire Code Language:

California Fire Codes § 308.3.1, § 308.1.4, and § 308.3.1.1 were adopted by the state in 2007. Open-flame cooking devices (including charcoal & propane grills) may not be operated on combustible balconies or within ten feet of combustible construction. There are exceptions for:

- One and two-family dwellings.
- Where buildings, balconies, and decks are protected by an automatic sprinkler system.
- LP-gas cooking devices having LP-gas containers with a water capacity not greater than 2-1/2 pounds [nominal 1 pound (0.454 kg) LP-gas capacity].

Current Mutual 2 Barbecue Policy Language

10.3 Barbecues

Only electric and propane-fired barbecues are permitted. Barbecues must be used and maintained safely and must not be a nuisance to other residents.

Proposed language

Only electric and propane-fired barbecues are permitted. Barbecues must be used and maintained safely and must not be a nuisance to other residents.

The use of open flame barbecues on wooden porch or deck areas is prohibited. Use of barbecues on concrete or ceramic tile floors is permitted as long as the barbecue is at least 10 feet away from any wood structure and is not located directly under a balcony overhang. There are exceptions for:

- One and two-family dwellings.

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- Where buildings, balconies, and decks are protected by an automatic sprinkler system.
- LP-gas cooking devices having LP-gas containers with a water capacity not greater than 2-1/2 pounds [nominal] 1 pound (0.454 kg) LP-gas capacity.

A fully charged ABC dry chemical fire extinguisher must be available within 5 feet of the barbecue.

All grills must have a lid that can close over the barbecue in case of a flare-up.

Grilling is prohibited on Red Flag Days or Spare the Air days.

Resident expressed his frustration, mostly everyone has a 25 gal canister, only someone with a Coleman camp stove would have a small canister and there are no adapters, so you are saying I cannot use my grill.

Colucci made a motion to approve the revised BBQ policy language as stated above seconded by Bruce. *Approved by unanimous vote 5-0*

Zinsco Electrical Panel Bids

Report given under Eric Howard.

Pro Elections Contract and Timeline

To see a timeline of the Election, you can go to the Mutual's website at m2rossmoor.com.

Bruce made a motion to include the candidates' statement in the second mailing by Pro Elections seconded by Colucci. *Approved by unanimous vote 5-0.*

New Business

Appoint Lisa Kam as Assistant Secretary.

Bruce made a motion and Colucci seconded to appoint Lisa Kam as Assistant Secretary to Walnut Creek Mutual Two. *Approved by unanimous vote 5-0*

Mutual 2 president's spending authority. Recently there was a regulator that failed, and the part was over \$14,000, for the emergency repair. This will give the Board president authority without calling a board meeting.

Bruce made a motion to establish spending authority up to \$15,000 and Kelso seconded. *Approved by unanimous vote 5-0*

Review and revise the Architectural Committee charter

To date, we have not had a viable Architectural Committee.

Bruce made a motion and Colucci seconded to appoint the Board members to act as the Architectural Committee *Approved by vote 4-1.*

Resident on Canyonwood Ct. is asking to move their mailbox.

Resident is asking permission to move the mailbox halfway up the stairs. Kelso will write a letter to the resident and work with her.

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Members' Forum

Resident wanted to thank Eric Howard and MOD for their quick action to his complaint of no hot water in his kitchen.

Resident recommended we call soil engineers to check our underground water pipes

Announcements

Board Meeting: The next scheduled Board meeting will be a Regular Session Meeting to be held on Thursday, July 17, 2025, at 10:00 a.m. in the Peacock Hall at the Gateway Plaza.

Adjournment

There being no further business, the board of Directors Regular Meeting was adjourned at 11:43 a.m.

Board Services Coordinator

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

Lisa Kam